Margaret Thatcher, the “Iron Lady” of British politics, who set her country on a rightward economic course, led it to victory in the Falklands war and helped guide the United States and the Soviet Union through the cold war’s difficult last years, died on Monday in London. She was 87.

Her spokesman, Tim Bell, said she died of a stroke at the Ritz Hotel. She had been in poor health for months and had suffered from dementia.

Prime Minister David Cameron cut short a visit to Continental Europe to return to Britain after receiving the news, and Queen Elizabeth II authorized a ceremonial funeral with military honors — a notch below a state funeral — at St. Paul’s Cathedral in London. A statement from the White House said that “the world has lost one of the great champions of freedom and liberty, and America has lost a true friend.”

Mrs. Thatcher was the first woman to become prime minister of Britain and the first to lead a major Western power in modern times. Hard-driving and hardheaded, she led her Conservative Party to three straight election wins and held office for 11 years — May 1979 to November 1990 — longer than any other British politician in the 20th century.

The strong economic medicine she administered to a country sickened by inflation, budget deficits and industrial unrest brought her wide swings in popularity, culminating with a revolt among her own cabinet ministers in her final year and her shout of “No! No! No!” in the House of Commons to any further integration with Europe.

But by the time she left office, the principles known as Thatcherism — the belief that economic freedom and individual liberty are interdependent, that personal responsibility and hard work are the only ways to national prosperity, and that the free-market democracies must stand firm against aggression — had won many disciples. Even some of her strongest critics accorded her a grudging respect.

At home, Mrs. Thatcher’s political successes were decisive. She broke the power of the labor unions and forced the Labour Party to abandon its commitment to nationalized industry, redefine the role of the welfare state and accept the importance of the free market.

Abroad, she won new esteem for a country that had been in decline since its costly victory in World War II. After leaving office, she was honored as Baroness Thatcher of Kesteven. But during her first years in power, even many Tories feared that her election might prove a terrible mistake.

In October 1980, 17 months into her first term, Mrs. Thatcher faced disaster. More businesses were failing and more people were out of work than at any time since the Great Depression. Racial and class tensions smoldered. Even her close advisers worried that her push to stanch inflation, sell off nationalized industry and deregulate the economy was devastating the poor, undermining the middle class and courting chaos.

At the Conservative Party conference that month, the moderates grumbled that they were being led by a free-market ideologue oblivious to life on the street and the exigencies of realpolitik. With electoral defeat staring them in the face, cabinet members warned, now was surely a time for compromise.

To Mrs. Thatcher, they could not be more wrong. “I am not a consensus politician,” she said. “I am a conviction politician.”

In an address to the party, she played on the title of Christopher Fry’s popular play “The Lady’s Not for Burning” in insisting that she would press forward with her policies. “You turn if you want to,” she told the faltering assembly. “The lady’s not for turning.”

Her resolve did the trick. A party revolt was thwarted, the Tories hunkered down, and Mrs. Thatcher went on to achieve great victories. She turned the Conservatives, long associated with the status quo, into the party of reform. Her policies revitalized British business, spurred industrial growth and swelled the middle class.

But her third term was riddled with setbacks. Dissension over monetary policy, taxes and Britain’s place in the European Community caused her government to give up hard-won gains against inflation and unemployment. By the time she was ousted in another Tory revolt — this one over her resistance to expanding Britain’s role in a European Union — the economy was in a recession and her reputation tarnished.

To her enemies she was — as Denis Healey, chancellor of the Exchequer in Harold Wilson’s government, called her — “La Pasionaria of Privilege,” a woman who railed against the evils of poverty but who was callous and unsympathetic to the plight of the have-nots. Her policies, her opponents said, were cruel and shortsighted, widened the gap between rich and poor and worsened the plight of the poorest.

Mrs. Thatcher’s relentless hostility to the Soviet Union and her persistent call to modernize Britain’s nuclear forces fed fears of nuclear war and even worried moderates in her own party. It also caught the Kremlin’s attention. After she gave a hard-line speech in 1976, the Soviet press gave her a sobriquet of which she was proud: the Iron Lady.

Yet when she saw an opening, Mrs. Thatcher proved willing to bend. She was one of the first Western leaders to recognize that the Soviets would soon be led by a member of a new generation,Mikhail S. Gorbachev, and invited him to Britain in December 1984, three months before he came to power. “I like Mr. Gorbachev,” she said. “We can do business together.”

