Dispelling the mythology: a critical examination of the effect that Margaret Thatcher's purported ideological principles had on Britain's implementation of a libertarian foreign policy.

School of History

University of Leeds

Table of Contents

Introduction		p1
Chapter 1	Western Libertarianism in the Cold War	p7
Chapter 2	Economic Imperatives and the Failure of Libertarianism	p16
Chapter 3	The Pursuit of British Influence in the Global South	p27
Chapter 4	Realpolitik and the Strategic Necessities of the Cold War	p38
Chapter 5	A Case Study in Self-Interest: 'The Great Iraqi Arms Bonanza'	p49
Conclusion		p55
Bibliography		p57

Introduction

> Margaret Thatcher helped bring the Cold War to an end, helped the human will outlast bayonets and barbed wire. She sailed freedom's ship wherever it was imperiled. Prophet and crusader, idealist and realist, this heroic woman made history move her way.[1]

These words, spoken by United States President George H. W. Bush on the day of Margaret Thatcher's receipt of the US Medal of Freedom, describe in high rhetoric the commitment to global freedom and liberty she reputedly held during her time as Prime Minister of Great Britain. Mr Bush paints Mrs Thatcher as a Western freedom fighter whose actions were unfailingly motivated by libertarian principles. Although clearly hyperbolic, this praise reflects the personal image Mrs Thatcher cultivated throughout her time in office. In the years running up to her premiership and throughout her career as Prime Minister, Margaret Thatcher's rhetoric earned her a reputation as a politician whose foreign policy was based on strong libertarian principles. She viewed a libertarian policy as one that was committed to the security and expansion of individual freedoms: to express one's personal identity, to exercise God-given talents, to acquire and pass on property, to succeed or fail, and live and die

[1] Margaret Thatcher Foundation [MTF hereafter], President George H. Bush, Speech receiving Medal of Freedom Award, 7 March 1981. <http://www.margaretthatcher.org/document/108263>[accessed 14 March 2014].

in peace.[2] Furthermore, in a free society, it was of paramount importance that these freedoms should be protected by rule of law.[3]

In speeches such as the one she gave to the Chelsea Conservatives Association in 1975 and at Kensington Town Hall the following year, Mrs Thatcher presented herself both as a virulent anti-communist, and as a politician of libertarian conviction.[4] She stressed her abhorrence of the Soviet Union, who in her view stood against every principle Britain stood for. She argued that not only was the authoritarian government of the USSR afraid to allow its own people their fundamental freedoms, they also had no scruples in denying them to others.[5] In her Kensington speech she further states that Britain's place, in the battle for the security and expansion of freedom across the world, is in the front line.[6] These beliefs continued to be expressed by Mrs Thatcher well into her premiership, consolidating her libertarian reputation. Accounts from Mrs Thatcher's advisors and others who met her in private suggest that these convictions were just as discernible in person. In his book detailing his time as a foreign policy advisor to the Prime Minister, George Urban wrote that he rejoiced in the morality that existed within Margaret Thatcher's

---

[2] Thatcher, Margaret, 'Reflections on Liberty – The Rt Hon. Baroness Thatcher, LG., OM., F.R.S.', in *The Political Legacy of Margaret Thatcher,* Edited by Stanislao Pugliese (London: Politico's, 2003) pp2-8, p2.
[3] Ibid.
[4] MTF, Margaret Thatcher, Speech to Chelsea Conservative Association (attacking detente), 26 July 1975 <http://www.margaretthatcher.org/document/102750> [accessed 14 March 2014];
MTF, Margaret Thatcher, Speech at Kensington Town Hall ("Britain Awake"), 19 January 1976 <http://www.margaretthatcher.org/document/102939> [accessed 15 March 2014].
[5] Thatcher, Chelsea, 1975.
[6] Thatcher, Kensington, 1976.

political ideology.[7] Brian Cartledge, a former Foreign and Commonwealth Office (FCO) diplomat, has supported this conclusion of Mrs Thatcher's character. He states that, 'total unremitting hostility to authoritarian systems of government was one of Thatcher's benchmark convictions' and that in her capacity as Prime Minister, 'decisions were taken with reference to a few deeply, even passionately, held convictions and beliefs'.[8] In terms of actual policy however, as this essay will show, Margaret Thatcher was a realist far more than she was an idealist. As such, the central importance of British interests always took precedence over libertarian ideals in Thatcherite foreign policy formation.

The Thatcher government's record of conformance to libertarian principles in foreign policy is severely marred by overseas actions that were detrimental to the freedoms of those they affected. These policies were carried out in response to Britain's economic, political and strategic needs, which were given priority above libertarian ideals in Thatcherite policy formation. Thus, in order to revitalise Britain's economic strength, the Thatcher government focused on the expansion of export trade and, by 1987, Britain had become the world's second largest exporter of defence equipment.[9] This was achieved by selling arms to a vast number of clients, many of whom were perpetrators of human rights abuses. Armament trade afforded Britain's trading partners both military and economic support, and thereby aided autocratic governments and worsened the problem of global oppression. This trend of British

[7] Urban, George, *Diplomacy and Disillusionment at the Court of Margaret Thatcher* (London: I.B. Tauris & Co Ltd., 1996) p3.
[8] Cartledge, Sir Bryan, 'Margaret Thatcher: Personality and Foreign Policy', in *The Political Legacy of Margaret Thatcher,* Edited by Stanislao Pugliese (London: Politico's, 2003) pp157-160, p158
[9] Phythian, Mark, '"Battling for Britain"; British arms sales in the Thatcher years', *Crime, Law & Social Change,* Vol. 26, No 3. 1997, pp271-3000, p271-272

complicity with tyrannical oppressors was continued in the pursuit of greater global influence, and in the objective of ensuring Western advantage in the Cold War. These objectives led Britain to collude with and strengthen the regimes of brutal Middle Eastern leaders such as Zia Al-Haq in Pakistan, and Saddam Hussein in Iraq. They also led the UK to support regimes such as that of Augusto Pinochet in Chile and Suharto of Indonesia, in which the governments' foreign and economic policies were deemed compatible with Britain's, and their human rights records therefore less important.

The purpose of this document is to establish the true extent of Mrs Thatcher's commitment to the expression of libertarian ideals in foreign policy, and to identify the key reasons for British cases of governmental non-conformance. This will be achieved by analysing cases of governmental interaction with states that had poor human rights records. This document will assess the role of Margaret Thatcher's libertarian principles in government by taking a thematic approach. Chapter one will explore occasions when Britain's foreign policy appeared consistent with the libertarian image, with particular focus on the northern dimension of the Cold War with relation to the USSR and Eastern Europe. Chapter two will then contrast this with analysis of cases in which Britain's economic recovery is prioritised above any moral or libertarian ideals in foreign policy. Chapter three will work on the assumption that Britain's foreign policy was based on a desire to elevate its global influence, while chapter four will focus on the hypothesis that Thatcherite foreign policy was largely focused on obtaining Western strategic advantage in the Cold War, at any cost. Finally, chapter five will focus directly on the case of British complicity with Saddam Hussein's Iraq, in which, as Alan Friedman states, 'oil, money, and

political power [has] been mixed into a Molotov cocktail of Western policy' toward Baghdad'.[10] This will be done in order to support the conclusion that Margaret Thatcher's purported libertarian principles became in actuality a form of propaganda. Although Mrs Thatcher may have liked to believe herself a libertarian, she was too much of a realist to allow idealism to seriously influence British foreign policy.

Therefore, in situations where the pursuit of a morally driven foreign policy was compatible with Britain's economic, political and strategic interests, libertarian policy was enacted and celebrated; thus creating the myth of Thatcherite libertarianism. However, at times when British interests were better served by avoiding humanitarian concerns, this was done, and those concerns were either hidden or conveniently excused.

The evidence for this document has been procured from an extensive variety of sources. This is a natural result of the variety of subject matter that will be covered due to the methodology of case study analysis. Declassified files available on the Margaret Thatcher Foundation website have proved very helpful, as they have provided insight into the perspectives of Western heads of government on numerous issues throughout the period. It has also been helpful in showcasing the manner in which others conducted themselves when dealing with leaders such as Thatcher, Carrington, Reagan and Carter. In order to present a more holistic range of perspectives, primary sources have been supplemented by the research of previous historians and journalists, presented in books, journals and newspaper articles, much of which is available online. Where there is a lesser extent of readily available

[10] Friedman, Alan, *Spider's Web: Bush, Saddam, Thatcher and the Decade of Deceit* (London: Faber and Faber, 1993), xvii.

material, such as in the cases of British relations with Chile and Indonesia, declassified official documentation of FCO correspondence from the National Archives has proved very useful in providing further evidence.

Chapter 1 – Western Libertarianism in the Cold War.

Margaret Thatcher's involvement in the Cold War has been closely associated with her purported libertarian ideals. This is because, in the case of the superpower conflict, the implementation of her anti-Soviet policy was complementary to her established libertarian values. Mrs Thatcher saw the advancement of Western goals in the Cold War as inherently beneficial to the spread of liberty. Her pursuit of Western goals in relations with the USSR and with Eastern Europe has been highlighted therefore as a campaign for liberty. The effect that Margaret Thatcher had on the Cold War was not marginal. She is noted particularly for having played a large part in the West's move from the policy of détente to that of negotiation from strength. She attempted to use her unique position as both a friend and some time advisor to the United States, and as a leading figure in the European Community (EC) to bridge the gap in relations between the two, thereby strengthening the North Atlantic Treaties Organisation (NATO) alliance as a bulwark to communism.[11] She also is often credited with personally having had a profound impact on the westernisation and consequent liberation of the former Soviet Bloc in Eastern Europe.[12] Her reputation as a libertarian bore far more quantifiable results in this field than in any other aspect of her foreign or domestic policy.

However, the relationship between Mrs Thatcher's Cold War fervour and her purported principles as a libertarian is an issue of contention. The libertarian

---

[11] Thatcher, Margaret, *The Downing Street Years*, (UK: HarperCollins, 1993), p171

[12] Rohac, Dallibor, 'What Margaret Thatcher did for Eastern Europe', *The Spectator*, 13 April 2013. <http://blogs.spectator.co.uk/coffeehouse/2013/04/what-margaret-thatcher-did-for-eastern-europe/#disqus_thread> [accessed 28 March 2014]

argument is marred firstly by doubt as to whether her anti-communist actions were enacted due to commitment to liberty, or simply as an expression of her desire to advance the British and Western position on the world stage. This contention is difficult to analyse in the context of Britain's role in the Second Cold War, since, from Thatcher's perspective, Western advancement and Eastern liberation were mutually beneficial aims. When taken outside this context however, the relationship between Margaret Thatcher's Cold War fervour and her purported libertarian principles is cast in greater suspicion. Secondly, doubts have been cast as to the Thatcherite commitment to liberty in her anti-communism, due to examples of events such as the Polish Crisis in 1981, when she was less forthcoming in support of the oppressed peoples behind the Iron Curtain.[13] Instances of British interests inhibiting the Thatcher government from enacting a libertarian policy contradict the argument that Thatcher's Cold War policy was a product of her ideological convictions.

This chapter will demonstrate and analyse the perspective that Mrs Thatcher's anti-communist policies vis-a-vis the Soviet Union and Eastern Europe were founded on her libertarian principles. By showcasing the merits of this argument when it is stated only in this context, this chapter will aim to establish the reasons for the general acceptance of the myth of Thatcherite libertarianism. It will examine the actions, or lack thereof, of the Thatcher governments for the export of libertarian ideals, and analyse the importance of context. This will serve to deepen analysis of Thatcher's libertarian agenda and where it ranked in terms of policy formation alongside other considerations.

---

[13] MTF, *The Polish Crisis of 1981-82*, <http://www.margaretthatcher.org/archive/us-reagan%20%28Poland%29.asp> [accessed 28 March 2014].

