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'I must brief you on the mistakes': When Ronald Reagan met Margaret Thatcher, 25-28 February 1981

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Abstract

Margaret Thatcher and Ronald Reagan gained power after promising similar solutions to the economic decline of the 1970s and are commonly viewed in the same ‘New Right’ context. Having met twice before in 1975 and 1978, the first meeting in February 1981, following their respective ascents to power, was popularly viewed as a diplomatic ‘love-in’ and a reaffirmation of the Anglo-American ‘special relationship’ in the context of an emerging New Right hegemony. However, this article demonstrates that even at this early stage, it was clear that the Reagan-Thatcher dynamic would be as much ‘political’ as would be ‘special’. While Thatcher used her visit to the United States to establish herself as Reagan’s principle ally and to endorse his economic programme, she had also hoped that it would offer some political cover from Britain’s troubled economy. However, Thatcher was undermined by the same administration that she was determined to support. Thus, this article offers fresh and renewed insight about the emergence of New Right policies in the 1980s and revisits the Reagan-Thatcher relationship, highlighting its contradictions and complexities.

Introduction

Margaret Thatcher and Ronald Reagan won general elections in 1979 and 1980 respectively as a result of the international instability and stagflation of the 1970s. Reagan and Thatcher saw their international interests converge as the Cold War re-emerged, and they both promised to deliver parallel monetarist, free market, and incentive-based solutions to economic decline.¹ When they met for the first time as world leaders in February 1981, it was clear that Reagan and Thatcher sought to demonstrate a commonality in domestic policy and closeness in foreign policy. Such a show of unity would allow them both to enjoy political cover as they wrestled with economic challenges at home and Communism abroad. However, behind that unity was a much more complicated picture, born out of the fact that in the 1980s the United States and Britain had very different economies. For instance, whereas both Reagan and Thatcher inherited economies with high inflation and higher rates of income taxation that they would seek to reduce, but, in contrast to the American case, the British economy was arguably defined by its nationalised industries and subsequent power of the trade unions related to them. Therefore, while the Reaganite and Thatcherite solutions could be superficially similar, they had to differ in important details. As a result, there was the risk that either side would have an interest in disowning the meeting's display of unanimity. This meeting also raises questions about what summits can really achieve, the differences between rhetoric and reality, and the nature of the early relationship between Reagan and Thatcher and their administrations. Over time, their relationship would develop strongly – albeit based perhaps more on friendship, admiration and shared

philosophy, rather than on total agreement about specific policies.² But if they were to reaffirm the ‘special relationship’, Reagan and Thatcher would need to emulate the successful meetings of their predecessors, particularly those of President Franklin D. Roosevelt and Winston Churchill, and President John F. Kennedy and Harold Macmillan, and of course avoid the difficult relationships of President Nixon with Harold Wilson and his successor Edward Heath.³

Thatcher’s first general election victory certainly inspired Reagan and the Republican Party. Following two earlier meetings, in 1975 and 1977, prior to their respective ascents to power, Reagan telephoned Thatcher to congratulate her upon her election as prime minister in 1979. Unfortunately for him, the civil service saw no need to prioritise a call from the former Governor of California and a failed presidential candidate, so Reagan was unable to speak with the new prime minister.⁴ However, eighteen months later, Richard Allen, Reagan’s first national security advisor, ensured that Thatcher’s congratulatory message was prioritised and handed to Reagan: the new president-elect read it to his supporters at his victory party in California.⁵ Thatcher’s importance extended beyond Reagan and the Reaganites, to the Republican National Committee (RNC). The Republicans badly needed inspiration following the Vietnam War, Watergate, and Gerald Ford’s defeat by Jimmy Carter in 1976.⁶ William E. Brock III, who had been appointed chairman of the RNC in January 1977, sought to learn lessons from political parties overseas. For instance, the Republicans adapted a Conservative advertisement that showed a young man ahead in a race, but slowed down by the heavy burden of carrying too much taxation, regulation and bureaucracy.

Originally, the young athlete had represented Britain; in the Republican version the athlete represented the United States.⁷ As Brock explained to the journalist Geoffrey Smith, who was developing his book, *Reagan and Thatcher*: ‘there was nothing that even came close to having the impact that the 1979 election in Great Britain had upon us’.⁸

The ‘special relationship’ between Reagan and Thatcher, and their parallel domestic policies, has been celebrated in works of ‘higher journalism’.⁹ For instance, the journalist Hugo Young argued that Thatcher received a hero’s welcome in America in 1981.¹⁰ Young notes that Thatcher was ‘a kind of Baptist to Reagan’s Messiah’.¹¹ Historians are only now challenging this consensus with two recent monographs focusing respectively on the differences in the administrations’ foreign and domestic policies.¹² Even while Thatcher sought to establish herself as a strong ally of the Carter administration¹³ and the Republicans admired her electoral success, the American New Right was suspicious of her economic policy. Following the 1979 UK Budget, Arthur Laffer, the godfather of supply-side economics, criticised Thatcher in the *Wall Street Journal*, on the basis that she had reversed the position she took in Opposition. Thatcher had advocated the merits of lower taxes as incentives for economic growth, but once in government effectively increased overall taxation through an increase in Value Added Tax (VAT).¹⁴ Laffer argued,

From an American perspective, this is important to understand, or the wrong lessons will be learned from the impending U.K. economic failure.

Commentators the world around have associated the Thatcher government with a

resurgence of classical incentive economics. As it turns out, nothing could be further from the truth. Unfortunately, reforming the previous government's antibusiness policies will not be sufficient to re-establish a vigorous British economy in the face of the attempt to reduce the deficit with higher taxes. Tax financed spending and higher taxes on labor are as bad, if not worse, than the previous Labor [sic.] Party agenda.¹⁵

The first two years of the Thatcher government saw Britain's economic hardships worsen. For instance, in the period 1980-81, unemployment increased to 2.7 million and Britain's gross national product decreased by 3.2 percent.¹⁶ The first telephone discussion between President Reagan and Prime Minister Thatcher (on the occasion of Reagan's inauguration) highlighted American criticism of Thatcher's domestic policies, and the leaders' awareness of them:

PR: ... Nancy and I are specially looking forward to welcoming you to Washington next month ... I look forward to talking to you on international issues as well, as well as the economic problems we face.

PM: The newspapers are saying mostly that President Reagan must avoid Mrs Thatcher's mistakes so I must brief you on the mistakes.

PR: I don't think I have to worry about that. I have just been watching and I know you have got such an uphill battle there but my goodness you've been staying there in the front line without rest or recreation.

PM: Well you know it makes it worth it when you are fighting for things we are fighting for then we have to give everything we've got.

PR: We will lend strength to each other.