Her rapport with the new Soviet leader and her friendship with PresidentRonald Reaganmade Mrs. Thatcher a vital link between the White House and the Kremlin in their tense negotiations to halt the arms race of the 1980s.

Brisk and argumentative, she was rarely willing to concede a point and loath to compromise. Colleagues who disagreed with her were often deluged in a sea of facts, or what many referred to as being “handbagged.”

“She had high standards, and she expected everyone to do their work,” John O’Sullivan, a special adviser to the prime minister, recalled in 1999. “But there was a distinction. She was tougher on her ministers than she was on her personal staff. The more humble the position, the nicer she was.”

Though she was the first woman to lead a major political party in the West, she rubbed many feminists the wrong way. “The battle for women’s rights has largely been won,” she declared. “I hate those strident tones we hear from some women’s libbers.” She relished being impolitic. “You don’t follow the crowd,” she said. “You make up your own mind.”

The arts and academic establishments loathed her for cutting their financing and called her tastes provincial, her values narrow-minded. In 1985, two years into her second term, she was proposed for an honorary doctorate at Oxford, a laurel traditionally offered prime ministers who had attended the university, as she had. The proposal, after a faculty debate, was rejected.

Yet her popularity remained high.

“Margaret Thatcher evoked extreme feelings,” wrote Ronald Millar, a playwright and speechwriter for the prime minister. “To some she could do no right, to others no wrong. Indifference was not an option. She could stir almost physical hostility in normally rational people, while she inspired deathless devotion in others.”

The Grocer’s Daughter

Margaret Hilda Roberts was born on Oct. 13, 1925, in Grantham, Lincolnshire, 100 miles north of London. Her family lived in a cold-water flat above a grocery store owned by her father, Alfred, the son of a shoemaker. Alfred Roberts was also a Methodist preacher and local politician, and he and his wife, Beatrice, reared Margaret and her older sister, Muriel, to follow the tenets of Methodism: personal responsibility, hard work and traditional moral values.

Margaret learned politics at her father’s knee, joining him as he campaigned for alderman and borough councilman as an independent. “Politics was in my bloodstream,” she said.

She won a scholarship to Kesteven and Grantham Girls School. In 1943, at 17, she was admitted to Somerville College, Oxford, to study chemistry. Barred from joining the Oxford Union debating society — it did not admit women until 1963 — she became a member of the Oxford University Conservative Association and its president in 1946. She graduated in 1947 and earned a master’s degree in chemistry, then worked as a chemical researcher and studied law.

Entering politics, she was selected at 23 to be a Conservative candidate for Parliament, and in 1949 she met Denis Thatcher, a well-to-do businessman and former artillery officer who had been decorated for bravery during World War II. They married in December 1951. In August 1953, Mrs. Thatcher gave birth to twins, Mark and Carol, who survive her, along with grandchildren. (Sir Denis died in 2003.) That December, she was admitted to the bar and came to specialize in patent and tax law.

As the couple prospered, Mrs. Thatcher gained the financial independence to devote herself to politics. “Being prime minister is a lonely job,” she wrote in her memoir, “The Downing Street Years” (1993). “It has to be; you cannot lead from the crowd. But with Denis there, I was never alone.”

In 1950 she campaigned to be a member of Parliament from Dartford, a Labour Party preserve. She was the youngest woman to run for a seat that year, a time when Prime Minister Clement Attlee, who had oustedWinston Churchillin an upset on July 5, 1945, was seeking re-election. Mr. Attlee had gone on to create a welfare state that promised full employment, state ownership of industry, public housing and a national health service. As expected, Mrs. Thatcher was defeated. She ran again the next year, and lost, but she did better than expected in both races.

In 1951 the Tories began a 13-year run as the party in power, first under the aging Churchill and then under Anthony Eden, Harold Macmillan and Alec Douglas-Home. But in exchange for support on foreign affairs, the Tories compromised with the unions and accepted the government’s growing role in the marketplace. This “policy of consensus” was successful. Mr. Macmillan, seeking re-election in 1959, said, “Most people have never had it so good.”

Few Tories dared voice misgivings as inflation spread, productivity dropped and deficits grew. Mrs. Thatcher, elected to the House of Commons that year from the largely middle-class Finchley district in north London, was among those who swallowed their doubts.