For Margaret Thatcher, the conflict with the Soviet Union, regardless of its status as a political and military power struggle, could not be separated from ideology. Mrs Thatcher's early speeches identified Communism, specifically that found in the Soviet Union and its acolyte states, as inherently repressive.[14] She reasoned that states that limit the potential of the individual for personal advancement take away their fundamental freedoms, and are by their nature opposed to liberty. She therefore associated the West's war on the Soviet Union as a libertarian conflict rooted in moral principle, rather than purely as a geopolitical standoff for global superiority. In her speech in 1975 to the Chelsea Conservative Association, Mrs Thatcher linked her Cold War policy with a libertarian policy by demonstrating her perspective that advances in détente must come only in conjunction with the relaxation of the Soviet oppression.[15] The link between Mrs Thatcher's established ideals and anti-communism has further been supported in the memoirs of many of her advisers. George Urban wrote of the 'primacy of moral principles' that underpinned Britain's role in the superpower conflict.[16] He reports that in personal discussions she was enthusiastic in her condemnation of Soviet totalitarianism, and that 'moral outrage was, as it had to be, the mainspring of our opposition [to the USSR]'.[17] In the course of her first term, the Soviet Union showed its disregard for human rights in its actions in Afghanistan and Poland, and in response Mrs Thatcher, along with the US, reacted with further anti-soviet rhetoric, sanctions, and arms buildup: the Second Cold War.[18] This perspective suggests that Margaret Thatcher saw anti-communism as integrally

[14] Thatcher, Chelsea, 1975.
[15] Ibid.
[16] Urban, p3
[17] Ibid
[18] Wheeler, Nicholas J., 'Perceptions of the Soviet Threat', in *British security policy*, Stuart Croft ads (London: HarperCollins, 1991) pp. 161-178

linked to her principles in liberty. Her actions in assisting the course of the Second Cold War towards Eastern liberation can be seen therefore as evidence of libertarianism reflected in her policy.

An important aspect of Mrs Thatcher's contribution to the Cold War was the role she was able to play as intermediary between America and Western Europe. By bridging the gap between them she aided NATO policies in gaining strength through greater unity. She also used her rhetorical skills to impress upon the Europeans the importance of military buildup and the ending of détente. Mrs Thatcher enjoyed an especially close relationship with the Reagan administration due to ideological and personal compatibility. She used her position here to introduce the American perspective to Western Europe in 'less ideological language' from the position of an insider.[19] Naturally, the continental Europeans were reluctant to provoke Cold War escalation due to the location of prospective conflict zones on European soil. Mrs Thatcher attempted to gather support in the EC for American policies. This is exemplified in a speech she gave in Luxembourg in 1979 entitled 'Europe: The Obligations of Liberty', in which she expressed her view of the importance of the US-led arms buildup. She impressed upon Britain's EC partners the importance of political and economic liberty, and the threat the Soviet Union posed to it.[20] From this she highlighted the common obligation of those who enjoy freedom to 'acknowledge a sense of responsibility towards their fellow men'.[21] Mrs Thatcher's view of the seriousness of Soviet menace was supported by the USSR's invasion of Afghanistan,

[19] Thatcher, *The Downing Street Years*, p171.
[20] MTF, Margaret Thatcher, Winston Churchill Memorial Lecture ("Europe: The Obligations of Liberty") 18 October 1979 <http://www.margaretthatcher.org/document/104149> [accessed 15 March 2014].
[21] Ibid

and the West was therefore induced to take a more 'hawkish' stance in the 1980s.[22] This policy was continued throughout her Premiership and debatably went some way toward the improvement of US-European relations, as well as furthering the cause of unilateral support for Eastern liberalisation. By continuing to foster the link between Western Cold War policy and libertarian values, Mrs Thatcher gave the conflict a moral image, which aided Western efforts in gaining support.

Mrs Thatcher's actions in the West and her relations with the USSR yielded some positive results for the libertarian cause. The 'twin-track' policy of building military strength in conjunction with encouraging liberalisation in the Soviet Union and the Eastern Bloc emerged as being very successful in promoting human rights in those countries.[23] Poland is a useful case study, as British investment in Poland throughout the 1980s allowed it to develop while minimising Soviet involvement. Broadly speaking, British policy in Eastern Europe throughout the Thatcher premiership seems to have been one of maintaining relations that would allow the steady introduction of Western liberal ideas to the people of Eastern Europe. This was achieved by establishing trade relationships that would undermine dependence on the USSR. In a particularly scathing article on the UK's Polish record, Czarny Kapturek argues that by maintaining a trade relationship with Jaruzelski's communist Polish government, Britain was complicit in 'keeping afloat' the authoritarian regime, which might otherwise have crumbled.[24] However, had the Polish regime fallen due to economic

---

[22] Jones, Peter, 'The Politics of Defence Under Thatcher', in *British Defence Policy: Thatcher and Beyond,* Peter Byrd Ed. (UK: Philip Allen, 1991) pp. 105-125, p107.
[23] White, B. P. 'Britain and the Rise of Detente', in S. Smith and R. Crockatt ed., *Cold War: Past and Present* (London: Allen and Unwin, 1987), pp104-108.
[24] Kapturek, Czarny, 'Thatcher, Poland and a False Dichotomy', 29 April 2013, <http://theredandblackstork.wordpress.com/2013/04/29/thatcher-poland-and-a-false-dichotomy/> [accessed 28 March 2014].

problems, there was a significant likelihood that Poland would have been forced to call on the USSR for aid, thus endangering the growth of Western values that had been seen in the Solidarity movement.[25] Out of the Eastern Bloc states, Poland was viewed by Britain as the most 'receptive to Western influence'.[26] Between 1982 and 1986, British exports to Poland climbed steadily, allowing Britain to retain a position as Poland's second biggest Western trading partner.[27] From 1982 until Jaruzelski's resignation and the victory of Solidarity in 1989, Western-Polish relations were cultivated by trade and by ministerial visits, such as that of Mrs Thatcher in November 1988. Czechoslovakian policy analyst Dalibor Rohac argues that the value of British influence in Poland, and specifically following Mrs Thatcher's 1988 visit, was enormous, 'giving hope to not only Solidarity supporters but to the entire dissident movement'.[28] Through this methodology, Britain hoped to aid Polish liberation. It should be noted however, that the pursuit of this policy was also incentivised by the benefits of encouraging trade with Poland for UK businesses, as well as by opportunity to undermine the Soviet Union in its sphere of influence.

The circumstances of British inaction in Poland show that when British economic interests were at stake, these were often prioritised over Mrs Thatcher's purported libertarian principles. Kapturek points out that the lack of British reprisals following

---

[25] Ibid
[26] MTF, UK Embassy in Warsaw to FCO, 'Poland: Annual Review for 1984', 31 December 1984, p1. <http://www.margaretthatcher.org/document/111002>, [accessed 30 March 2014].
[27] MTF, UK Embassy in Warsaw to FCO, 'Poland: Annual Review for 1986', 21 January 1987, p5 <http://www.margaretthatcher.org/document/111004> [accessed 30 March 2014].
[28] Rohac.

the imposition of martial law in December 1981 contributed to its existence.[29] In 1982, Mrs Thatcher followed the American lead in announcing her condemnation of the Polish government's actions. She was also the first of the European leaders to outwardly condemn the Polish military state and the first to apply sanctions.[30] The substance of these however, was limited. Nicholas Wheeler points to the difficulties she faced in securing collective support for action in the European Union as reason for her reluctance to follow the American lead on the issue of sanctions.[31] The effect that sanctions would have on British economic interests however, was likely a greater reason for her reluctance.

Margaret Thatcher's strong opposition to sanctions against the USSR over Polish oppression from 1981 was in direct response to the negative effect they would have on British business. Rolls Royce, for example, had a major contract with the USSR to provide parts for a Siberian gas pipeline, but this very pipeline was to be the principal target of the sanctions.[32] In a conversation between Margaret Thatcher and US Secretary of Defence Caspar Weinberger, she expressed concern that 'The US pipeline decision might result in four or five UK firms going bankrupt', which in an economy that had such a high rate of unemployment would be unacceptable.[33] The consideration of the UK's economic situation had a serious effect on Mrs Thatcher's ability to enact sanctions, because they would be seen to be damaging the UK's

---

[29] Kapturek.
[30] MTF, Thatcher letter to Reagan, 22 December 1981, <http://www.margaretthatcher.org/archive/displaydocument.asp?docid=109294> [accessed 3 April 2014], and Wheeler, p163
[31] Ibid.
[32] MTF, *The Polish Crisis of 1981-82.*
[33] MTF, Weinberger note of meeting with Margaret Thatcher, 8 September 1982, <http://www.margaretthatcher.org/archive/displaydocument.asp?docid=110636> [accessed 28 March 2014].

economic recovery, while not necessarily greatly affecting the desired target. Although Mrs Thatcher stated her abhorrence of the actions of the authoritarian Polish government in 1981, economic considerations limited her enthusiasm for enacting a libertarian policy abroad. This was supported further by her personal distrust in the efficacy of economic sanctions to apply political pressure without harming the UK.

Margaret Thatcher's use of political pressure to aid the emergence of liberal ideas in Eastern Europe was demonstrated in 1988, when she visited Eastern Europe and was met with an ecstatic reception from the people, notably in Gdansk Harbour, Poland. During her stay in Poland she told Mr Jaruzelski that the West would provide much-needed financial assistance to Poland, once the government agreed to meaningful talks with the Solidarity movement, advising him that 'freedom and responsibility go hand in hand'.[34] The same techniques were applied to the Soviet Union, where Mrs Thatcher used the opportunity provided by the USSR's changes of leadership after the death of Brezhnev in 1982, to reapply pressure against its human rights abuses.[35] Wheeler points out 'she never tired of pointing out that it was Western strength which had laid the foundation' for the Soviet Union's evolving respect for human rights under President Gorbachev.[36]

From Margaret Thatcher's perspective, the Cold War against Soviet oppression in Russia and Eastern Europe can justifiably be seen as a war with libertarian goals. She

---

[34] Charleston S.C, 'Thatcher, Jaruzelski Hold Talks', *The News and Courier*, 4 Nov 1988, p3-A. <http://news.google.com/newspapers?nid=2506&dat=19881104&id=hoJJAAAAIBAJ&sjid=swsNAAAAIBAJ&pg=1557,924224> [accessed 30 March 2014].

[35] MTF, Speech at Lord Mayor's Banquet, 15 November 1982, <http://www.margaretthatcher.org/document/105054> [accessed 15 March 2014].

[36] Wheeler, p172

identified communism with tyranny and oppression, and therefore viewed its demise in the Soviet Union as necessary and inevitable.[37] Mrs Thatcher's pursuit of Western advancement in the Cold War can therefore be seen as a reflection of her libertarian ideals in foreign policy formation. However, since this took place in a situation in which Western aims and libertarian policy were mutually supportive, this could also be the result of opportunism, and therefore not a fair representation of the true weight that libertarian ideals carried in her foreign policy formation. In this context, it could be argued that libertarian rhetoric was used to manipulate the international community by showing to the greatest extent the West as good and the East as bad. In matters directly related to détente and the Cold War, Mrs Thatcher would always attempt to take the course of action most likely to damage the position of the Soviet Union. She did this by way of consistent allegiance with American policy. This entailed corralling support in the EC for the Western military buildup and ideological offensive, as well as attempting to support the steady movement of liberal ideas through to Eastern Bloc states. This course of action advanced British interests and the image of Western enlightenment. It was therefore easy to support the perception that Britain's foreign policy was forged as a product of libertarian ideals. The promotion of good relations with Eastern Europe and the move to negotiation with the Soviets in the 1980's can be seen to support this assertion, since they contributed to the rise of liberal thinking in the region. However, when the enactment of a libertarian policy was pitched against British interests, as they were in the Polish crisis in 1981, Mrs Thatcher was far less enthusiastic.

[37] Thatcher, *The Downing Street Years,* p13.

Ch 2 – Economic Imperatives and the Failure of Libertarianism.