PM: We will.¹⁷

Despite Reagan's solidarity with Thatcher, this paper will demonstrate that at this early stage of the relationship between the two administrations, Thatcher's economic policy received a great deal of criticism from members of the Reagan administration and it was certainly hoped that Reagan's economic policy would not replicate Thatcherism in its entirety in the United States. American criticism of Thatcherism dominated the coverage of Thatcher's official visit to the United States in February 1981 and represented an internationalisation of the debate about British domestic policy. In other words, what was happening in Britain under New Right policies was deemed to be a warning about what could happen in the United States. This context of Thatcher's visit warrants examination and this paper is the only academic work to focus on this visit. Furthermore, an analysis of this context confirms and strengthens the view taken in the emerging historiography of the Reagan-Thatcher relationship that the common features of the New Right in the United States and Britain has been overplayed by the earlier works of higher journalism, and adds to the study of summitry, broadly defined.¹⁸

Planning the visit

Thatcher was the first major world leader to visit the Reagan White House: a clear signal that the Reagan administration hoped the ‘Iron Lady’ would prove to be a valuable ally in international affairs. Thatcher’s staunch anti-communism, firm stance against the Soviet Union, and belief in the New Right economics of the supply-side and monetarism suggested that the visit would be a success. However, even on the British side, there were misgivings about this summit. Alfred Sherman, a co-founder of the Centre for Policy Studies¹⁹, a right wing British think tank, wrote a briefing paper for the prime minister. The paper was seemingly handed to David Wolfson, Thatcher’s Chief of Staff, and was to be held back until after the 1981 Budget (in March) – so Thatcher would not read the briefing until after her meeting with Reagan. In the extensive document, which was predominantly about foreign affairs, Sherman noted the negative and pragmatic attitude of the Republicans towards the Thatcherite project:

The Thatcher-Reagan similarities are double-edged. Until the [U.S.] elections, genuine and spontaneous pro-Thatcherism was really nationwide, and was used by Reaganites as a portent of victory. Since November, Reaganites have quite brutally differentiated themselves from the Conservative government here, to counter forecasts by the East-coast media and defeated democrats [sic.] that as soon as the new administration learns the facts of life in domestic and foreign affairs it will act like Carter.²⁰

The British government had a defensive mind-set in with regard to economic policy, with the Foreign and Commonwealth Office (FCO) stating that one objective was

to inform Reagan that the government was determined to continue its economic policies despite recent American criticism.²¹ A UK Treasury briefing for Thatcher noted how some American critics argued that the government had ‘deliberately engineered a recession’ while others argued that its monetarism was ‘sound but implementation has not been rigorous enough’. For instance, David Stockman, the Director of the US Office of Management and the Budget (OMB) had discussed the ‘very disturbing’ results of British monetary policy and the gap between the rhetoric and reality of Thatcherite policies.²² Yet the Treasury officials associated British policy with that pursued by Reagan and the global economic situation. They argued that the government shared Reagan’s ‘economic objectives’ and that the return of ‘non-inflationary growth’ in the United States was ‘very important for the rest of the world’. The Treasury therefore sympathised with Reagan’s policies as tax-cuts and lower public spending would stimulate the private sector. Nonetheless, the Treasury suggested that Thatcher ask about the potential difficulties with the US deficit should Congress resist spending cuts or economic growth was slower than expected, due to European concerns about US interest rates. While they admitted difficulties in achieving its money supply targets, the Treasury officials were clearly in no mood to be lectured by their American counterparts.²³ The FCO noted that there was still some debate as to whether ‘the United States has – or can regain – the economic muscle necessary to form the basis of a strong ... defence posture and a more decisive role aboard’.²⁴ According to this briefing, Reagan had quickly sought to restore America’s economic fortunes simultaneously with increased expenditure on defence and policies in Central America ‘designed to contain the spread of communism’.²⁵ Whereas the Treasury’s briefing anticipated a difficult

discussion about economic policy, the Department of Trade's briefing about the extra-territorial applications of US anti-Trust laws was a harbinger of Reagan's controversial intervention in the Freddie Laker case which allowed Thatcher to privatise British Airways.²⁶ The briefing suggested Thatcher make the point that such applications were: 'A persistent irritant in UK/US relations ... However, all I want to do now is to record that, depending on developments in these cases, I may need to raise this matter with you again'.²⁷ Taken as a whole, these briefings suggest that senior British government officials had no clear idea of exactly what would happen at the meeting.

Despite apparent British concern over the way their economic policy was viewed in the United States, the FCO did not expect it to be a priority for discussion by the Reagan administration. Thatcher was instead expecting the president would wish to ensure a cohesive foreign and defence policy in all spheres of the globe and a firm commitment to an assertive line against the USSR with his most important ally.²⁸ In turn, Thatcher was offered a number of other briefings by government departments. She was briefed on East/West relations; defence policy; defence equipment; Northern Ireland; regional questions; Vietnamese refugees; international economic and monetary policies; prospects for the forthcoming Mexico and Ottawa summits; energy; the extra-territorial application of US anti-Trust laws; counter-terrorism; Anglo-American defence co-operation; and, United Nations matters (for her meeting with the UN Secretary General). According to the steering brief for the visit, Reagan's domestic concerns would be dominated by the economy while his foreign policy emphasised the Soviet threat, consultation with allies, and issues such as El Salvador. It was anticipated that the

administration would listen to Thatcher as she was ‘an ally whom they much respect and with whose Government they feel they have much in common’.²⁹ The British objectives for the visit were an unsurprising list for a first official visit: a formal exchange of ideas and consultation. Their first priority was simply to reaffirm the importance of the Anglo-American relationship and in its NATO and West European contexts. The second objective was for Thatcher to strengthen Reagan’s apparent favourable opinion of her government (given their shared view of Communism and, at least superficially, similar domestic agenda). Views were to be exchanged on policy towards Poland, defence equipment and policy, the Middle East, opposition to sanctions towards South Africa and support for Namibian independence, the administration’s domestic and economic policies, the situation in Northern Ireland, and US policy towards Central America (particularly El Salvador and Belize).³⁰

Nevertheless, it is clear that the connections between American and British domestic policies were at the forefront of thinking by British government officials. Briefings by the Reagan administration show that this was also the case across the Atlantic, and in the critical fashion that was expected by British officials. Martin Anderson, an administration economic adviser, circulated a memorandum to senior staff, which offered ‘a brief description between the economic program implemented in England by Prime Minister Thatcher and the economic program proposed by President Reagan’.³¹ Anderson acknowledged that the Conservative Party entered office in 1979 ‘with much the same rhetoric that surrounds the Reagan Administration’s economic program’ but ‘the substance of these programs has been very different’. Firstly, the

memorandum pointed out that by almost doubling VAT to 15 percent to recover the lost revenue from the 1979 income tax cut, the government simply counterbalanced the supply-side incentives which those tax cuts had created (thus echoing Laffer's criticism in the *Wall Street Journal* in 1979). Furthermore, rather than continuing to cut taxes, the Thatcher government actually raised employee 'social security' contributions (national insurance) and taxation on tobacco, alcohol, and oil petroleum products. The Reagan programme was deemed different, as it planned no tax increases and the tax cuts would increase incentives. Secondly, the Thatcher government was reported to have actually increased spending whereas the Reagan administration proposed a significant reduction in spending (although ultimately that did not happen). Thirdly, the Thatcher government was judged to have failed to meet its own monetary targets in its attempts to control the money supply yet the Reagan administration would work with the Federal Reserve System to do so. Finally, the memorandum stated that the economic comparison was unfair as 'the two countries are substantially different, including the fact that the U.S. is not so encumbered with money-losing state industries'.³²

Alexander Haig, the US Secretary of State, when briefing Reagan, advised a discussion of the economy: 'Outline your economic strategy. Mrs. Thatcher will want to share her own experiences in dealing with the British economy.'³³ However, unlike Anderson who was seeking to simply distance Reaganism from Thatcherism for political purposes, Haig's interest in Thatcherism stemmed from his belief that Thatcher's economic fortunes were crucial to America's international interests. He acknowledged that the administration had 'benefited from Mrs. Thatcher's pro-American, anti-Soviet

instincts. She believes in a politically active, outward-looking Britain. Her cooperation is limited, however, by a deteriorating economic situation'.³⁴ At the same time, Haig believed that economic deterioration had led to the decline in Thatcher's political fortunes and the possibility of a Labour government, which would undermine American interests:

While Mrs. Thatcher enjoys a substantial parliamentary majority, her political standing has eroded since her visit to Washington in December, 1979. This results from a serious economic downturn and unemployment of ten percent. Mrs. Thatcher's political future may be tied to the economy. Elections must be held by Spring 1984. The Labor opposition is embroiled in a left-right struggle over party policies and leadership. The policies being expounded by the left, which is ascendant, would seriously detract from the UK's role in NATO.³⁵

The State Department's briefing paper therefore suggested to the president that he should: 'Exchange views with Thatcher on her experience, in part to learn from British mistakes ... While she is trying to restructure an economy which in many ways is different from the US we share common problems. Thatcher will be interested in your economic program and your plan for implementing it'.³⁶ British government officials had been expecting such a conversation about domestic economic matters to be one-way, with the Reagan administration interested to learn from Thatcher's experience. Haig ostensibly believed that Thatcher's poor economic record would mean that she would be keen on American advice as to how improve the British economy.