In 1964, the Tories, exhausted by scandal, a souring economy and internal divisions, lost power to Harold Wilson’s Labour Party. But as the economy grew more feeble and the unions more militant, Mr. Wilson was ousted in 1970 by the Conservative leader,Edward Heath. He appointed Mrs. Thatcher secretary for education.

As a Conservative cabinet minister, she fought budget cuts in the university system and pushed to rebuild schools in poor areas with a zeal, as Hugo Young wrote in his critical 1989 biography, “The Iron Lady,"that “would have done credit to the best of the socialists.”

But it was her effort to restrict a free-milk program for schoolchildren that made her a national figure. Though poor children were exempt from the cutbacks, and the previous Labour government had also reduced free milk in schools, the opposition leapt to the attack. When Mrs. Thatcher argued in Parliament that the cuts would help finance more worthwhile programs, she was jeered. The tabloids labeled her “Thatcher the Milk Snatcher.” Her children were taunted at school. Her husband, worried, suggested that perhaps she should quit politics.

The government stood firm on the milk issue. But as the economy worsened, Mr. Heath retreated, imposing wage and price controls as inflation surged and igniting strikes. His U-turn angered the Tory right. Moreover, it proved futile. In the wake of the 1973 Arab-Israeli war, the oil-producing nations of OPEC imposed huge price increases that stoked inflation. By winter 1974 Mr. Wilson was back in power.

The following December, the Conservative Party revised its rules for choosing a leader and opened a series of votes to the rank and file. Mrs. Thatcher, in what many regarded as an act of political gall, declared her candidacy. One British bookmaker, Ladbrokes, put the odds against her at 50 to 1.

Mrs. Thatcher finished ahead of Mr. Heath on the first ballot, 130 to 119. It was not enough for victory, but Mr. Heath was forced to drop out. In the second ballot, on Feb. 11, 1975, Mrs. Thatcher defeated the other contenders, all of them men.

For the next four years, as Labour ran the country, she fought to reshape her party. The conservatism she espoused was guided by the tenets of classic liberalism: faith in the individual, in economic freedom and in limited government power. But she had to contend with conservatism’s basic reluctance to change with the times.

As the party of tradition, the Tories had little place for women in its upper echelons. All party leaders, for example, joined the Carlton Club, which excluded women. The club would not change its rules for Mrs. Thatcher, but she was accorded an honorary membership. Still, resentment lingered. At a party conference Mr. Heath studiously ignored her.

Mrs. Thatcher’s prescription for change was based on the ideas of the conservative economists Friedrich von Hayek andMilton Friedman. Hayek believed that political and economic freedom were inseparable; Friedman argued that economic productivity and inflation were determined by the amount of money the government put into the economy, and that the heavy government spending advocated by Keynesian economics distorted the natural strength of the marketplace.

Mrs. Thatcher and her allies asserted that the Tory policy of consensus had allowed the country to lurch leftward as each successive leader, seeking the middle of the road, was forced to compromise with a leftist agenda. For her part, she cared little for theories. She called for an all-out attack on inflation, pledged to denationalize basic industry and promised to curb union power.

By the mid-1970s, Britain was the sick man of Europe. Nearly half of the average taxpayer’s income went to the state, which now determined compensation for a third of the nation’s work force: those employed by nationalized industries. In late 1978 and early ’79, strikes paralyzed Britain. As the “winter of discontent” dragged on, Prime Minister James Callaghan, of the Labour Party, failed to survive a no-confidence vote and called an election for May 3.

Callaghan, who was known as Sunny Jim, drew higher personal ratings in opinion polls than Mrs. Thatcher. But on election day the Tories walked away with 43.9 percent of the vote. Labour received 37 percent and the Liberals 13.8 percent. It was the largest swing to the right in postwar history.

First Term

Mrs. Thatcher moved swiftly. “I came to office with one deliberate intent,” she later said. “To change Britain from a dependent to a self-reliant society, from a give-it-to-me to a do-it-yourself nation.”

It was a painful beginning. Income tax cuts balanced by rising gasoline duties and sales taxes fueled inflation. Unemployment spread as she slashed subsidies to faltering industries. Tight money policies drove up interest rates to as high as 22 percent, strengthening the pound, hobbling investment at home and hurting competitiveness overseas. A record 10,000 businesses went bankrupt. Saying it would take years to cure Britain of the havoc wrought by socialism, Mrs. Thatcher warned, “Things will get worse before they get better.”