In the Thatcher era, consideration for the dire state of Britain's economy was at the forefront of policy-making. In Margaret Thatcher's first term as Prime Minister, the rate of inflation was absurdly high, and unemployment rates rose to over 2 million.[38] British foreign policy was therefore determined largely by economic considerations rather than by any commitment to influence libertarian principles worldwide. This prioritisation, however, went further than could have been anticipated, and made Britain a great global supporter for authoritarian regimes worldwide. The reality of British trade relationships with totalitarian regimes was in direct contrast with the vision of Thatcher presented by herself and many of her colleagues as a politician whose foreign policies were governed by scrupulous moral libertarian principles.[39]

Mrs Thatcher knew that her legacy and longevity as Prime Minister would hinge on the economic recovery of Britain, which was in a period of decline and had lately been dubbed the 'sick man of Europe'.[40] In domestic politics, her economic policy entailed the 'rolling back' of the state. Government spending in the public sector was dramatically reduced and the merits of individual efforts for economic improvement were championed. In foreign policy, Mrs Thatcher's overriding concern was the opening up of the world's markets to British trade. This meant continuing and improving the profitability of trade with existing partners such as the United States, the European Community, the Middle East and the Commonwealth. It also meant

[38] Thatcher, *The Downing Street Years*, p 122
[39] Cartledge, in Pugliese ed., *The Political Legacy of Margaret Thatcher,* p158.
[40] Turner, John, *The Tories and Europe* (Manchester: Manchester University Press, 2000) p69

establishing and capitalising on newer or less prominent trade links in areas such as South-East Asia and South America. The pursuit of free trade was done fervently, and most often without moral regard for the humanitarian abuses of prospective trading partners. It appears that the only criterion the Thatcher government placed on new trading partners was that they should not be ideologically aligned with the Soviet Union.[41] Barring this exception, any economic partnership that could be forged would be considered. With regard to humanitarian abuses in Britain's trading partners, the FCO would observe crimes, but would either wilfully ignore them, or make arguments to absolve themselves of responsibility.

The British armaments industry accounted for the most important section of the nation's exports. Because of the vast sums of money involved, Gerald James points out that arms deals were recognised as having the most immediate effect on the British economy and on unemployment rates.[42] It was therefore the favoured trade category in Thatcher's government. In the 1980s Britain sold arms to states with poor human rights records usually under the dubious proviso that they were not likely to be used for internal repression. This hopeful idea was used in a multitude of cases seemingly with little thought as to the real likely application of the weapons being sold. This chapter will use cases of economic relationships between Britain and autocratic states with poor human rights records to examine the effect that economic considerations had on the government's libertarian concern in foreign affairs. It will also look at the ways in which the Thatcher government absolved itself of moral

[41] Campbell, John, *Margaret Thatcher, Volume II: The Iron Lady* (London: Jonathan Cape, 2003) p339.
[42] James, Gerald, *In Public Interest: A Devastating Account of the Thatcher Government's Involvement in the Covert Arms Trade By the Man Who Turned Astra Fireworks into a £100M Arms Manufacturer* (UK: Little, Brown and Company, 1995) p61.

responsibility for the positive effect British trade relationships would have on the continuing success of repressive regimes.

The Middle East was a major focal point of British defence sales. The possession of oil had made the Gulf States rich and desirous of greater defensive capabilities in order to cope with the chaotic nature of the region. In the 1980s Britain made a series of large-scale deals with Middle-Eastern countries such as Saudi Arabia, Oman and Jordan with the aim of securing long-term British export trade in the region and allowing it greater security in oil reserves.[43] The three-part Al Yamamah arms deal between Britain and Saudi Arabia, beginning in 1986, was the greatest of these contracts. The three contacts together were worth an estimated £60bn, and also included payment in vast quantities of oil, which was then traded by Shell and BP.[44] This made up what Alan Friedman named 'The biggest arms transaction in British history'.[45] The Al Yamamah deal sold the Saudi Arabian government technologically advanced defence weaponry including a wide array of aircraft such as Hawk Trainer Jets and Tornado Fighters, as well as other arms and naval vessels.[46] Under the authoritarian and undemocratic regime of King Fahd in Saudi Arabia, the Islamic Sharia penal code was applied rigorously.[47] In this system, which has been described as 'iron fisted', women and Christians in particular were victims of human rights

[43] Ibid.
[44] James, p62.
[45] Friedman, p80
[46] Randall, Colin, 'Margaret Thatcher, "The Lady's not for Turning"', *The National*, 9 April 2013, <available at http://www.thenational.ae/news/world/europe/margaret-thatcher-the-ladys-not-for-turning#full> [accessed 23 February 2014].
[47] Ibid.

abuses.[48] When questioned on Britain's response to this, Margaret Thatcher argued that the Western incomprehension of Saudi society made intervention in the nation's internal affairs improper.[49] Though this could be considered a sensible perspective, it is in contradiction of the libertarian principles the Thatcher government had endeavoured to establish. Furthermore, a Governmental paper aimed to brief the Prime Minister before a preliminary meeting to Al Yamamah suggests that British dealings with the Saudis should consider the economic advantage of Saudi Arabia's possession of nearly 25% of the world's oil reserves over its internal affairs.[50] It was also suggested that trade deals were more likely to remain secure, since the autocratic rule of the House of Saud was 'likely to survive the next few years without major challenges to its authority.'[51]

With regards to arms deals with Middle Eastern countries boasting poor human rights records, of which Saudi Arabia was but one, the policy of the Thatcher government was to make deals as appealing to prospective clients as possible. This was achieved by the use of the Export Credit Guarantee Department (ECGD), who promoted export trade by the granting of generous loans to intended buyers, which were insured against late payments with taxpayers' money.[52] This meant that payment for British armaments companies was guaranteed primarily by their own government - a policy

[48] Tatchell, Peter, 'Thatcher's "Freedom Foreign Policy" Carried a Heavy Price', *MSN News,* 9 April 2013, <http://news.uk.msn.com/socialvoices/thatchers-freedom-foreign-policy-carried-a-heavy-price> [accessed 24 October 2013].
[49] MTF, Margaret Thatcher, Speech To Chatham House Conference on Saudi Arabia, 4 October 1993 <http://www.margaretthatcher.org/document/108323> [accessed 23 October 2013].
[50] Motram, R. C, Briefing for the Prime Minister's Meeting with Prince Sultan, 25 September 1985 <http://image.guardian.co.uk/sys-files/Politics/documents/2006/10/27/PJ5_39BriefforThatcherSept85.pdf> [accessed 24 October 2013]
[51] Ibid.
[52] James, *In Public Interest*, p56

which became incredibly disadvantageous when nations such as Jordan and Iraq began to default on payments.[53] The policy of bending over backwards to encourage Middle Eastern defence trade goes some way to demonstrating the importance given by the Thatcher government to seeking economic advantage in foreign policy.

A further terrible example of British callousness in foreign policy is that of the UK's trade and aid policy towards Indonesia. Encouraged by the strong and wealthy position Indonesia was thought likely to take in Southeast Asia at the end of the 20th century, the Thatcher government sought to strengthen established ties with the Indonesian government to guarantee Britain's piece of the growing market. In the Foreign and Commonwealth Office (FCO) 'Country Policy Paper' on Indonesia in 1980, it was observed that prospects for Indonesian economic growth were good, and that this could be good for British industry, providing the UK government continued to support efforts to increase both exports and overseas private investment.[54] In pursuit of this policy, the British government cultivated trade with Indonesia, mostly importing raw materials. At the same time, they took advantage of their already strong relationship with the regime to become Indonesia's biggest arms supplier.[55] The armament trade, in addition to the continuation of the British aid program toward Indonesia, aided the Indonesian government in its brutal repression in East Timor.

---

[53] Campbell, *Margaret Thatcher*, p343

[54] The National Archives, London [TNA hereafter], FCO15/2698, Indonesia: Country Policy Paper, March 1990.

[55] Curtis, Mark, 'The executioners' charter: Mark Curtis decries Western connivance in Indonesian atrocities', *The Guardian*, 25 November 1991 <http://www.lexisnexis.com/uk/nexis/docview/getDocForCuiReq?lni=40FN-ND40-00VY-918S&csi=8399&oc=00240&perma=true> [accessed 29 January 2014].

The human rights abuses of the Indonesian Suharto regime against the former Portuguese colony of East Timor were plentiful. Since the Western sponsored intervention in East Timor in 1975, General Suharto's military regime had been responsible for the death, torture, imprisonment and forced resettlement of hundreds of thousands of East Timorean people.[56] In 1993, the foreign affairs committee of the Australian Parliament found more than 200,000 people had died due to Indonesian occupation and repression since 1975, making up more than a third of the population.[57] As John Pilger argues, not only did Britain supply the Indonesian military with the means for internal repression in the form of machine guns and riot control vehicles, but 'For three decades the South-East Asian department of the Foreign Office worked tirelessly to minimise the crimes of Suharto's Gestapo'.[58] Rather than apply pressure to the Indonesian government against their human rights abuses, British authorities chose to continue to foster trade relations, whilst attempting to placate British and international pressure by drawing attention to Indonesia's limited human rights improvements, and their continuing need for aid as a developing nation.[59]

Britain's official policy for sales of defence material to nations with poor human rights records was unchanged throughout the Thatcher administration. This was that sales could be enacted for any military equipment deemed unlikely to be used for

---

56 TNA, FCO 15/2709, Carmel Budiardjo of TAPOL (British Campaign for the Release of Indonesian Political Prisoners) to David Knox M.P., 2 April 1980.
57 Pilger, John, 'Our Model Dictator', *The Guardian,* 28 January 2008. <http://www.theguardian.com/commentisfree/2008/jan/28/indonesia.world> [accessed 24 October 2013].
58 Ibid.
59 MTF, Margaret Thatcher to Stan Newens M.P., 21 November 1979, <http://www.margaretthatcher.org/document/117771> [accessed 11 April 2014].

internal repression.[60] The sale of equipment not likely to be used for internal repression, it was argued, could not be seen as the endorsement of the country in question's internal policies.[61] This fairly unclear weapon categorisation policy however, seems to have presented the FCO with ample opportunity for manoeuvre. Separate arms deals made throughout the 1980s and extending into the 1990s provided the Indonesian state with a range of sophisticated weaponry, including over 40 British Hawk Military fighter and trainer jets.[62] These aircraft have substantial ground attack capabilities and were reportedly used lethally to suppress the East Timorean Independence movement.[63] Similarly, in 1980 the South East Asian department of the FCO recommended authorisation for the sale of electric shock batons to the Indonesian police force.[64] This recommendation was made on the grounds that 'the Indonesians are not prone to the unnecessary use of force [and] shock batons would appear to have no special application in East Timor.'[65] It was also made despite the precedent set by the US in withholding this riot control equipment from Indonesian security forces, and the knowledge that it 'might become an emotive issue in Britain' to the TAPOL group.[66] TAPOL, the 'British Campaign for the Release of Indonesian Political Prisoners', was set up to campaign against human rights abuses against Indonesian political prisoners, but following the release of most of these in 1979, it realigned to campaign mostly on East Timorean human rights. The perversion of the 'not for internal repression' principle for economic profiteering

---

60 TNA, FCO7/4193, H. MacPherson to S. Webster, 28 June 1982.
61 Ibid.
62 James, *In Public Interest,* p62
63 Dilley, Ryan, 'The "Trainer" Jet the UK loves to hawk', *BBC News Online*, 29 May 2002 <http://news.bbc.co.uk/1/hi/uk/2012743.stm> [accessed 29 January 2014].
64 TNA, FCO15/2708, R. P. Flower, South East Asian Department, to Mr Donald, Defence Department, 'Sale of Shock Batons to Indonesia', 22 December 1980.
65 Ibid.
66 Ibid.

would be laughable were it not for the crimes against humanity it made the British government an accessory to.

In the first term of Thatcher's Conservative government, pressure mounted from TAPOL to crack down on Suharto's human rights abuses in East Timor by stopping economic aid to Indonesia.[67] Mr Budiardjo of TAPOL pointed out that since aid had been so crucial for the implementation of Indonesian development plans, the Inter-Governmental Group on Indonesia (IGGI) meeting in May 1980 presented an ideal opportunity to exert pressure.[68] FCO papers on the subject however, show a significantly different perspective. In the IGGI conference, Britain's Aid programme, worth approximately £9m, was pledged to continue.[69] It did not however make the expected additional capital pledge to Indonesia. Unfortunately, this was nothing to do with Indonesian human rights abuses, but a projection of the overseas effect of Britain's public spending cuts.[70] Moreover, the FCO was keen to assure Indonesia of the non-condemnatory nature the reduction in funding, stating the British intention to continue to aid new Indonesian development projects on an ad hoc basis.[71] Further to their insistence on the continuation of British aid to Indonesia, the British foreign office in 1980 felt 'it would be difficult for Britain credibly to put pressure on other aid donors about aid to East-Timor […] for fear we might risk damaging our relationship with the Indonesians.'[72] Britain's aid programme for Indonesia had the express aim of supporting the Thatcher government's 'efforts to increase exports and

[67] TNA, FCO15/2709, Budiardjo to Carrington. 24 April 1980.
[68] Ibid.
[69] TNA, FCO15/2709, House of Lords Written Question By Lord Chitinis: East Timor and IGGI. 20 May 1980.
[70] TNA, FCO15/2709, Carrington to Priority Jakarta. 9 May 1980.
[71] Ibid.
[72] TNA, FCO15/2709, C. G. Crawford FAO Mr Burns and Mr Murray, 22 April 1980.

overseas private investment'.[73] It was therefore seen as a vital part of the Thatcher government's East Asian foreign policy, and not to be disrupted by humanitarian idealism.