Despite Thatcher's difficult domestic circumstances, Haig observed that the Prime Minister's objectives would be to reaffirm the 'special relationship' and, in turn, Reagan should: 'Demonstrate publicly and privately that Thatcher is the major Western leader most attuned to your views on East-West and security issues.' Reagan was to urge Thatcher 'to continue to support increased Western defense efforts' [sic.] and 'coordinate closely our response to Polish contingencies'. Haig encouraged Reagan to ask Thatcher to delay the European Community's policies for a Middle East settlement as members of the European Community advocated the participation of the Palestinian Liberation Organisation (PLO) until the administration's policy review was finished and could offer a clear position. The key issues which Reagan was asked to consider raising were akin to those suggested to Thatcher by the FCO: East-West relations, US-UK-European relations, NATO defence effort, southwest Asian and Persian Gulf security, arms control and security issues, the Middle East, South Africa and Central America and the Caribbean. There were clear similarities in the issues that the Reagan administration and Thatcher government hoped to address at the meeting. Issues Haig noted Thatcher might raise but 'recommended' Reagan should avoid were the tenure of the NATO Secretary General, a two-way street in defence procurement, Northern Ireland, visa reciprocity, the UK-Canadian constitutional issue and Breeder Reactor cooperation.³⁷

In addition to the focus on the British economy, another theme emerges in the Reagan administration's briefings: that of employing Thatcher in world affairs to American advantage, particularly with regard to European allies. Ironically, the West

German government was also keen to utilise Thatcher's perceived close relationship with Reagan to their advantage. Counsellor Goldschmitt of the West German Embassy contacted the North America Department of the FCO to ask whether the Thatcher government 'envisaged the UK having some sort of a role as a go-between between the United States and Europe'.³⁸ According to the report, the West German government believed they 'were going to be in for some difficulty with the Reagan administration because of the difference of view between the two Governments with regard to detente'.³⁹ In short, the utility of Thatcher in international affairs and the fate of the British economy were two key themes running through the preparation for the prime minister's visit to the United States.

Thatcher's visit also marked the White House's desire to enhance Reagan's 'domestic image' as it was judged as 'psychologically valuable to demonstrate that he is putting our relations with our major transatlantic partners on a basis which is different from the one prevailing in the recent past'.⁴⁰ So, it was suggested that a 'Presidential willingness to participate in some follow-up social activity to the official dinner would help underscore the substantive importance he is placing on our relationships with a number of key Allies'.⁴¹ The purpose of this was to contrast Reagan's image with that of the previous Carter administration: 'The public affairs impact of such participation could be enormous and would signal that we have moved beyond the loose rhetoric of "closer Allied cooperation" (so prevalent in the past) to some visible evidence that U.S. leadership in the person of its President really does have a special regard for our major partners.'⁴² That closeness was identified in the American press. For instance, Philip

Geyelin, writing in *The Washington Post*, argued that ‘it is hard to imagine a more useful opportunity for Reagan and Thatcher to meet’ as the president needed ‘Thatcher's reinforcement for his economic designs’ and the prime minister’s ‘enthusiasm for the ... tough line on the global Soviet threat’.⁴³ Geyelin added that Thatcher could similarly benefit ‘from Reagan's endorsement of her profoundly unpopular economic policies’.⁴⁴ However, Reagan’s opponents used Thatcher’s visit to further their opposition to his programme. This was noted even in the British press. For instance, it was even reported in the Conservative-supporting *Daily Express* that Representative James Jones (Oklahoma), a Democrat and chair of the House Budget Committee, argued the United States should not follow Thatcher’s economic example.⁴⁵ The planned ‘special’ relationship between Reagan and Thatcher would clearly be political too.

The visit and aftermath

The prime minister had expressed concern to the British Ambassador to the United States, Sir Nicholas Henderson, prior to her departure for America. In his diary, Henderson wrote: ‘Mrs T told me that she was a little worried by her forthcoming visit to Washington. She did not quite see how it would go.’ Thatcher ‘admitted to being nervous about it. She looked drawn – pale and rather distinguished. I did my best to reassure her, telling her how welcoming Reagan would be and how much he was looking forward to her arrival’.⁴⁶ John Warden, writing for the *Daily Express*, equalled Henderson’s confidence: ‘Whatever her troubles at home she is still a winner in

Washington and they are fascinated by everything about her.’ After all, Thatcher had been unable ‘to satisfy all the press clamour for interviews’.⁴⁷

Indeed, at least on a personal level, Thatcher had no need to worry about meeting Reagan again and her arrival in the United States was marked by the flourish and pomp of a welcome ceremony with the president welcoming her in person with great warmth to the White House. Reagan referred to the meetings that they had held before each had come to power and tied them into a common agenda for their time in office:

When we talked in London just over 2 years ago -- when neither of us was in office -- I was impressed by the similar challenges our countries faced and by our determination to meet those challenges. You have said that we enter into a decade fraught with danger, and so we have. But the decade will be less dangerous if the West maintains the strength required for peace, and in achieving that goal, there is one element that goes without question: Britain and America will stand side by side.⁴⁸

In response to Reagan’s welcome, Thatcher declared with equal warmth and firm economic purpose:

Mr. President, the natural bond of interest between our two countries is strengthened by the common approach which you and I have to our national problems ... We're both trying to set free the energies of our people. We're both determined to sweep away the restrictions that hold back enterprise. We both

place our faith not so much in economic theory but in the resourcefulness and the decency of ordinary people.⁴⁹

These words underline the importance both placed in a mutual endorsement of their domestic agendas. But that was not the main public point of the summit, and according to the minutes, the plenary meeting between the Reagan and Thatcher teams was, perhaps unsurprisingly, dominated by foreign policy. However, the prime minister and the president did enjoy a *tête-à-tête* meeting alone in the Oval Office that overran. The minutes of the plenary meeting allude to a wide-ranging prior discussion:

President Reagan ... said that, in their tete-a-tete meeting, he and the Prime Minister had discussed a number of subjects which were to the forefront of their minds at present ... He regarded it as particularly vital to maintain the relationship which had existed for years between the United States and the United Kingdom: this required close consultation and co-operation.⁵⁰

In his diary, Reagan notes that their discussion included Cold War politics and the American and British economies. He wrote:

P.M. Margaret Thatcher arrived. A most impressive ceremony on So. Lawn – review of troops etc. We had a private meeting in Oval office. She is as firm as ever re the Soviets and for reduction of govt. Expressed regret that she tried to

reduce govt. spending a step at a time & was defeated in each attempt. Said she should have done it our way – an entire package – all or nothing.⁵¹