Manipulation of the British aid budget to economically beneficial ends was not unusual in the Thatcher administration. Margaret Thatcher herself did not believe in the principle of overseas developmental aid. As such, overseas aid was an area of budget that suffered considerably during her years in power. Campbell asserts that Mrs Thatcher saw handouts from wealthy nations to poor nations as merely a means of creating dependency and of propping up corrupt regimes.[74] It is ironic that she should take this view, as these are arguably the major reason behind British aid initiatives in the 1980s. Gerald James argues that the aid programmes of the Thatcher administration were simply another part of its economically militarised foreign policy.[75] Some of the largest British export deals in the 1980s were actually clandestine trade-offs for aid packages.

The most divisive of these was the Pergau Dam deal, in which after a visit to Malaysia in 1985, Mrs Thatcher agreed to provide funding of £234m to support the building of a hydroelectric power station in northern Malaysia. Campbell states the Pergau Dam was 'economically unviable and environmentally damaging.[76] The deal for its creation was later connected to the Malaysian purchase of £1.3bn of British defence equipment in September 1988.[77] In 1994, the high court judged that the

---

[73] TNA, Indonesia: Country Policy Paper 1980.
[74] Campbell, p340
[75] James, p61.
[76] Campbell, p343.
[77] James, p61.

Pergau Dam deal had been in breach of the Overseas Development and Co-operation Act of 1980, and that bilateral aid decisions should benefit the recipient country and must not be based on commercial considerations.[78] Douglas Hurd, Foreign Secretary, was forced to admit to three additional aid projects which 'might be held to raise legal difficulties' in Indonesia, Turkey and Botswana.[79] The manipulation of Britain's overseas aid budget in order to maximise export trade is a further example of the fiscally driven nature of the Thatcher government. Furthermore, as is demonstrated with regard to Indonesia, this economic drive came at the expense of any global humanitarian or libertarian concern the Thatcher government might wish to claim.

With regard to the accountability of Margaret Thatcher and her administration for the selling of Britain's libertarian credentials, governmental culpability is beyond question. Preferring to conduct high-level policy matters personally, Mrs Thatcher made sure she was heavily involved in trade proceedings. John Campbell states 'Thatcher herself set up many of the biggest and most contentious deals, including major contracts to King Hussein of Jordan, General Suharto of Indonesia and General Augusto Pinochet of Chile.'[80] Gerald James, former head of £100m British arms manufacturer Astra, added that government was the key participant in arms manufacture:

[78] Hansard House of Commons, 13 December 1994, [volume 251, col. 777].
[79] Ibid.
[80] Campbell, p342-343.

> All British defence exports, even down to rifle slings, require the submission of an official very detailed application to the MoD, which leaves no doubt as to the project itself, how the order was obtained, who for, and at what price.[81]

The libertarian agenda presented by the Thatcher government upon its arrival and especially with regard to the Cold War, wholly failed to show itself in British trade in the 1980s. The acceleration of the British arms trade under Thatcher facilitated the repression of people worldwide from Southeast Asia to the Middle East and South America. With regard British aid to overseas development, Thatcher remarked, 'The intractable problems of world poverty, hunger and debt would not be solved by misdirected international intervention, but rather by liberating enterprise**,** promoting trade, and defeating Socialism in all its forms'.[82] Whether such enterprise could be considered liberating to any but the privileged number who profited from it, is a matter for further discussion. In summary, the effect that Britain's economic difficulties had on the Thatcher government's humanitarian record was massive. In order to revitalise the economy, the UK government took pains to invigorate the export trade, particularly with regard to arms sales. In the course of this policy, pandering to tyrants and side-stepping humanitarian issues became commonplace.

---

[81] James, p56.
[82] Thatcher, *The Downing Street Years*, p170.

Ch 3 – The pursuit of British Influence in the global south

When Margaret Thatcher became Prime Minister in 1979, Britain was faced with a divisive global environment in which she had to struggle to ensure Britain's continuing position as an important Western power. The drive for improving British influence in the Thatcher era often came at the expense of the true implementation of an ideologically libertarian foreign policy. A principal aim in Margaret Thatcher's foreign policy was assurance that Britain would be able to continue to assume an international role befitting its traditional status. As such, in the 1980s Britain attempted to strengthen its position as a centre point in its three traditional political spheres: the Atlantic alliance, the European Community, and the global south, traditionally represented in the Commonwealth. The pursuit of a greater level of influence in the developing world led the Thatcher government to prioritise relations with governments who had economic and political values consistent with those of Britain, without regard to the undemocratic nature of those governments, or of their records in human rights.

A real change in Britain's geopolitical strategy under Thatcher occurred in her relations with the global south. Britain's position from which to influence the southern developing world had traditionally been derived from in its post-colonial heritage, and had been expressed in a central role in the Commonwealth organisation. However, the evolution of the Commonwealth organisation in the post-war era increasingly made its aims at odds with British interests. The rapid growth of the Commonwealth as a community of united post-colonial nations preordained a decline of Britain's influence within it. Joanna Spear argues that, over the course of the

1970s, the Commonwealth evolved into a key forum for north-south dialogue; 'a progressive organisation… committed to southern values: economic justice, equality and the elimination of racism'.[83] This evolution led to the demotion of Britain in the Commonwealth from an influential power to a country whose role was to be the recipient of southern developmental criticisms.

Frustration with the decline of British influence in the Commonwealth led the Thatcher government to rethink Britain's policy towards the third world in order to achieve maximum global influence. This included the retention of contentious but politically profitable allies such as South Africa. It also entailed the expansion of British relationships with developing nations who had less focus on social issues, and whose economic policies were compatible with those of Britain. This chapter will examine the effect that the pursuit of British geopolitical interest in the south had on the libertarian record of the Thatcher government.

The most renowned cases of disagreement between Britain and its partners in the Commonwealth came from Britain's continuing relationship with the South African apartheid regime. The South African apartheid system focused on the separation of black and white South Africans. This exacerbated the divide of wealth between the two, and was enforced with consistent and draconian repression of the black population. Civil unrest in South Africa intensified throughout the 1980s, particularly after President Botha's political reforms in 1984. These reforms reorganised South African Parliament, elevating Botha's title to President and establishing separate parliamentary houses for South Africans of Indian and mixed origin, while still

[83] Spear, Joanna, 'Relations with the South', in *British Security Policy*, Stuart Croft Ed. (London: HarperCollins, 1991) pp. 179-197, p181.

denying the black population a political voice.[84] Though Thatcher deplored apartheid and the harshness with which Pretoria enforced it, British government action to influence Pretoria was limited and generally came as a response to mounting pressure from Britain's allies.[85]

In the face of widespread political pressure to undermine the government in Pretoria by enacting economic sanctions, Mrs Thatcher maintained a staunch opposition. Britain's South African policy was to attempt to pursue its stated aims for the region- the ending of apartheid and achievement of a democratic government, but to do so without alienating the existing government of South Africa. This policy was named 'constructive engagement', by which the UK government hoped to enact change by the provision of positive, close and persuasive contact with the government in Pretoria.[86] Margaret Thatcher maintained that change in South Africa should come from within, and that it was 'vital that the democratic process should be seen to succeed'.[87] She loathed terrorism in all forms, and was therefore reluctant to acknowledge the African National Congress (ANC), whom she perceived as 'a typical terrorist organisation', as a legitimate party with which to conduct diplomacy.[88] In a speech in the House of Commons in 1979, she defended British policy towards South

[84] Van der Vat, Dan, 'Obituary: P.W. Botha', *The Guardian*, 2 November 2006 <http://www.theguardian.com/news/2006/nov/02/guardianobituaries.southafrica> [accessed 14 March 2014].
[85] Hansard HC, Margaret Thatcher, speech to the House of Commons, 25 July 1979, (971 cols. 620-30) p629.
[86] Cradock, p148.
[87] Thatcher in HC, 25 July 1979.
[88] MTF, Margaret Thatcher, Press Conference at Vancouver Commonwealth Summit, 17 October 1987 <http://www.margaretthatcher.org/document/106948> [accessed 15 April 2014].

Africa, arguing that the stability of the region depended on the resolution of the South African problem in a way that could not be seen as a victory for terrorism.[89]

Furthermore, the proposed method for the application of pressure on the Botha government was economic sanctions; a practice Mrs Thatcher saw as an affront to economic liberty. Her opposition to sanctions came from the fact that they were often ineffective, and largely had a negative impact on British business. This aversion made conformity to the globally endorsed application of sanctions to undermine South African government still less attractive. After pressure from the United Nations, America, the European Community, the Commonwealth, and from the Anti-Apartheid Movement in Britain, the UK joined the voluntary ban on new investment in South Africa in 1986.[90] However, the Anti-Apartheid Movement found in 1989 that Mrs Thatcher had encouraged British firms to disregard sanctions and make fresh investments in South Africa through the Department of Trade and Industry.[91] Her determination against sanctions here undermined the campaign against the apartheid.

It was further undermined when, in 1984, Mr Botha visited Mrs Thatcher at Chequers. She took this opportunity to express her concern at the repression of the black population and urge the release of Nelson Mandela[92]. It has been argued however, that this meeting enhanced the prestige of Mr Botha and undermined attempts to isolate

---

[89] Margaret Thatcher, speech to the House of Commons, 25 July 1979.
[90] Spear, p186.
[91] Pallister, David, 'Thatcher gives spur to sanction busters', *The Guardian*, 7 February 1989 <http://www.lexisnexis.com/uk/nexis/docview/getDocForCuiReq?lni=40GP-DR20-00VY-600J&csi=8399&oc=00240&perma=true> [accessed 24 March 2014].
[92] MTF, Margaret Thatcher, HC Statement [South African Prime Minister Visit], 5 June 1984 <http://www.margaretthatcher.org/document/105697> [accessed 20 March 2014].

him.[93] Neil Kinnock, leader of the opposition, described the episode as 'a diplomatic coup for the South African Government'.[94] Mrs Thatcher responded by stating her belief that 'we should not restrict our discussions to those with whom we agree', and pointed out the contradiction in condemning British negotiation with Pretoria while inviting it from Moscow.[95] It is difficult to determine whether Margaret Thatcher's policy of cooperative engagement was beneficial or damaging to the achievement of black liberty in South Africa. It is however, a useful case study in Thatcherite policy, since here she was able to reconcile an arguably libertarian policy with the retention of Britain's economic and political interests.

South Africa in the 1970s and the 1980s stood as the most important military and economic power in Africa, and as a major British trading partner.[96] James Barber writes that the value of British South African trade had risen steadily over the post-war years.[97] In 1981 British exports to South Africa were valued at £1,002m, while it imported £756m worth of food and 'crude inedible materials' such as gold.[98] However, by the Thatcher era, the monetary significance of this relationship was declining.[99] The value of Britain's relationship with Pretoria was far more political than economic. South Africa commanded sea routes between the Indian and Atlantic Ocean, and acted as guarantor of the freedom of these routes.[100] Furthermore, it was

---

[93] Spear, p183
[94] Margaret Thatcher HC Statement 5 June 1984.
[95] Ibid.
[96] Cradock, p144
[97] Barber, James, *The Uneasy Relationship: Britain and South Africa* (UK, Dartmouth Publishing Co Ltd, 1983), p30-31
[98] Ibid.
[99] Barber, James, 'An historical and persistent interest', *International Affairs*, Vol. 64, No. 4 (October 1991) pp. 723-738, p729
[100] Spear, p182.

also the principal non-Soviet source of 'strategic minerals' such as Uranium.[101] Due to its colonial past, Britain also had the incentive to promote the success of governmental institutions in South Africa because of the significant number of its citizens who had right to abode in Britain.[102] The fear that a breakdown of law and order in South Africa could lead to a flight of an estimated one million white South Africans to Britain motivated the British government to seek a collaborative solution with the existing government in Pretoria. 'Constructive engagement' policy here provided a way for the Thatcher government to maintain credibility as a libertarian nation, whilst still attending to its political and economic interests in the region. Due to the high-profile nature of the anti-apartheid case, the achievement of libertarian solutions may have also been more important to Margaret Thatcher than it otherwise might have been.