After the meetings, Reagan and Thatcher briefly addressed the press and both offered bland and uncontroversial accounts of their talks, although they did stress the common features in their policies. Reagan observed, ‘Our deep ties and perceptions we share give us much to talk about. Together we're confronting an extremely grave international situation. We do so with determination and optimism.’⁵² Thatcher’s response inevitably certainly sought to aggrandise both her and Britain’s role in world affairs: ‘The President and I had a tête-à-tête for some time ... we take the same view in the United States and Britain that our first duty to freedom is to defend our own ... I really regard it as the beginning of a process of consultation’.⁵³ It was reported that, in terms of foreign affairs, El Salvador and fears of Soviet expansionism dominated the talks.⁵⁴ Thatcher’s opponents in the British press were not so convinced that the discussions had been successful. For instance, Anthony Holden, writing in *The Observer*, claimed that Thatcher ‘choked on a jellybean in the Oval Office’ and that the aforementioned tête-à-tête lasted only 40 minutes as Reagan and Thatcher were so inexperienced in foreign policy that their advisers were ‘called in to the rescue’.⁵⁵

Even though Thatcher was delighted by Reagan’s welcome and their discussions, her economic programme was under heavy criticism outside the White House. Reagan wrote in his diary: ‘P.M. getting great press. Went up to the hill and was literally an advocate for our ec. program. Some of the Sen’s. tried to give her a bad time. She put

them down firmly & with typical British courtesy.’⁵⁶ However, it was Reagan’s Treasury Secretary, Donald Regan, who was most vehement in his criticism of the Thatcherite project. As Holden observed, Thatcher’s meeting with the president was ‘all sweetness and light’ – but it was after her talks with Reagan ‘that things began to go wrong’.⁵⁷ Regan’s testimony to a Congressional committee at the very moment of her visit to the White House about the Thatcher government’s economic policy was scathing in its criticism of Thatcher’s policies and the British economy generally. When asked to explain what mistakes Thatcher had made in her economic policy, Regan sought to distance the Reagan administration’s economic package from that implemented in Britain. The treasury secretary’s detailed yet factually questionable remarks is best summed up by his opening gambit, the claim that ‘when Mrs Thatcher and her Party came into power practically 60% of the population in Gt Britain in one form or another was working for the Government. Luckily we don’t have that in this country’.⁵⁸ (Regan’s statistic would later be corrected to a maximum of 30 percent of British workers employed in the public sector – see below.) In regards to Howe’s 1979 tax cuts, Regan simply echoed Laffer’s 1979 criticism. In a final flourish, he argued: ‘We think that our programme is much more sensible, much more comprehensive, and with a greater degree of chance of success than the British experience.’⁵⁹ This was not an isolated critique from the administration. The previous week had seen Stockman advise the same Congressional committee that what Thatcher’s programme ‘has failed, as one would have expected’.⁶⁰ According to Peter Simmonds, writing for *The Sunday Telegraph*, Reagan himself had told Thatcher that even though they faced similar economic problems, ‘different solutions’ were needed to address them in their respective countries.⁶¹ Indeed,

the White House only compounded Regan's criticisms by distributing a White Paper outlining the differences between Thatcherism and Reaganism (presumably Anderson's memorandum⁶²) and holding an explanatory briefing during which Murray Weidenbaum, the new chairman of the Council of Economic Advisers, reiterated Regan's comments.⁶³

The Treasury decided to respond to Regan's criticisms with a personal letter from Sir Kenneth Couzens (Second Permanent Secretary, Overseas Finance) to one of his American counterparts, Beryl Sprinkel (Under Secretary Designate, Monetary Affairs, US Treasury). Couzens politely explained that the only transcription of the testimony was from the BBC, but if it was correct then 'the Committee heard one or two mistakes of fact'.⁶⁴ In similarly diplomatic language, he explained why, with Howe's agreement, it was important for him to correct Regan's statement:

as has been repeatedly said during Mrs Thatcher's visit to the United States, the main thrust of the economic policies of our two governments is so similar, it would be a pity if either side misunderstood what the other was doing ... or were misinformed about the environment in which the attempt was being made.⁶⁵

For instance, Couzens noted that the population of the workforce who were employed by the British government in any capacity – including local authorities, the National Health Service and nationalised industries – was at most 30% and not 60%. Moreover, it was pointed out that the vast majority were not working for the government directly but in the public sector more generally. He defended the government's economic policies, namely

on taxation, removal of exchange controls, and its (limited) success in increasing exports. However, despite his diplomatic approach, Couzens was also firm in his criticism of Regan's statement:

So there are good structural reasons why the struggle ought to be easier for you than it is for us. But it is unhelpful, and also unrealistic to suggest that we have failed because of policy mistakes whereas you won't because you won't make any. Our Government does not accept that it has failed, as you will have gathered from Mrs Thatcher. We have after all reduced our rate of inflation faster in 1980 than any other major country. Anyway, as our Chancellor remarked, Finance Ministers have to stick together. They don't have many other friends when the going gets rough!⁶⁶

Despite her avid support for Reagan's firm stance against Soviet expansionism,⁶⁷ Thatcher's media appearances in the United States saw a great deal of focus on her economic programme, with the American media keen to understand where Reaganomics might lead the country. The prime minister sought to quell American criticism of her policies, but also endorse the programme of her closest ally – whose programme she linked with her own. At the press conference for the Washington Press Club, of thirteen questions, six focused on Thatcher's economic policies and they were interspersed with other questions regarding El Salvador, the Canadian constitution, the Middle East, the Gulf, and the Ottawa Summit.⁶⁸ When asked by the Associated Press about differences

between American and British economic policies, Thatcher responded by praising the president and explaining the contrasting economic circumstances in the two countries:

I think [Ronald Reagan] he's chosen just those very things which we also embarked upon and I think he's chosen to do them very boldly indeed, particularly the programmes to cut expenditure and it is the one thing which I could have wished that we had been even more successful at ... We were faced with a number of problems which do not affect him ... but I won't go on about those.

However, Thatcher was pressed on the problems that her administration faced. There was a clear gap between the overall purpose of her meeting with Reagan, namely foreign affairs, and what was designated to be a relatively minor area for discussion by both administrations, yet came to be equal billing: other domestic matters. This is an example as to how summits are at the mercy of presentation, media interests, and events. Jerry Edwin (Westinghouse Broadcasting) asked whether the government should intervene to aid weak industries. Thatcher responded: 'Well now, we have a whole series of a kind of industry which you don't. We have a number of nationalised monopoly industries and a number of others which are in the public sector but not monopolies.'⁶⁹ Thatcher typically turned each question into a means to praise her government's innovation:

One of the endemic problems of Britain has been over-manning and demarcation disputes. And one of the side effects of the really rigerous [sic.] economic policy or disciplined economic policy which we are pursuing is to get the manning levels

where they should be. So those we indeed have to help. But we do it on the basis that they slim down to a size at which they will become viable and profitable.⁷⁰

Thatcher concluded strongly, stating: ‘we're not just prepared to subsidise yesterdays [sic.] jobs if they haven't a future tomorrow. We will look at those industries and say – we'll try to help you through the effects of change, but you must in fact make the change. Is that clear? Good’. The prime minister was then asked directly by another reporter (representing Eaton) whether the Conservative Party would remove her from office if the economic situation did not improve. Thatcher rejected such a claim and offered a detailed explanation of her government’s mission to tackle inflation, beginning with: ‘But I don't expect political defeat. Look what we are doing economically, its top priority – we have to fight inflation.’ Bob Clarke (A.B.C.) question Thatcher about when she decided to cut taxes and whether tax cuts should happen regardless of the economic circumstances. In the context of the economic difficulties that were outlined such as oil shock and world recession, Thatcher explained: ‘The level of expenditure is higher than one would have wished. But in fact we did take down the direct rate of tax in our first budget. But I'm the first to admit that we've switched some of it, or most of it, to an indirect rate of tax. But there's no way of avoiding the world reality. There just isn't.’ She then refused to speculate on Peggy Simpson’s question about a prediction for the rate of American unemployment and inflation. Addressing Simpson’s follow-up question about any backlash against her government’s policies, Thatcher offered a single-minded response that claimed British popular support for her agenda despite rising unemployment:

Of course when you're getting rising unemployment and a number of bankruptcies ... and I'm one of the first people to be concerned ... I know we have to go through with it and I think that one of the worst things a government can do is to take the short term easy popular road, knowing full well that it is sacrificing the longer term future of its people. And it's because I think many many people in Britain realise that ...⁷¹

Interestingly, Thatcher seemed to finish her response by alluding to Simpson's first question: 'I must leave President Reagan to take responsibility for his problems.'⁷² Thatcher's interview for CBS morning news the following day was also dominated by the British economy and its role as a glimpse into the future under Reaganomics.⁷³ This is what the American press wanted to know about Thatcher and clearly had preconceptions about her policies. The first question tied Thatcherism and Reaganism together as 'almost identical' and whether Thatcher had any advice for the president and the American people. She responded: 'I think he's started off in exactly the right way and I'm amazed at the speed that they got the package of public expenditure cuts before Congress.'⁷⁴ After being asked whether the British 'model' had any lessons to offer the United States given its high unemployment, Thatcher defended her programme: 'We came in at a time of the onset of world recession ... So we are in fact laying the foundations for a confident economy for the future.'⁷⁵

Thatcher also used a speech at Georgetown University that day to defend her economic policies in a detailed account of her government's agenda and progress.⁷⁶ After contrasting her approach with the failed post-war British policies of incomes control and nationalisation with her policies, Thatcher likened her mission to that of the Reagan administration: 'The President's goal is a stable price level. Ours too. The President's aim is to free the individual from government restraint. Ours too. The President's objective is to reduce public spending and cut direct taxes. Ours too.'⁷⁷ In the same speech, Thatcher noted that Reagan's economic objective was essentially 'to restore people's trust in the dollar'. She stressed that this was crucial not just for the American economy, but for the world too as international trade and finance revolved around the dollar. Thatcher's message was clear: 'The dollar is the world's money.'⁷⁸ According to Ian Aitken, writing in *The Guardian*, by articulating European concerns about the health of the US currency, Thatcher had, to an extent, 'turned the tables on the criticism of her domestic economic mistakes' previously expressed by Regan.⁷⁹ Regardless, Thatcher's support for Reagan's economic programme must not be underestimated. The following day, in a radio interview for Independent Radio News (IRN), Thatcher used a question about the British and American economies to praise Reagan's programme. Asked whether she had learnt anything from Reagan's approach, she explained:

I have been very impressed at the way in which they have put their package together in a few days and presented it to Congress. I think if that goes through it will be a wonderful foundation for the deep cuts in taxation they wish to make which I too would have wished to make.⁸⁰

Thatcher again used the opportunity to defend her record: ‘We had a number of things to which we were pledged and we were not quite as free to move as he is and I just hope that his policy goes through Congress.’⁸¹ Given the Conservative majority in the House of Commons, in contrast to Reagan having to work with a Democrat controlled House of Representatives, it is unclear why Thatcher felt her movement to be more constrained than Reagan’s. Perhaps she was envious of Reagan’s direct electoral mandate: she, on the other hand, was still working with the Tory ‘wets’ and was, therefore, to an extent, reliant on the goodwill and support of, for instance, Sir Ian Gilmour and Jim Prior.⁸²

Reagan and Thatcher certainly formed a mutual appreciation society during the visit. Reagan would return Thatcher’s support for his economic programme in typically diplomatic tones and praise. In his toast at the dinner in the British Embassy, for example, Reagan likened Thatcher’s agenda to Winston Churchill’s mission to preserve British freedom during the darkest days of the Second World War. The president defended Thatcher as a Churchillian-style politician leading Britain not just to economic recovery but also to victory over socialism and communism more generally: ‘the British people are once again about to pay homage to their beloved Sir Winston by doing him the honor of proving him wrong and showing the world that their finest hour is yet to come’.⁸³ Peter Simmonds, writing in *The Sunday Telegraph*, suggested to its Conservative-supporting readership that such a comment from Reagan ‘sounded like an apology’ for Reagan’s criticisms of Thatcher’s economic policies.⁸⁴ Reagan was certainly

determined to publicly offer his ally political support – and did so by validating Thatcher’s domestic revolution with a Second World War analogy.

Reagan’s personal warmth towards her allowed Thatcher to claim the summit had been a great success. She reported to Parliament afterwards in triumphant fashion, declaring: ‘The reception given to us in Washington was warm and generous, testifying to the health of the Anglo-American relationship and also to the excellent understanding that President Reagan and I had established even before either of us assumed our present responsibilities.’⁸⁵ In his response, Michael Foot, the Labour Leader of the Opposition, mocked Thatcher: ‘In the United States the prime minister gave several homilies on our domestic affairs, but does she appreciate that the most friendly advice that she could have given to the United States was not to follow her example?’⁸⁶ On foreign affairs, Foot criticised Thatcher for failing to warn the Reagan administration that in regards to issues such as El Salvador, they should learn the lessons of Vietnam. Foot also held that, in terms of relations with the Soviet Union, Thatcher was wrong to join Reagan in challenging détente.⁸⁷ Despite the criticism, Thatcher was firm in her belief in Reagan and his agenda. In a letter of thanks to Henderson for his hard work on her visit, she added: ‘I have great confidence in the President. I believe he will do things he wants to do – and he won’t give up.’⁸⁸

Foot’s criticisms were not groundless. Behind Reagan’s resolute public confidence in Thatcher, the political reality for the prime minister was much more problematic. The precarious economic situation in Britain meant that the Reagan

administration did not completely reciprocate Thatcher's public and private optimism. In July 1981, Reagan was given a brief from Richard Allen, the National Security Adviser, following John Louis's first report as US Ambassador to the United Kingdom. The president was informed that there were 'troubling political, social and economic drift' and that Thatcher had 'lost her grip on the political rudder'.⁸⁹ His administration was concerned what the situation meant for U.S. interests as Labour 'could prove harmful to our security interests even if reduced to a splinter group'. Indeed, it was argued: 'With no British leader seeming to have a clear idea of where or how to go, some political turbulence is likely, with adverse effect on the country's reliability as a U.S. ally.' The ambassador had even suggested that a visit from Reagan to Britain 'could significantly strengthen both British resolve and the Western Alliance itself'.⁹⁰ Later in the year, the Reagan administration still feared for Thatcher's political future due to her economic policies. Louis 'reported extensively on the growing difficulties Mrs. Thatcher confronts (some of them of her own making) in her domestic program'.⁹¹ The administration was even prepared for the 'possibility of a Tory defeat, with the present government replaced by a coalition government'.⁹² The spectre of Thatcherism still haunted Reagan's economic programme as well. For instance, according to Alan H. Meltzer, writing in *The New York Times* in August 1981, domestic opponents of the Reagan administration claimed 'that Reaganomics will produce Thatcheritis'.⁹³ So care must be taken in accepting the favourable rhetoric of the president and the administration at face value. In addition to the public criticism, these private concerns meant that going into 1982, there were real doubts about Thatcher's prospects at the highest level.