In its dealings with southern nations such as Indonesia however, where the world was both less aware and less sensitive to human rights abuses, the Thatcher government enjoyed a greater ability to prioritise its political and economic interests at the expense of its libertarian agenda. Britain's economic interest in Indonesia as a buyer of weaponry and a dealer of raw materials has been established. However, the wider political implications of a stronger economic foothold in South-East Asia may have been just as great a factor in the abandonment of the human rights dimension of Britain's libertarian principles as the immediate monetary reasons for it.

British foreign policy in this region, as in other developing areas, was rooted in the acquisition of British and Western influence by the encouragement of free market

[101] Cradock, p145
[102] Barber, 'An historical and persistent interest', p728

economics. The opening up of the developing world's markets facilitated the creation of bilateral trade relationships that could be used to exert leverage on the desired area. David Martin Jones argues that through the export of economic liberalism, Britain and America created new transnational forms of regulation and justice.[103] In her autobiography *The Downing Street Years*, Mrs Thatcher explains that the "five little tigers" of East-Asia, namely South Korea, Taiwan, Indonesia, Hong Kong and Singapore, represented some of the world's fastest growing economies, and to Britain, an opportunity 'not just for competition but markets.'[104] According to Mrs Thatcher, in order for Western industry to compete effectively with the low maintenance costs of East Asian industry, it was imperative that they be 'fully integrated into a global free trade economy'.[105] By this approach Britain could gain from southern development, both in terms of opening up its markets for British investment and profit, and by gaining the ability to manipulate the political direction of development through the demands of their markets. During the Thatcher government, the Third World was actively steered into Western influence by the promise of British investment for countries with liberal capitalist economies. As Margaret Thatcher points out, under her foreign policy, 'countries which had long advocated their own local form of socialism, to be paid for by western aid, suddenly had to consider a more realistic approach of attracting western investment by pursuing free-market policies.'[106] This policy often worked to the benefit of right wing autocratic regimes, and meant, for example, where Indonesia should have been made a pariah for its

[103] Jones, David Martin, 'Security and Democracy: The ASEAN Charter and the Dilemmas of Regionalism in South East Asia', *International Affairs*, Vol. 84, No. 4. (July 2008) Pp 735-756, p739
[104] Thatcher, *The Downing Street Years*, p501
[105] Ibid.
[106] Thatcher, *The Downing treet Years,* p171

offences against the liberty of the East Timoreans, President Suharto was hailed as 'an immensely hard working and effective ruler'.[107]

Margaret Thatcher's quest for the acquisition of British political influence further damaged the credibility of her purported ideological principles by cementing Britain's good relations with the brutal Chilean dictator Augusto Pinochet. With regard to British dealings with the Chilean junta, Mrs Thatcher preferred to see Pinochet as the ruler who turned Chile 'from chaotic collectivism into the model economy of Latin America', than to see him as a brutal oppressor. Her perspective on Chilean friendship led her to speak out on General Pinochet's behalf after his arrest in Britain in 1999.[108] Following a brutal military coup against the Allende socialist government in 1973, General Pinochet's military regime proved to be among the most repressive in South America, eradicating all political opposition to cement authoritarian rule.[109] The junta professed a commitment to modern liberal ideas of economics, and insisted that authoritarianism was a necessary evil required to prevent the spread of collectivist ideologies.[110] An article published by the *Michigan Law Review* following Pinochet's arrest for his regime's humanitarian crimes, states that 'hundreds of thousands of people were detained [and tortured] for political reasons, and several thousand disappeared or were killed.'[111] Following the coup Chile experienced political

---

[107] Thatcher, *The Downing Street Years*, p503

[108] MTF, Margaret Thatcher *Speech On Pinochet at the Conservative Party Conference,* 6 October 1999, [available at http://www.margaretthatcher.org/speeches/displaydocument.asp?docid=108383; accessed 30 October 2013]

[109] Valenzuela, Samuel J. and Arturo Valenzuela, *Military Rule in Chile: Dictatorship and Oppositions* (Baltimore: The John Hopkins University Press, 1987), p1-2.

[110] Valenzuela, p2.

[111] Bradley, Curtis A., and Jack L. Goldsmith, 'Pinochet and International Human Rights Litigation', *Michigan Law Review,* Vol. 97. No. 7 (June 1999), pp. 2129-2184, p2133.

ostracism due to the extremity of its authoritarian human rights abuses, and its 'Praetorian' approach to diplomacy.[112] In 1975 the arrest and torture of British Dr. Sheila Cassidy in Chile led to the severing of British diplomatic and trade relations with Chile, and in 1976 the US announced sanctions pending a substantial revision of the junta's attitude to human rights.[113]

Better relations with the North were achieved however, following the elections of Margaret Thatcher and Ronald Reagan to office in 1979 and 1981 respectively. The junta's policies on free trade and its outspoken anti-communism fit well with the reorientation of the West brought by the Reagan and Thatcher toward ending Détente and proscribing economic liberalism world-wide.[114] Britain's arms embargo to Chile was lifted in July 1980, and from then onwards, military equipment was sold to the Chilean junta under the proviso that they be 'not for internal repression'.[115] Though Britain voted in favour of resolutions in the UN General Assembly condemning the human rights record of the Chilean government in successive years in the 1980s, the steady improvement of Anglo-Chilean relations throughout the period suggests implicit British support for Pinochet's government.[116]

During the first six months of 1982, the Chile Commission on Human Rights reported 'an evident deterioration' in the field of human rights in Chile.[117] This period however, also represented a milestone in the improvement of the Anglo-Chilean

---

112 Muñoz, Heraldo, 'Chile's External Relations under the Military Government' in ed. Valenzuela, pp305-322, p305
113 Muñoz, p307-308
114 Muñoz, p317
115 TNA, FCO7/4193, H. MacPherson to S. Webster, 28 June 1982.
116 TNA, FCO 7/4209, Jon Barnes, Secretary of the Chile Committee for Human Rights, to David Knox, 14 September 1982.
117 TNA, FCO 7/4209, Andrew C. Clark to Francis Pym, 20 December 1982.

relationship. In September 1982, the Chief Commander of the Chilean Airforce was invited to Britain, and was the first member of the military junta to visit Britain in an official capacity.[118] Moreover, in the same month, Jon Barnes writes, the British Trade Minister Peter Rees visited Chile and 'declared that the Pinochet regime was "a moderating and stabilising force in Latin America" with which Britain was interested in "deepening and strengthening its political relations"'.[119] The progression of Anglo-Chilean relations in line with the junta's progress in economic liberalism further shows the blinding effect that the accumulation of political influence in developing regimes had on the Thatcher government.

Margaret Thatcher's pursuit of a greater level of political and economic influence over the developing world often resulted in the abandonment of Britain's established libertarian principles with regard to political liberty and human rights in foreign affairs. Mrs Thatcher's policy stipulated the reorientation of British support toward states she perceived as having something to offer in terms of economic or political advantage. This meant Britain's real commitment moved away from the Commonwealth, whose efforts were for politically libertarian values, but who were viewed as demandeurs. This was demonstrated in the retention of British support of South Africa against the will of the Commonwealth. It is further demonstrated by the southern relationships that were carefully cultivated by Britain in the 1980s in South America and South East Asia. Nations that received a greater level of British economic and political support in Thatcher's era of leadership were those who showed Western compatible economic policies. Such nations would provide

[118] Barnes to Knox, 14 September 1982.
[119] Ibid.

profitable allegiances by opening their markets to British trade, and therefore making their actions more open to British influence.

Ch 4 - Realpolitik and the Strategic Necessities of the Cold War

The most significant goal of Margaret Thatcher's foreign policy was to revitalise British power, wealth and influence, so that it might continue to take the position of diplomatic authority she believed was appropriate. The accomplishment of this goal involved strengthening the UK's position as a Western power, and achieving Western superiority over the Soviet Union. It was the central focus of such *Realpolitik* in Thatcherite foreign policy that led John Campbell to comment, 'Mrs Thatcher viewed the whole world through Cold War spectacles'.[120] All aspects of British foreign policy in the 1980s should be placed in a context of the West's constant struggle for geopolitical advantage. As this paper demonstrated in chapter 1, Mrs Thatcher viewed Britain's role in the Cold War as part of a conflict of libertarianism, aimed at the individual liberty of those under Soviet oppression. British actions in the Cold War, however, often appeared at odds with the proclaimed ideologically libertarian basis for the conflict. In pursuit of the Cold War aim of supporting pro-western governments and undermining socialist ones, Britain often assisted autocratic regimes whose repressive policies made them at least as deplorable as the USSR. The practicalities of achieving Western superiority thus had a serious limiting effect on the pursuit of ideological principles in the Thatcher government.

In the Cold War context, the idea of Western libertarianism was used as a rallying call by the Thatcher government to aid its anti-communist and pro-capitalist campaign. Western leaders attempted to make sure that their part in the Cold War would be remembered as a conflict for liberation. This was achieved in the later part of the

[120] Campbell, p339.

conflict by a higher level of emphasis being placed by Western leaders on the East-West rivalry between the superpowers, where liberation for the oppressed peoples of Russia and Eastern Europe was the central aim. When the conflict was ended, it was this focus that allowed Britain and America to showcase the 1980s and 1990s as 'a golden age of liberty'.[121] Western anti-communist goals in the global South however, were often far less easily reconciled with libertarian values. Peter Tatchell has argued that the West's Cold War policy in the South broadly entailed Western support being granted to anti-communist regimes, regardless of their approach to human rights.[122]

This argument is supported by the militarising effect that the Soviet invasion of Afghanistan had on the West's Middle Eastern policy. The FCO viewed the containment of Soviet ambitions in the Middle East as vital, since this activism was exacerbating the instability of the region, and threatening to western oil supplies.[123] Mrs Thatcher interpreted the invasion of Afghanistan in 1979 as evidence that the USSR was pursuing a policy of 'expansion and subversion' whereby they would attempt to 'nibble away at our interests'.[124] In response to the USSR's aggression, Mrs Thatcher implemented an anti-Soviet course of action. This involved encouraging the Muslim and non-aligned countries to continue in their denunciation of the Soviets, and the use of arms sales to bolster the security capabilities of western friendly nations, such as Oman, Saudi Arabia and Pakistan.[125] The government took pains to accelerate arms export contracts with friendly Arab forces in the Gulf region, as this

---

121 George Bush in MT Speech receiving Medal of Freedom Award, 7 March 1991.
122 Tatchell.
123 Bermant, Azriel, 'The impact of the Cold War on the government's Middle East policy', *Israel Affairs,* 19: 4 (2013), pp623-639, p626.
124 MTF, Thatcher letter to Carter, January 26 1980, <http://www.margaretthatcher.org/document/112686> [accessed 24 October 2014].
125 Ibid.

was an important method of strengthening western influence at the expense of the Soviets. Azriel Bermant argues that although Mrs Thatcher's involvement in arms sales to the Arab world was linked to her concern for British industry, they were also strategic, 'as a means of fending off Soviet influence.'[126] He goes on to cite the Al Yamamah contract with Saudi Arabia as an example of a deal 'designed to protect a major source of Western oil supplies and ensure that many of the other oil producers remained friendly to the West.'[127] Mrs Thatcher's strong encouragement of the American sale of American Airborne Warning and Control Systems (AWACS) to the authoritarian Saudi government was rooted in her concern for the security of their oil fields, and for western popularity with the Arab states.[128] The Cold War dimension in the Middle Eastern political sphere created a competition scenario in which Britain was keen to expand and cement its relationships with associate Arab nations, and gave little concern for their internal affairs.

In a letter to Margaret Thatcher in January 1980, President Carter explained his view of how Western policy in the region should develop, following the Soviet invasion of Afghanistan:

> The challenge to our common and crucial interests in this area is unprecedented; it calls for an unprecedented and coordinated Western response. This includes support for Pakistan, intensified political involvement with specific nations stretching from South West Asia to the Eastern Mediterranean, increased security involvement and military presence,

[126] Bermant, p629.
[127] Ibid.
[128] Bermant, 628.

increased economic assistance as appropriate, and arms support to friendly nations.[129]

Mrs Thatcher was in agreement with this interpretation of events, and with the response they called for.[130] In response to the USSR's actions in this area of Western strategic interest, Thatcher and Carter enacted a campaign of strengthening Western presence and influence across the Middle East. The necessity of this campaign limited the extent to which Mrs Thatcher was prepared or able to pursue a morally driven foreign policy.