Conclusion

In the 1970s and 1980s, funerals were often perceived as the most successful arena for summitry politics, for precisely the reason that unlike summits, funerals did not require press statements, the announcement of successes by all sides, large set piece events and all the paraphernalia that could distract from meaningful discussion. In the British satire, *Yes, Prime Minister*, Jim Hacker observed on the death of the former British prime minister: ‘They're not coming here for the funeral, they're coming here for the politics. This is a working funeral.’⁹⁴ Nevertheless, the 1981 meeting between Reagan and Thatcher can certainly be described as a success for the new US administration. In foreign affairs, they discussed and established basic agreement upon a wide range of issues relating to the Cold War, all the while establishing Reagan’s determination to work effectively with the British government.⁹⁵ Reagan certainly wanted to present the image of a strong relationship with Thatcher. The president and first lady even broke with precedent by having Thatcher and her husband at the residence for coffee prior to their departure.⁹⁶ This was in addition to the warm and positive remarks that Reagan and Thatcher said about each other during the visit.

The British Conservative supporting press claimed the meeting as a victory for the prime minister. For instance, the *Daily Express* typically argued that the visit was a success, immediately placing Reagan and Thatcher in the tradition of the ‘special relationship’: ‘The omens are good for a close working relationship between the President and the Prime Minister, similar perhaps to that which existed between President

Kennedy and Harold Macmillan, and Winston Churchill and Roosevelt.’⁹⁷ Even *The Guardian* described Thatcher’s visit as ‘a political and diplomatic love-in’⁹⁸ (albeit amongst politicians it obviously opposed). James Brady, the White House Press Secretary, told American reporters: ‘It was difficult to pry them away from each other at the end’.⁹⁹ It is clear that Thatcher succeeded in reaffirming the ‘special relationship’ – the primary objective of her visit. However, Thatcher was unable to escape her domestic economic problems, and, despite the president’s enthusiasm for her personally, it is clear that the Reagan administration equalled the scepticism of the American media about Thatcher’s economic programme and political future. Indeed, simultaneous to promoting a special relationship in foreign affairs, the Reagan administration successfully distanced its economic programme from that of its closest ally. Paradoxically, it achieved this at the same time as Thatcher was consistently supporting Reagan’s economic agenda.

Yet Thatcher’s visit to the United States in 1981 suggests more than an American concern about Thatcherism and a mutual desire to restate the ‘special relationship’. Moreover, it shows that it is simplistic to claim that Thatcherism and Reaganism were the same policies. If anything, Reaganites sought to distance themselves from their British counterparts. Paradoxically, this meeting between Reagan and Thatcher demonstrate both the Reaganite and Thatcherite search for allies conflicting with the Reagan administration’s ambitions and anxieties at the start of a first term. Thus, the connections and comparisons between the two governments as simply being the same New Right policy prescription in action must be questioned. Reagan and Thatcher may have agreed on a broad philosophy, but in policy detail they differed and the Reagan administration

was not afraid to say so. This reflects an internationalisation of domestic policy and politics: the politics and policies of one country influencing debate in another. British affairs were of a great deal of interest in the United States, and that interest was, in turn, the focus of British interest. Nevertheless, despite the Reagan administration's criticism of Thatcherism, in terms of foreign affairs, they were determined to establish Thatcher as a credible partner for the president on the world stage in order to have a strong ally in Western Europe. This was to be an on-going concern even as the British recession progressed. Thatcher did achieve her desire to present herself as Reagan's prime ally, although she clearly failed to convince his administration that Britain's economic fortunes, and her political future, were completely secure. The embryonic relationship between Reagan and Thatcher may have been special, but it was most certainly political as well.

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¹ It is beyond the scope of this paper to offer a detailed discussion about American and British decline. However, for the American case key works include: M. A. Bernstein and D. E. Adler, eds., *Understanding American Economic Decline* (Cambridge: Cambridge University Press, 1994). For the British case see: A. Gamble, *Britain in Decline: Economic Policy, Political Strategy and the British State* (Basingstoke: Macmillan, 1994); and, R. English and M. Kenny (eds.), *Rethinking British Decline* (Basingstoke: Macmillan, 2000), 1-22.

² For Reagan and Thatcher, see: Richard Aldous, *Reagan and Thatcher: The Difficult Relationship* (London: Hutchinson, 2012), and James Cooper, *Margaret Thatcher and Ronald Reagan: A Very Political Special Relationship* (Basingstoke: Palgrave, 2012). For summitry, see, for instance: David H. Dunn (ed.),

Diplomacy at the Highest Level: The Evolution of International Summitry (Basingstoke: Macmillan, 1996); Jonathan Colman, *A 'special relationship'? Harold Wilson, Lyndon B. Johnson and Anglo-American relations 'at the Summit', 1964-68* (Manchester: Manchester University Press, 2004); and, Peter I. Hajnal, *The G8 System and the G20: Evolution, Role and Documentation* (Aldershot: Ashgate, 2007). For the New Right in a global context, please see, for instance: David Harvey *A Brief History of Neoliberalism* (Oxford: Oxford University Press, 2007). There is an extensive literature about conservatism in the United States and the United Kingdom. Excellent examples include: Paul Edward Gottfried, *Conservatism in America: Making Sense of the American Right* (London: Palgrave Macmillan, 2009); and, Peter Dorey, *British Conservatism: the Politics and Philosophy of Inequality* (London: I. B. Tauris, 2011).

³ For a discussion of the 'special relationship' during the Second World War, see, for instance: Ritchie Ovendale, *Anglo-American Relations in the Twentieth Century* (Basingstoke: Palgrave, 1998), 39-57. For Kennedy-Macmillan, Nixon-Wilson and Nixon-Heath, see, for instance: John Dumbrell, *A Special Relationship: Anglo-American Relations from the Cold War to Iraq* (Basingstoke: Palgrave, 2006), 56-59, 86-94.

⁴ Geoffrey Smith, *Reagan and Thatcher* (London: Bodley Head, 1990), 11.

⁵ *Ibid*, 23.

⁶ *Ibid*, 19.

⁷ *Ibid*, 20.

⁸ *Ibid*, 22. See also: James Cooper, "'Superior to anything I had seen in the States: the "Thatcherisation" of Republican strategy in 1980 and 1984', *Journal of Transatlantic Studies*, 11:1 (2013), 1-21.

⁹ The term 'higher journalism' was used to describe much of the work written about Thatcherism (as of 1998) in E.H.H. Green, 'Thatcherism: An Historical Perspective,' *Transactions of the Royal Historical Society*, 9 (1999), 17-42. See: Smith, *Reagan and Thatcher*; John O'Sullivan, *The President, the Pope, and the Prime Minister* (Washington D.C.: Regnery Publishing, Inc., 2006); and Nicholas Wapshott, *Ronald Reagan and Margaret Thatcher: A Political Marriage* (London: Sentinal, 2007).

¹⁰ H. Young, *One of Use: A Biography of Margaret Thatcher* (London: Macmillan and Pan, 1993), 250-1.

¹¹ *Ibid*, 250.

¹² See: Aldous, *Reagan and Thatcher*, and Cooper, *Margaret Thatcher and Ronald Reagan*. The only other examples of historiographical literature about the Reagan-Thatcher relationship are sections in general histories of the Anglo-American relationship. See, for instance: R. Ovendale, *Anglo-American Relations In The Twentieth Century* (Basingstoke: Palgrave Macmillan, 1998), 144-52; and, John Dumbrell, *A Special Relationship: Anglo-American relations from the Cold War to Iraq* (Basingstoke: Palgrave, 2006), 106-22.

¹³ Thatcher enjoyed a successful visit to the United States in 1979 to meet President Carter. Despite concerns that she would not develop a positive relationship with Jimmy Carter, the visit was certainly a success from the view of British officials. See, for instance, Sir Nicholas Henderson's diary, *Mandarin*, Sunday 23 December 1979, accessed via <http://www.margareththatcher.org/speeches/displaydocument.asp?docid=110591>, 26 August 2012.

¹⁴ Arthur Laffer, 'Margaret Thatcher's Tax Increase,' *Wall Street Journal*, 20 August 1979, 12.

¹⁵ Ibid.

¹⁶ Eric J. Evans, *Thatcher and Thatcherism [Second Edition]* (London: Routledge, 2004), 21.

¹⁷ No. 10 telephone conversation, Margaret Thatcher and Ronald Reagan, Wednesday 21 January 1981, accessed via <http://www.margareththatcher.org/document/114254>, 14 August 2012. 'PR' is President Reagan, 'PM' is Prime Minister Thatcher.

¹⁸ For further discussion about summitry, see, for instance: Dunn, *Diplomacy at the Highest Level*, 3-22.

¹⁹ The Centre for Policy Studies was the brainchild of Sir Keith Joseph following the Conservative Party's electoral defeats in 1974. See, for instance: Andrew Denham, *Think-Tanks of the New Right* (Aldershot: Dartmouth, 1996).

²⁰ Alfred Sherman paper for Margaret Thatcher, Sunday 8 February 1981, accessed via <http://www.margareththatcher.org/document/114255>, 14 August 2012.

²¹ Steering Brief, Brief by Foreign and Commonwealth Office, 19 February 1981, Prime Minister's Visit to the United States, 25-28 February, File No. AMU 026/7 Part B, Prime Ministers [sic.] Visit to the US: Briefing, PRO.

²² Exchanges about United States and United Kingdom Economic Policy, Brief by HM Treasury, 20 February 1981, Prime Minister's Visit to the United States, 25-28 February, File No. AMU 026/7 Part B, Prime Ministers [sic.] Visit to the US: Briefing, PRO.

²³ Ibid.

²⁴ Brief by Foreign and Commonwealth Office, United States Internal Political and Economic Scene, 19 February 1981, Prime Minister's Visit to the United States, 25-28 February, File No. AMU 026/7 Part B, Prime Ministers [sic.] Visit to the US: Briefing, the UK National Archives (hereafter PRO).

²⁵ Brief by Foreign and Commonwealth Office, United States Internal Political and Economic Scene, 19 February 1981, Prime Minister's Visit to the United States, 25-28 February, File No. AMU 026/7 Part B, Prime Ministers [sic.] Visit to the US: Briefing, the UK National Archives (hereafter PRO).

²⁶ See: Cooper, *Thatcher and Reagan*, 159-67. [British airways was under investigation for collusion, which had led to the bankruptcy of the Freddie Laker airline. Ultimately, Reagan ended a Grand Jury investigation in 1984 which allowed Thatcher to private British Airways.]

²⁷ Extra-Territorial Applications of US Anti-Trust Laws, Brief by the Department of Trade, Prime Minister's Visit to the United States, 25-28 February, File No. AMU 026/7 Part B, Prime Ministers [sic.] Visit to the US: Briefing, PRO.

²⁸ Steering Brief, Brief by Foreign and Commonwealth Office, 19 February 1981, Prime Minister's Visit to the United States, 25-28 February, File No. AMU 026/7 Part B, Prime Ministers [sic.] Visit to the US: Briefing, PRO.

²⁹ Ibid.

³⁰ Brief by Foreign and Commonwealth Office, United States Internal Political and Economic Scene, 19 February 1981, Prime Minister's Visit to the United States, 25-28 February, File No. AMU 026/7 Part B, Prime Ministers [sic.] Visit to the US: Briefing, the UK National Archives (hereafter PRO).

³¹ Memorandum, Martin Anderson to senior White House staff, 'Reaganism and Thatcherism,' Thursday 26 February 1981, accessed via <http://www.margaretthatcher.org/document/111729>, 13 August 2012.

³² Ibid.

³³ Memorandum, Alexander Haig to Ronald Reagan, 'Visit of Prime Minister Thatcher,' Briefing Book re visit of British Prime Minister Thatcher, February 25-28, 1981, Binder 1/2, Box 91434 (RAC 1), Executive Secretariat, NSC: VIP Visits, Ronald Reagan Library.

³⁴ Ibid.

³⁵ Ibid.

³⁶ Department of State, Briefing Paper, UK Domestic Economic Policy, February 17, 1981, Briefing Book re visit of British Prime Minister Thatcher, February 25-28, 1981, Binder 1/2, Box 91434 (RAC 1), Executive Secretariat, NSC: VIP Visits, Ronald Reagan Library.

³⁷ Memorandum, Alexander Haig to Ronald Reagan, 'Visit of Prime Minister Thatcher,' Briefing Book re visit of British Prime Minister Thatcher, February 25-28, 1981, Binder 1/2, Box 91434 (RAC 1), Executive Secretariat, NSC: VIP Visits, Ronald Reagan Library.

³⁸ Letter, M. S. Berthoud, North America Department to the Western European Department, 'Call by the Counsellor at the German Embassy,' 4 February 1981, FILE NO. Amu 026/1 (Part B) (62-137), Prime Minister's Visit to the USA, FCO82/1107, PRO. [Unfortunately Goldschmitt's first name is unknown.]

³⁹ Ibid.

⁴⁰ Memorandum, Chuck Tyson to Jim Rentschler, Thatcher Visit and Related Thoughts, Official Working Visit of Prime Minister Thatcher of UK, 2/26/81, Box 4, Charles Tyson Files, Ronald Reagan Library.

⁴¹ Ibid.

⁴² Ibid.

⁴³ Philip Geyelin, 'In Thatcher's Tracks,' *The Washington Post*, February 24, 1981, A13.

⁴⁴ Ibid.

⁴⁵ Ross Mark, 'Britain "on the slippery slop"', *Daily Express*, Thursday 26 February 1981, 2.

⁴⁶ Henderson diary, *Mandarin*, Wednesday 18 February 1981, accessed via <http://www.margaretthatcher.org/archive/displaydocument.asp?docid=110521>, 14 August 2012.

⁴⁷ John Warden, 'Red Carpet for winner Maggie,' *Daily Express*, Thursday 26 February 1981, 2.

⁴⁸ Ronald Reagan, Remarks at the Welcoming Ceremony for Prime Minister Margaret Thatcher of the United Kingdom, February 26, 1981, accessed via <http://www.reagan.utexas.edu/archives/speeches/1981/22681b.htm>, 17 August 2012.

⁴⁹ Margaret Thatcher, remarks arriving at the White House, Thursday 26 February 1981, accessed via <http://www.margaretthatcher.org/document/104576>, 17 August 2012.

⁵⁰ No. 10 note of conversation, Reagan-Thatcher meeting (plenary session), Thursday 26 February 1981, accessed via <http://www.margaretthatcher.org/document/113944>, 14 August 2012.

⁵¹ Douglas Brinkley (ed.), Ronald Reagan, *The Reagan Diaries* (New York: HarperCollins, 2007), Thursday, February 26 1981, 5.