Soviet activism in the Middle East prompted a necessary strengthening of relations between Britain and Pakistan. Pakistani society, under the Military rule of General Zia-Ul-Haq, was brutally repressed by the 'theocratic, tyrannical and maniacal dictatorship', which consolidated near-absolute power throughout the 19070s and 80s.[131] Ijaz Saroop states that in General Zia's Pakistan, government repression 'destroyed very deliberately' the individual political and social consciousness of the people, terminating the political awakening of the new generation and 'making it a sin to be a woman'.[132] Given that the UK's ideological contest with the USSR was supposedly rooted in 'moral outrage' in opposition to totalitarianism, the offences

[129] MTF, Jimmy Carter to Margaret Thatcher, Undated but handed to MT in person by Warren Christopher at a meeting on 14 January <http://www.margaretthatcher.org/document/112685> [accessed 28 October 2013].
[130] MTF, Thatcher letter to Carter, January 26 1980.
[131] Ijaz, Saroop, 'Why Ziaul Haq should not be forgotten' *The Express Tribune,* 8 April 2012 <http://tribune.com.pk/story/361248/why-ziaul-haq-should-not-be-forgotten/> [accessed 18 March 2014].
[132] Ibid.

presented by such a regime should be clear and deplorable.[133] However, in her 1981 state visit, Thatcher deemed the expansion of British friendship with Pakistan to be very important due to 'a shared interest in confronting the situation which has arisen in Afghanistan.'[134]

Western desperation to undermine the USSR in the Middle East led to the irresponsible policy of arming anti-Soviet forces in the region without care or control over the result. Western support for General Zia in Pakistan came in the form of military and economic assistance, which was centred on Pakistan's support for the Mujahideen, the multinational Islamist insurgent forces who fought the Soviets in Afghanistan.[135] The Mujahideen used the lands in Pakistan near the Afghan border as a base of operations. By channelling aid through Pakistan, the West was able to aid the Afghan resistance by providing a covert supply of arms and training.[136] West German Chancellor Helmut Kohl described the military support given to the Mujahideen by the West, in particular America, as 'thoroughly dangerous' as it directly intensified the war.[137] Furthermore, the Western powers were unable to control the direction of aid once it arrived in Pakistan, meaning it often did not reach its intended recipients. Much of the weaponry sent by the US (and all other parties involved in the distribution of aid through Pakistan) to aid the Mujahideen was simply

---

133 Urban, p3.
134 MTF, Margaret Thatcher, Speech at banquet given by Pakistan President, 8 October 1981 <http://www.margaretthatcher.org/document/104716> [accessed 14 March 2014].
135 Bowcott, Owen, 'UK discussed plans to help mujahideen weeks after Soviet Invasion of Afghanistan', *The Guardian,* 30 December 2010 <http://www.theguardian.com/uk/2010/dec/30/uk-mujahideen-afghanistan-soviet-invasion> [accessed 18 April 2014].
136 MTF, Carrington minute to MT ("Afghanistan: The Next Steps") 1 February 1980 <http://www.margaretthatcher.org/document/118196> [accessed 19 March 2014].
137 Bowcott.

sold in the local market at the port of Karachi where it arrived.[138] This, along with the heroin market that became integrally tied to the arms trade in the area, contributed significantly to disorder, violence and drug abuse in Pakistan.[139] Gilles Kepel argues that the theft of aid money and weapons in Pakistan was considered by Western governments as an acceptable loss, and was overlooked, so long as Russian forces remained in Afghanistan.[140] In confirmation of Britain's role in supporting the Mujahideen via Pakistan, Sir Robert Armstrong, the Cabinet Secretary who was tasked with negotiating how to channel covert aid to the resistance movement stated:

> So long as the Afghans were ready to continue guerrilla war resistance and Pakistan was prepared […] to acquiesce in [its] territory being a base for such activity, the West could hardly refuse to provide support where it could do so with suitable discretion.[141]

Mrs Thatcher's government greatly valued Pakistan as an ally in the Cold War and as a channel to the Mujahideen. The West therefore chose to disregard the state's human rights abuses and the adverse effect their aid would have on the humanitarian situation. UK aid to Pakistan In 1979 received an additional $24m from the previous year, and this figure reached a historic high of $51.75m in 1980.[142] Together with the $600m per year in US aid, this undoubtedly enhanced the prosperity and prestige of

---

138 Kepel, Gilles, *Jihad: The Trial of Political Islam,* (London: I.B. Taurus, 2004) p 143-144.
139 Kepel, p143.
140 Ibid.
141 Sir Robert Armstrong, quoted in Bowcott.
142 Provost, Clare, 'UK Aid: Where does it go and how has it changed since 1960?', *The Guardian*, 14 April 2011 <http://www.theguardian.com/news/datablog/2011/apr/14/uk-aid-spending-history#data> [accessed 1 April 2014].

General Zia's authoritarian regime.[143] Furthermore, it is clear that the uninhibited supply of arms to Afghanistan and its neighbours has significantly contributed to the continuation of violence there in the years up to present.

It must be noted that British support for Pakistan in the 1980s was not entirely inconsistent with Thatcher's professed libertarian principles. By October 1981, the invasion of Afghanistan had resulted in the flight of two-and-a-half million refugees to Pakistan's northwest frontier.[144] This created a mass humanitarian problem, and one in which Pakistan had major a part to play. Mrs Thatcher took advantage in her 1981 visit to Pakistan to reassure Islamabad that they could count on Western gratitude and support in their management of the refugee crisis.[145] It is perhaps unreasonable therefore, to expect the Prime Minister to challenge President Zia-Ul-Haq on his internal human rights abuses at that time. However, the irresponsible and uncontrolled manner by which aid was dispersed into the region by Western governments such as the UK, supports the conclusion that overall, the Cold War had an adverse effect on Britain's implementation of a principled, libertarian foreign policy.

In a memo to the Prime Minster, the Foreign Secretary Lord Carrington wrote 'The purpose of these actions is to maintain military pressure on the Russians inside Afghanistan; to demonstrate more widely that the Russians are not having things all their own way'.[146] The British reaction following the Soviet invasion of Afghanistan

---

143 Kepel, p143
144 Margaret Thatcher, Speech at banquet given by Pakistan President, 8 October 1981.
145 Ibid.
146 Lord Carrington minute to MT, 1 February 1980

shows the effect that the Cold War had on Mrs Thatcher's foreign policy priorities, which became thoroughly centred on Western superiority.

There are further significant examples of when the UK's relationship with a nation with poor human rights credentials has been shifted by war strategy. In parallel with their Middle Eastern policy, avenues for bolstering Western influence in South America were also being explored as a result of Soviet and Cuban activism. South America had long been accepted as an American sphere of influence. In 1979 however, the discovery of a Soviet combat brigade in Cuba lent credence to the fear that the broad trend of Soviet support for Cuban military intervention across the world would manifest again in disturbances in South and Central America.[147] In an exchange of letters between Mrs Thatcher and President Carter in 1979, both expressed their concern over the situation, and the conviction that the Western position in the region should be strengthened.[148] They further suggested, that giving increased assistance to friendly regimes in the area would support this aim.[149] The desire to aid the USA in the Cold War and to protect Britain's regional interests is likely to have led Mrs Thatcher towards her cordial relationship with the Chilean junta. Furthermore, Britain was afforded an opportunity to corner the Chilean market by the United States Congress' decision to restrict US arms sales to the repressive regime.[150] The idea that Mrs Thatcher's foreign policy was guided by libertarian ideals is cast in serious doubt in this case, by her taking economic advantage of America's principled approach.

---

147 Carter to Thatcher (Soviet Brigade in Cuba), 1 October 1979.
148 Ibid; and MTF, Margaret Thatcher to President Carter, 2 October 1979 <http://www.margaretthatcher.org/document/112237> [accessed 24 October 2014].
149 Ibid.
150 Friedman, p46.

Relations with Chile were greatly improved by Mrs Thatcher and President Pinochet's shared opposition to communism, and by the benefits afforded by Chilean friendship during the Falklands crisis. Pinochet was a militant anti-communist, and by consistent criticism of the West's weak position in the Détente era, had succeeded in alienating Chile from the international community.[151] However, Chile's pariah status lessened in the 1980s due to the heightening of Cold War tension that was brought about by the Soviet invasion of Afghanistan, and the hardening of Western attitudes following the elections of Thatcher and Reagan. Despite Britain and the United States continuing to condemn Chilean human rights abuses in the United Nations, by 1981, both nations had renewed diplomatic and trade relations with the junta.[152] In Britain this allowed for the sale of military equipment that was thought unlikely to be used for internal repression.[153] The Pinochet regime's economic and geopolitical compatibility with Britain aided in Mrs Thatcher's disinclination to pursue a libertarian policy in this area.

Britain capitalized on the Chilean connection in the Falklands conflict when the Pinochet regime provided invaluable covert military support. Though they never met during her time in office, Mrs Thatcher plainly held the dictator in high esteem. In her speech at the 1999 Conservative party conference, she defended him as 'a true friend of this country'.[154] She went on to reveal that in the Falklands, Chilean long-

---

151 Muñoz, p316-317.
152 Jon Barnes to David Knox, 14 September 1982.
153 Muñoz, p316.
154 MTF, Margaret Thatcher, Speech on Pinochet at the Conservative Party Conference, 6 October 1999 <http://www.margaretthatcher.org/speeches/displaydocument.asp?docid=108383> [accessed 30 October 2013].

range radar was employed to give the British fleet early warnings of attacks.[155] This allowed them time to take defensive action, and thereby limited war casualties. The extent of British gratitude to Chile is shown by evidence that restrictions on British armament sales may have been relaxed following the Falklands conflict.[156] Dan Maclennan showed this in a letter to the FCO Defence Department regarding discussions with the Chilean arms company *Cardoen* about its purchase of tank gun turrets.

> As you are aware, prior to the Falklands crisis, Ministers were not at all keen to see anything in the tank field go to Chile. However, thinking may be different now and this appears to be a legitimate military request and not [in] the internal repression category.[157]

This note suggests that although weapons sales continued to be restricted by the 'not for internal repression' policy, the limitations caused by this clause may have been altered in line with the government's relationship with Chile. In response to allegation that the growing relationship with Chile undermined any expression of Britain's concerns over her human rights abuses, Mr H. D. Macpherson of the South America Department wrote that 'the sale of equipment which does not fall within [the internal repression] category clearly cannot be seen as an endorsement of Chile's internal policies.'[158] The paradoxical approach taken by the Thatcher government with regard to Chile, whereby it condemned the junta's human rights abuses on the one hand, but

---

155 Ibid.
156 TNA, FCO7/4193, Letter Dan Maclennan to David Emsley, 23 July 1982.
157 Ibid.
158 MacPherson to Webster, 1982.

pragmatically allayed these concerns on the other, demonstrates the centrality of *realpolitik* in Thatcherite policy.

The effect that Margaret Thatcher's supposed ideological principles had on Britain's foreign policy, was clearly limited by what she perceived as the strategic necessities of British government. The centrality of achieving Western superiority in the Cold War superseded idealist values in Thatcherite policy. In the Middle East, this resulted in the tacit approval of militarism and authoritarianism in the West's allies in the pursuit of improved security. This is likely to have significantly contributed to the intensification and protraction of violence in the region. Furthermore, the case of British relations with Chile demonstrates that *realpolitik* was central in other British foreign relations. This pattern suggests that libertarianism in foreign policy was less of a benchmark conviction in Thatcher's government, and rather, an ideal that might be pursued at times when Britain's strategic objectives allowed.

Chapter 5: A Case Study in Self-Interest: 'The Great Iraqi Arms Bonanza'

The professed libertarian principles of the Thatcher government were highly vulnerable to compromise against the centrality of British interests. At the centre of this pattern of governmental callousness, the Arms for Iraq scandal, or, as Gerald James dubbed it, the 'Great Iraqi Arms Bonanza' of the 1980s, shows a side of British foreign policy under Margaret Thatcher in which all moral principles were put aside in the name of economic and political profiteering.[159] This chapter will uncover the extent to which Britain's foreign policy with regard to Iraq was devised at the expense of Iraq's victims. Furthermore, it will explore the level of deception by British officials to ensure that Britain's policy in Iraq could be hidden. This case is salient to the argument that Mrs Thatcher's purported libertarian principles were merely a construction of propaganda, and had little bearing on foreign policy formation in her government.