⁵² Ronald Reagan, Remarks of the President and Prime Minister Thatcher of the United Kingdom Following Their Meetings, February 26, 1981, accessed via <http://www.reagan.utexas.edu/archives/speeches/1981/22681c.htm>, 17 August 2012.

⁵³ Margaret Thatcher, Remarks leaving the White House, Thursday 26 February 1981, accessed via <http://www.margaretthatcher.org/document/104577>, 17 August 2012.

⁵⁴ See: John Warden, ‘Maggie: Don’t rush to Russia,’ *Daily Express*, Saturday 28 February 1981, 2; and, Ian Aitken, ‘Salvador dominates Thatcher talks in US,’ *The Guardian*, Friday 27 February 1981, 1.

⁵⁵ Anthony Holden, ‘The Sweet Smell of Summitry goes sour,’ *The Observer*, Sunday 1 March 1981, 13.

⁵⁶ Reagan, *The Reagan Diaries*, Friday, February 27 1981, 5.

⁵⁷ Holden, ‘The Sweet Smell of Summitry goes sour,’ 13.

⁵⁸ Donald Regan’s criticism of Mrs Thatcher’s economic policy, Transcript from BBC Radio 4, *Today*, 27 February 1981, attached to letter from Sir Kenneth Couzens KCB, Overseas Finance, HM Treasury, to Mr Beryl Sprinkel, Under Secretary Designate, Monetary Affairs, US Treasury, 3 March 1981, accessed via <http://www.margaretthatcher.org/document/114256>, 13 August 2012.

⁵⁹ Ibid.

⁶⁰ David S. Broder, ‘Thatcher meets Reagan; Sharing “Shock” Therapy,’ *The Washington Post*, February 25, 1981, A17.

⁶¹ Peter Simmonds, ‘In Step With Reagan – but not without a stumble,’ *The Sunday Telegraph*, March 1 1981, 17.

⁶² See: <http://www.margaretthatcher.org/document/111729>, accessed 13 September 2012.

⁶³ Holden, ‘The Sweet Smell of Summitry goes sour,’ 13.

⁶⁴ Letter, Sir Kenneth Couzens KCB, Overseas Finance, HM Treasury, to Mr Beryl Sprinkel, Under Secretary Designate, Monetary Affairs, US Treasury, 3 March 1981, accessed via <http://www.margaretthatcher.org/document/114256>, 13 August 2012.

⁶⁵ Ibid.

⁶⁶ Ibid.

⁶⁷ See: Thatcher's speech in New York city accepting the Donovan Award ('The Defence of Freedom'), Saturday 28 February 1981, accessed via <http://www.margaretthatcher.org/document/104584>, 15 September 2012. This speech was naturally favorably reported as delighting the American audience in *The Sunday Telegraph*, 1 March 1981, 2.

⁶⁸ Margaret Thatcher, Press Conference for Washington Press Club, Thursday 26 February 1981, accessed via <http://www.margaretthatcher.org/document/104578>, 17 August 2012.

⁶⁹ Ibid.

⁷⁰ Ibid.

⁷¹ Ibid.

⁷² Ibid.

⁷³ Margaret Thatcher, TV Interview for CBS Morning News, Friday 27 February 1981, accessed via <http://www.margaretthatcher.org/document/104473>, 17 August 2012.

⁷⁴ Ibid.

⁷⁵ Ibid.

⁷⁶ Margaret Thatcher, Speech at Georgetown University, Friday 27 February 1981, accessed via <http://www.margaretthatcher.org/document/104580>, 17 August 2012.

⁷⁷ Ibid.

⁷⁸ Ibid.

⁷⁹ Ian Aitken, 'Thatcher lectures US on health of dollar,' *The Guardian*, Saturday 28 February 1981, 1.

⁸⁰ Margaret Thatcher, Radio Interview for IRN, Saturday 28 February 1981, accessed via <http://www.margaretthatcher.org/document/104583>, 17 August 2012.

⁸¹ Ibid.

⁸² The 'wets' were judged to be ineffective in implementing Thatcherite policies. The 'wet/dry' labels amongst members of the Thatcher government was also a social division: 'wets' being traditional Conservative Party grandees and 'dries' typically self-made men. See: Richard Vinen, *Thatcher's Britain: The Politics and Social Upheaval of the 1980s* (London: Pocket Books, 2009), 117-18. In the American case, the Republicans controlled the Senate and there was scope for Reagan to work with the Democrat controlled House of Representatives. See, for instance: Karl Gerard Brandt, *Ronald Reagan and the House*

Democrats: Gridlock, Partisanship, and the Fiscal Crisis (Columbia: University of Missouri, 2009).

⁸³ Ronald Reagan, Toasts of the President and Prime Minister Margaret Thatcher of the United Kingdom at the Dinner Honoring the President, February 27, 1981, accessed via <http://www.reagan.utexas.edu/archives/speeches/1981/22781c.htm>, 17 August 2012.

⁸⁴ Peter Simmonds, 'In Step With Reagan – but not without a stumble,' *The Sunday Telegraph*, 1 March 1981, 17.

⁸⁵ Margaret Thatcher, House of Commons Statement (Prime Minister, American Visit), Monday 2 March 1981, accessed via <http://www.margaretthatcher.org/document/104585>, 17 August 2012.

⁸⁶ *Ibid.*

⁸⁷ *Ibid.*

⁸⁸ Letter, Margaret Thatcher to Sir Nicholas Henderson, Thursday 5 March 1981, accessed via <http://www.margaretthatcher.org/document/114259>, 13 August 2012.

⁸⁹ Memorandum, Richard V. Allen to President Reagan, 'Britain Drifts,' Friday 31 July 1981, accessed via <http://www.margaretthatcher.org/archive/displaydocument.asp?docid=110522>, 13 August 2012.

⁹⁰ *Ibid.* [The Labour Party disagreed with much of the Reagan administration's foreign policy and inherently opposed the philosophy driving its domestic policy. Similarly, the Reagan administration viewed Labour's policy of unilateral nuclear disarmament as potentially disastrous for the western alliance. This was to such an extent that Neil Kinnock (Foot's successor as Labour Party leader) received a difficult reception in a visit prior to the 1987 UK general election. See: Smith, *Reagan and Thatcher*, 228.]

⁹¹ Memorandum, Richard V. Allen to President Reagan, 'Your meeting with U.S. Ambassador to the United Kingdom,' Monday 9 November 1981, accessed via <http://www.margaretthatcher.org/archive/displaydocument.asp?docid=110524>, 14 August 2012.

⁹² Memorandum, Richard V. Allen to President Reagan, 'Your meeting with John Louis: A Few Key Points for the Record,' Monday 9 November 1981, accessed via <http://www.margaretthatcher.org/archive/displaydocument.asp?docid=110524>, 14 August 2012.

⁹³ Allan H. Meltzer, 'Economic Scene; Policy in the USA and Britain,' *The New York Times*, Friday 7 August 1981, D2.

⁹⁴ Anthony Jay and Jonathan Lynn, *The Complete Yes Prime Minister* (London, 1989), 340.

⁹⁵ Don Oberdorfer, 'Anglo Accord; U.S.-British Accord Proclaimed "On All Major Strategic Issues"; U.S. Proclaims Basic Agreement "On All Strategic Issues"', March 1, 1981, A1.

⁹⁶ Aldous, *Reagan & Thatcher*, 41-42.

⁹⁷ Daily Express Opinion, 'Face to face, eye to eye,' *Daily Express*, Thursday 26 February 1981, 8.

⁹⁸ Aitken, 'Thatcher lectures US on health of dollar,' 1.

⁹⁹ Oberdorfer, 'Anglo Accord', A1.