British interest in Iraq was largely based on its goals of wielding greater influence and having access to a greater proportion of the market in the Gulf region. Following the rise of the Islamic leader Ayatollah Khomeini in Iran, the Iranian market became closed to the West.[160] Iraq was therefore thought likely to become the world's second largest oil producer, and was thus incredibly important for Britain's commercial interests.[161] Margaret Thatcher's trade policy was aimed at acquiring favoured client

[159] James, p61.
[160] Campbell, p345.
[161] Norton-Taylor, Richard and David Leigh, 'Analysis: The arms market: for sale', *The Guardian,* February 17 1998.

status for British firms with Iraq. Eager to take advantage of the Iraq's trade and Britain's export credit guarantee policy, the arms industry reasoned that if Britain did not export arms to Iraq, the Russians and French would fill the market gap.[162] Alan Clark of the Department of Trade and Industry (DTI) took the pragmatic view that British defence sales should not be inhibited, as, even without them, arms would continue to reach those who wanted them.[163] However, this shirking of responsibility falls flat because of Britain's active encouragement of the Iraqi arms market. Generous loans, made out by the Export Credit Guarantee Department (ECGD) to Saddam's bankrupt regime, were made available so that British firms could continue to sell military goods to Iraq when their overseas competitors could not.[164] The desperation with which Britain attempted to cement its position as a prominent Iraqi trade partner not only supported the tyrannical dictator, but also gave credence to the idea that Saddam's regime was above international law.

Throughout the 1980s, Western interest in Iraq's markets and its potential power led the international community, including Britain, to overlook its human rights abuses. Since Iraq's 1990 invasion of Kuwait however, Saddam Hussein's actions of genocide and crimes against humanity in peace and in war have been more widely condemned.[165] The reason for the lateness of this outcry Arshin Adib points out, is that international complicity with Iraq's efforts in the Iran-Iraq war led to the suppression of widespread knowledge of Saddam Hussein's war crimes in that

---

<http://www.lexisnexis.com/uk/nexis/docview/getDocForCuiReq?lni=3S23-7WG0-0051-43MC&csi=8399&oc=00240&perma=true> [accessed 13 March 2014].

[162] Campbell, p347.

[163] James, p65.

[164] Ibid; and James p56

[165] Adib-Moghaddam, Arshin, 'The Whole Range of Saddam Hussein's War Crimes', *Middle East Report,* No. 239, (Summer 2006), pp. 30-35.

conflict. The reason, for instance, that Saddam Hussein did not stand trial for his chemical weapons attacks against Iran, was that this would have involved uncovering the level of Western culpability as Iraq's sponsors.[166] The West showed its reluctance to hear Iran's complaints of Iraqi chemical weapons attacks, which had started in 1980, by the fact that it took the United Nations four years to properly investigate Iran's claims, and the subsequent report's failure to directly condemn Iraq's conduct.[167] Each of the permanent members of the United Nations Security Council had a stake in Iraq's arms market, and therefore was incentivised to hamper the course of international justice in this period.[168]

Even when Iraq's abuses directly impacted against a British citizen in September 1989, it did not elicit a serious response from government, whose policy towards Iraq remained undeterred. Farzad Bazoft, a journalist for *The Observer* was arrested in Baghdad for spying, and executed five months later.[169] The FCO responded to the human rights abuses of Saddam Hussein in a lacklustre way that reflected Britain's true priorit: the UK's stake in Iraq's market. Mark Higson, former Iraqi desk officer at the FCO recalled that preceding any high-level diplomatic talks, British concern over Baghdad's human rights record was expressed.[170] Following these unpleasantries however, 'we'd go straight in to bat for Britain'.[171] Then Foreign Office minister, William Waldegrave, showcased the Thatcher government's attitude to Iraq's human

---

166 Arshin, p30.
167 Arshin, p31.
168 Stockholm International Peace Research Institute Arms Transfers Database, 'TIV of arms exports to Iraq, 1980-1990', *Stockhold International Peace and Research Institute* (2009), <http://armstrade.sipri.org/armstrade/page/values.php> [accessed 14 March 2014].
169 Norton-Taylor.
170 James, p66.
171 Ibid.

rights abuses following the Bazoft debacle. He stated that the importance of the favourable relationship with Iraq was paramount, and that 'A few more Bazofts or another bout of internal repression would make this more difficult'.[172] Clearly, the importance of Britain's relationship with Iraq was valued above the rights of any individual, and, to an extent, above international law.

The Scott Report, published in 1996, investigated the British export of defence equipment to Iraq throughout the 1980s. It found that at the end of the Iran-Iraq War, the Thatcher government had revised its guidelines limiting arms exports to Iraq without informing parliament.[173] From this conclusion it has been suggested that the Thatcher government deliberately kept its Iraqi arms sales policy from the public.[174] This allegation was denied by the government, who stated that the guidelines on exports to Iraq, which had been established by the then Foreign Secretary Geoffrey Howe in 1984, allowed for changes to defence export policy in light of circumstances such as ceasefire.[175] However, evidence shows that British exports to Iraq continued throughout the war, regardless of official neutrality and a commitment to limit arms supplies to both sides.[176] The Howe guidelines established the British criteria for exports to Iraq, stating the necessity that any exports should be non-lethal, and unlikely to protract the war.[177] Furthermore, licenses for exports were to be heavily scrutinized in order to ensure the implementation of these guidelines.

---

[172] Norton-Taylor.
[173] Hansard HC, 'Scott Report', HC debate 26 February 1996, vol. 272, cc 589-694. <http://hansard.millbanksystems.com/commons/1996/feb/26/scott-report> [accessed 11 March 2014].
[174] Ibid.
[175] Ibid.
[176] Campbell, p345.
[177] Howe, Geoffrey, 'Criteria for Exports to Iraq', in James p68-69.

The Howe guidelines were however, directly flaunted by the Thatcher government's arms export policy. Britain's profitable working relationship with Saddam Hussein's regime was built on the export trade. Ethical guidelines were therefore deemed unimportant, and bypassed by the use of conduit nations. Often, what Alan Clark, of the Department of Trade and Industry, called 'the trickier items' of British exports destined for Iraq, were consigned to friendly regional neighbours such as Jordan and Saudi Arabia to then be passed on.[178] Gerald James states that as early as 1983, the FCO knew that Jordan was used as a conduit for arms to Iraq, and that over half the military equipment bought by Iraq in the 1980s was passed through Jordan.[179] Furthermore, in 1985, and just one year after the establishment of the Howe guidelines, the FCO authorised the British construction of the Iraqi chemical plant Falluja 2, which officials knew was likely to be used for the production of mustard and nerve gas to be used against Saddam's opponents.[180] Chemical weapons were a strong part of Saddam Hussein's Arsenal, having been used throughout the Iran-Iraq War, and in 1988 to facilitate the slaughter of thousands of Iraqi Kurds.[181]

The involvement of the Thatcher government in the arming of Iraq directly supported the regime of Saddam Hussein, and aided in the carrying out of his human rights abuses. Furthermore, the enthusiasm of Western governments to provide for Hussein, and thereby cemenconsolidatet their position in the Gulf region, led them to overlook, conceal, or respond feebly to Iraq's violations. This gave the impression that Saddam Hussein's regime was in a privileged position and was therefore above international

[178] James, p70.
[179] Ibid.
[180] Leigh, David and John Hooper 'Britain's Dirty Secret', *The Guardian,* 6 March 2003 <http://www.theguardian.com/politics/2003/mar/06/uk.iraq> [accessed 17 March 2014].
[181] James, 66.

law. The magnitude of this mistake surfaced when the West was forced to intervene following Iraq's invasion of Kuwait in 1990. The level of deception that was used in order that the Thatcher government could continue to foster a good relationship with Iraq shows the desperation with which the government clung to its balancing act. Thatcher's purported libertarian principles created a positive image that was incredibly important to the Conservative government. Thus, in order to continue to pursue British interests, the government used deceit to protect the myth of Thatcherite libertariansim.

Conclusion

In conclusion, the image Margaret Thatcher cultivated as a politician whose policies were driven by ideals of freedom and liberty, is a carefully constructed fable. In her relations with the Soviet Union, the conviction of Mrs Thatcher's ideological rhetoric demonstrates a genuine belief in the importance of individual liberty. This idealism however, was not allowed to manifest itself in foreign policy formation. Mrs Thatcher exploited the agreement that existed between her established libertarian principles and her immediate Cold War aims for propaganda purposes, thereby creating the myth that George Bush Sr. states that 'she sailed freedom's ship wherever it was imperiled'.[182] Her central conviction in foreign affairs was that British interests should always take precedence. This is exposed in cases where British interests conflicted with the pursuit of an ideologically based policy.

The three major factors that affected the formation of Thatcherite foreign policy were economic benefit, Britain's global influence, and strategic considerations over the Cold War. When these priorities demanded the abandonment of libertarian principles, this was done readily. In some cases such as that of Iraq and Pakistan, Britain's actions in self-interest had the effect of directly contributing to humanitarian problems, rather than simply allowing them to exist. As Britain's policies in Iraq demonstrate, the greater the perceived reward, the more the Thatcher government was prepared to waive any form of morality from its policy formation.

[182] President George H. Bush, Speech receiving Medal of Freedom Award, 7 March 1981.

The image of Britain as a principled actor on the international stage however, was too beneficial, to the government domestically, to its international prestige, and to the Cold War effort, for its abandonment to be allowed. Therefore, the Thatcher government was careful to suppress or obscure evidence of its trespasses. It did this by the use of manipulative terminologies such as 'constructive engagement', by which the government absolved itself of responsibility for the negative effect its pursuit of British interest had on universal liberty. Furthermore, the FCO argued that by only exporting materials that were deemed unlikely to aid in the repressive policies of their clients, Britain could not be seen to be supporting oppression. This suggestion however, is critically undermined by the flexible nature of this policy, as was demonstrated in relations with Indonesia and Chile, and the consistency of failure by Mrs Thatcher to exert real pressure for change on her partners. The importance that the Thatcher government allocated to its relationships with autocratic states also often led it to belittle and draw attention away from their human rights abuses, such as in the cases of Chile, South Africa, and Indonesia. Through this policy, the Thatcher government actively undermined international humanitarian goals.

Although Mrs Thatcher may have believed in the importance of individual freedom and liberty, her central commitment to British interests in foreign policy led these values to be consistently suppressed, to the extent that they would appear to be entirely without substance.

Bibliography

Primary Sources

Cartledge, Sir Bryan, 'Margaret Thatcher: Personality and Foreign Policy', in Ed. by Stanislao Pugliese, *The Political Legacy of Margaret Thatcher,* [London: Politico's, 2003] pp157-160

Cradock, Percy, *In Pursuit of British Interests* (London: John Murray, 1997)

Hansard HC, 'Scott Report', HC debate 26 February 1996, vol. 272, cc 589-694. <http://hansard.millbanksystems.com/commons/1996/feb/26/scott-report> [accessed 11 March 2014].

Hansard HC, Margaret Thatcher, speech to the House of Commons, 25 July 1979, (col. 971, 620-30) p629.

Hansard HC, 13 December 1994, (volume 251, col. 777).

James, Gerald, *In Public Interest: A Devastating Account of the Thatcher Government's Involvement in the Covert Arms Trade By the Man Who Turned Astra Fireworks into a £100M Arms Manufacturer* (UK: Little, Brown and Company, 1995).

MTF, Carrington minute to MT ("Afghanistan: The Next Steps") 1 February 1980 <http://www.margaretthatcher.org/document/118196> [accessed 19 March 2014].

MTF, Jimmy Carter to Margaret Thatcher, Undated but handed to MT in person by Warren Christopher at a meeting on 14 January <http://www.margaretthatcher.org/document/112685> [accessed 28 October 2013].

MTF, Margaret Thatcher *Speech On Pinochet at the Conservative Party Conference*, 6 October 1999, [available at http://www.margaretthatcher.org/speeches/displaydocument.asp?docid=108383; accessed 30 October 2013].

MTF, Margaret Thatcher to President Carter, 2 October 1979 <http://www.margaretthatcher.org/document/112237> [accessed 24 October 2014].

MTF, Margaret Thatcher to Stan Newens M.P., 21 November 1979, <http://www.margaretthatcher.org/document/117771> [accessed 11 April 2014].

MTF, Margaret Thatcher, HC Statement [South African Prime Minister Visit], 5 June 1984 <http://www.margaretthatcher.org/document/105697> [accessed 20 March 2014].

MTF, Margaret Thatcher, Press Conference at Vancouver Commonwealth Summit, 17 October 1987 <http://www.margaretthatcher.org/document/106948> [accessed 15 April 2014].

MTF, Margaret Thatcher, Speech at banquet given by Pakistan President, 8 October 1981 <http://www.margaretthatcher.org/document/104716> [accessed 14 March 2014].

MTF, Margaret Thatcher, Speech at Kensington Town Hall ("Britain Awake"), 19 January 1976 <http://www.margaretthatcher.org/document/102939> [accessed 15 March 2014].

MTF, Margaret Thatcher, Speech on Pinochet at the Conservative Party Conference, 6 October 1999 <http://www.margaretthatcher.org/speeches/displaydocument.asp?docid=108383> [accessed 30 October 2013].

MTF, Margaret Thatcher, Speech To Chatham House Conference on Saudi Arabia, 4 October 1993 <http://www.margaretthatcher.org/document/108323> [accessed 23 October 2013].

MTF, Margaret Thatcher, Speech to Chelsea Conservative Association (attacking detente), 26 July 1975 <http://www.margaretthatcher.org/document/102750> [accessed 14 March 2014]

MTF, Margaret Thatcher, Winston Churchill Memorial Lecture ("Europe: The Obligations of Liberty") 18 October 1979 <http://www.margaretthatcher.org/document/104149> [accessed 15 March 2014].

MTF, President George H. Bush, Speech receiving Medal of Freedom Award, 7 March 1981. <http://www.margaretthatcher.org/document/108263> [accessed 14 March 2014].

MTF, Speech at Lord Mayor's Banquet, 15 November 1982, <http://www.margaretthatcher.org/document/105054> [accessed 15 March 2014].

MTF, Thatcher letter to Carter, January 26 1980, <http://www.margaretthatcher.org/document/112686> [accessed 24 October 2014].

MTF, Thatcher letter to Reagan, 22 December 1981, <http://www.margaretthatcher.org/archive/displaydocument.asp?docid=109294> [accessed 3 April 2014].

MTF, *The Polish Crisis of 1981-82*, <http://www.margaretthatcher.org/archive/us-reagan%20%28Poland%29.asp> [accessed 28 March 2014].

MTF, UK Embassy in Warsaw to FCO, 'Poland: Annual Review for 1984', 31 December 1984, p1. <http://www.margaretthatcher.org/document/111002>, [accessed 30 March 2014].

MTF, UK Embassy in Warsaw to FCO, 'Poland: Annual Review for 1986', 21 January 1987, p5 <http://www.margaretthatcher.org/document/111004> [accessed 30 March 2014].

MTF, Weinberger note of meeting with Margaret Thatcher, 8 September 1982, <http://www.margaretthatcher.org/archive/displaydocument.asp?docid=110636> [accessed 28 March 2014].

Provost, Clare, 'UK Aid: Where does it go and how has it changed since 1960?', *The Guardian*, 14 April 2011 <http://www.theguardian.com/news/datablog/2011/apr/14/uk-aid-spending-history#data> [accessed 1 April 2014].

Renwick, Robin, *A Journey With Margaret Thatcher: Foreign Policy Under the Iron Lady*, (London: Biteback publishing Ltd., 2013).

Stockholm International Peace Research Institute Arms Transfers Database, 'TIV of arms exports to Iraq, 1980-1990', *Stockhold International Peace and Research Institute* (2009), <http://armstrade.sipri.org/armstrade/page/values.php> [accessed 14 March 2014].

TNA, FCO15/2698, Indonesia: Country Policy Paper, March 1990.

TNA, FCO 15/2709, Carmel Budiardjo of TAPOL (British Campaign for the Release of Indonesian Political Prisoners) to David Knox M.P., 2 April 1980.

TNA, FCO 7/4209, Andrew C. Clark to Francis Pym, 20 December 1982.

TNA, FCO 7/4209, Jon Barnes, Secretary of the Chile Committee for Human Rights, to David Knox, 14 September 1982.

TNA, FCO15/2708, R. P. Flower, South East Asian Department, to Mr Donald, Defence Department, 'Sale of Shock Batons to Indonesia', 22 December 1980.

TNA, FCO15/2709, Budiardjo to Carrington. 24 April 1980.

TNA, FCO15/2709, C. G. Crawford FAO Mr Burns and Mr Murray, 22 April 1980.

TNA, FCO15/2709, Carrington to Priority Jakarta. 9 May 1980.

TNA, FCO15/2709, House of Lords Written Question By Lord Chitinis: East Timor and IGGI. 20 May 1980.

TNA, FCO7/4193, H. MacPherson to S. Webster, 28 June 1982.

TNA, FCO7/4193, Letter Dan Maclennan to David Emsley 'Chile - 105mm L7 Tank Gun and Turret', 23 July 1982.

Thatcher, Margaret, 'Reflections on Liberty – The Rt Hon. Baroness Thatcher, LG., OM., F.R.S.', in *The Political Legacy of Margaret Thatcher,* Edited by Stanislao Pugliese [London: Politico's, 2003) pp2-8.

Thatcher, Margaret, *The Downing Street Years*, (UK: HarperCollins, 1993).

Urban, George, *Diplomacy and Disillusionment at the Court of Margaret Thatcher* (London: I.B. Tauris & Co Ltd., 1996).

Secondary Sources

Adib-Moghaddam, Arshin, 'The Whole Range of Saddam Hussein's War Crimes', *Middle East Report,* No. 239, (Summer 2006), pp. 30-35.

Barber, James, 'An historical and persistent interest', *International Affairs,* Vol. 64, No. 4 (October 1991) pp. 723-738.

Barber, Barber, *The Uneasy Relationship: Britain and South Africa* (UK, Dartmouth Publishing Co Ltd, 1983).

Bermant, Azriel, 'The impact of the Cold War on the government's Middle East policy', *Israel Affairs,* 19: 4 (2013), pp623-639.

Bowcott, Owen, 'UK discussed plans to help mujahideen weeks after Soviet Invasion of Afghanistan', *The Guardian,* 30 December 2010 <http://www.theguardian.com/uk/2010/dec/30/uk-mujahideen-afghanistan-soviet-invasion> [accessed 18 April 2014].

Bradley, Curtis A., and Jack L. Goldsmith, 'Pinochet and International Human Rights Litigation', *Michigan Law Review*, Vol. 97. No. 7 (June 1999), pp. 2129-2184.

Byrd, Peter, ed. *British Defense Policy: Thatcher and Beyond*. (UK: Philip Allen, 1991).

Campbell, John, *Margaret Thatcher, Volume II: The Iron Lady* (London: Jonathan Cape, 2003).

Carrington, Peter, *Reflections on Things Past: The Memoirs of Lord Carrington* (London: Collins, 1988)

Charleston S.C, 'Thatcher, Jaruzelski Hold Talks', *The News and Courier*, 4 Nov 1988, p3-A. <http://news.google.com/newspapers?nid=2506&dat=19881104&id=hoJJAAAAIBAJ&sjid=swsNAAAAIBAJ&pg=1557,924224> [accessed 30 March 2014].

Croft, Stuart, ed. *British Security Policy* (London: HarperCollins 1991).

Curtis, Mark, 'The executioners' charter: Mark Curtis decries Western connivance in Indonesian atrocities', *The Guardian*, 25 November 1991 <http://www.lexisnexis.com/uk/nexis/docview/getDocForCuiReq?lni=40FN-ND40-00VY-918S&csi=8399&oc=00240&perma=true> [accessed 29 January 2014].

Dilley, Ryan, ‘The “Trainer” Jet the UK loves to hawk’, *BBC News Online*, 29 May 2002 <http://news.bbc.co.uk/1/hi/uk/2012743.stm> [accessed 29 January 2014].

Friedman, Alan, *Spider's Web: Bush, Saddam, Thatcher and the Decade of Deceit* (London: Faber and Faber, 1993).

Ijaz, Saroop, ‘Why Ziaul Haq should not be forgotten’ *The Express Tribune,* 8 April 2012 <http://tribune.com.pk/story/361248/why-ziaul-haq-should-not-be-forgotten/> [accessed 18 March 2014].

Jones, David Martin, ‘Security and Democracy: The ASEAN Charter and the Dilemmas of Regionalism in South East Asia’, *International Affairs,* Vol. 84, No. 4. (July 2008) pp 735-756.

Jones, Peter, 'The Politics of Defence Under Thatcher', in *British Defence Policy: Thatcher and Beyond*, Peter Byrd, ed. (UK: Philip Allen, 1991) pp. 105-125.

Kapturek, Czarny, ‘Thatcher, Poland and a False Dichotomy’, 29 April 2013, <http://theredandblackstork.wordpress.com/2013/04/29/thatcher-poland-and-a-false-dichotomy/> [accessed 28 March 2014].

Kepel, Gilles, *Jihad: The Trial of Political Islam*, (London: I.B. Taurus, 2004) p 143-144.

Leigh, David and John Hooper 'Britain's Dirty Secret', *The Guardian,* 6 March 2003 <http://www.theguardian.com/politics/2003/mar/06/uk.iraq> [accessed 17 March 2014].

Muñoz, Heraldo, 'Chile's External Relations under the Military Government' in ed. Valenzuela, pp305-322.

Motram, R. C, Briefing for the Prime Minister's Meeting with Prince Sultan, 25 September 1985 <http://image.guardian.co.uk/sys-files/Politics/documents/2006/10/27/PJ5_39BriefforThatcherSept85.pdf> [accessed 24 October 2013]

Norton-Taylor, Richard and David Leigh, 'Analysis: The arms market: for sale', *The Guardian*, February 17 1998. <http://www.lexisnexis.com/uk/nexis/docview/getDocForCuiReq?lni=3S23-7WG0-0051-43MC&csi=8399&oc=00240&perma=true> [accessed 13 March 2014].

Pallister, David, 'Thatcher gives spur to sanction busters', *The Guardian,* 7 February 1989 <http://www.lexisnexis.com/uk/nexis/docview/getDocForCuiReq?lni=40GP-DR20-00VY-600J&csi=8399&oc=00240&perma=true> [accessed 24 March 2014].

Phythian, Mark, '"Battling for Britain"; British arms sales in the Thatcher years', *Crime, Law & Social Change,* Vol. 26, No 3. 1997, pp271-3000.

Pilger, John, 'Our Model Dictator*', The Guardian,* 28 January 2008. <http://www.theguardian.com/commentisfree/2008/jan/28/indonesia.world> [accessed 24 October 2013].

Randall, Colin, 'Margaret Thatcher, "The Lady's not for Turning"', *The National*, 9 April 2013, <available at http://www.thenational.ae/news/world/europe/margaret-thatcher-the-ladys-not-for-turning#full> [accessed 23 February 2014].

Rohac, Dallibor, 'What Margaret Thatcher did for Eastern Europe', *The Spectator*, 13 April 2013. <http://blogs.spectator.co.uk/coffeehouse/2013/04/what-margaret-thatcher-did-for-eastern-europe/#disqus_thread> [accessed 28 March 2014]

Spear, Joanna, 'Relations with the South', in *British Security Policy*, Stuart Croft Ed. (London: HarperCollins, 1991) pp. 179-197.

Tatchell, Peter, 'Thatcher's "Freedom Foreign Policy" Carried a Heavy Price', *MSN News,* 9 April 2013, <http://news.uk.msn.com/socialvoices/thatchers-freedom-foreign-policy-carried-a-heavy-price> [accessed 24 October 2013].

Turner, John, *The Tories and Europe* (Manchester: Manchester University Press, 2000).

Valenzuela, Samuel J. and Arturo Valenzuela, *Military Rule in Chile: Dictatorship and Oppositions* (Baltimore: The John Hopkins University Press, 1987).

Van der Vat, Dan, ‘Obituary: P.W. Botha’, *The Guardian*, 2 November 2006 <http://www.theguardian.com/news/2006/nov/02/guardianobituaries.southafrica> [accessed 14 March 2014].

Wheeler, Nicholas J., 'Perceptions of the Soviet Threat', in *British security policy*, ed. by Stuart Croft, (London: HarperCollins, 1991) pp. 161-178

White, B. P. 'Britain and the Rise of Detente', in S. Smith and R. Crockatt ed., *Cold War: Past and Present* (London: Allen and Unwin, 1987), pp104-108.