In the summer of 1981 — the same one in which Charles, the Prince of Wales, married Lady Diana Spencer— discontent boiled over into days of rioting in the London district of Brixton; the inner cities of Liverpool, Manchester and Bristol; and many other areas. Televised reports of rioting, arson and looting shocked the nation. The prime minister, resisting advisers who counseled more social spending and jobs programs, called for greater police powers. Yet, in the face of national shame over the violence, she was forced to give way.

There were other compromises. Retreating from its declaration that state industries must sink or swim in the free market, the government came to the aid of British Airways and British Steel.

Mrs. Thatcher later said that 1981 was her worst year in office. But by the spring of 1982, things were looking up. Inflation was falling; so was the value of the pound, which gave a boost to Britain’s exports and, along with tax cuts, began to feed economic growth.

In foreign affairs, she won some small victories. Standing up to the European Community, she argued that her country paid out much more to the organization than it got back in benefits, and won a significant reduction in contributions. Though her rhetoric and style had caught the world’s eye, she had yet to stake a position as a world leader. Then, on April 2, 1982, Argentina invaded the Falkland Islands.

British settlers had lived on those remote islands in the South Atlantic, long claimed by Argentina, since the 1820s, and negotiations over their future had been dragging on for years. The Argentine military junta under Gen. Leopoldo Galtieri, eager to divert attention from economic and social unrest, moved to take the Falklands by force, gambling that once the islands were occupied, Argentine forces would never be ousted.

As the United States and other allies pushed for talks to avoid bloodshed, Mrs. Thatcher ordered a Royal Navy fleet to the South Atlantic. In a 10-week war, the British retook the islands in fighting that left some 250 British servicemen and more than 1,000 Argentines dead. The victory doomed Argentina’s military government and cemented Mrs. Thatcher’s reputation as a leader to be reckoned with.

Second Term

Her political fortunes were enhanced by squabbling among her opponents. Far-left factions and militant union leaders were gaining strength in the Labour Party as economic discontent and tensions with the Soviet Union grew.

In 1980, Mrs. Thatcher and PresidentJimmy Carterhad agreed to deploy American intermediate-range cruise missiles in Britain in response to a Soviet buildup in Eastern Europe. Under Mr. Reagan, who succeeded Mr. Carter the next year, the United States, with Mrs. Thatcher’s support, persuaded other European allies to deploy the missiles. The arms buildups ignited demonstrations across Western Europe.

When Mrs. Thatcher called an election in June 1983, Labour’s new chief, Michael Foot, campaigned for a unilateral ban on nuclear weapons, withdrawal from the European Community, further nationalization of industry and a huge jobs program.

Mr. Foot’s turn to the left alienated Labour’s center and right wing, and this time the bookmakers put the odds heavily in Mrs. Thatcher’s favor, and they had no regrets. The conservatives won 397 of the 650 seats in Parliament, the biggest swing in voting since Labour’s landslide victory against Churchill in 1945. The working class voted heavily for the Conservatives.

It was an axiom of British politics that one never picked a quarrel with the pope or the National Union of Mineworkers. Mrs. Thatcher flouted it. The coal mines, nationalized in 1947, were widely seen as unprofitable, overstaffed and obsolescent, and in 1984 the government announced plans to shut down several mines and to eliminate 20,000 of the industry’s 180,000 jobs.

In response, Arthur Scargill, the Marxist president of the union, used union rules to elude a rank-and-file vote and, on March 6, 1984, called a walkout.

It was a violent strike. Night after night, the television news broadcast images of hundreds of miners battling the police. On Nov. 30, at a mine in South Wales, a taxi driver taking a miner to work was fatally injured when a concrete slab was dropped on his cab.

Though the episode shocked the Labour Party and many miners, Mr. Scargill refused to condemn it, alienating Neil Kinnock, the new Labour leader, and other supporters. As members of his own union sought to have the strike declared illegal, newspaper cartoons pictured Mr. Scargill flinching under Mrs. Thatcher’s flailing handbag. The strike finally ended in March 1985, after 362 days, without a settlement.

‘Popular Capitalism’

Mrs. Thatcher now pushed harder to fulfill her vision of “popular capitalism.” The sale of state-owned industries shifted some 900,000 jobs into the private sector. More than one million public housing units were sold to their occupants. And the chancellor of the Exchequer, Nigel Lawson, announced in 1985 that for the first time since the 1960s, the Treasury would not require deficit spending in its next fiscal budget.

Across the Atlantic, Mr. Reagan cheered Britain’s turnaround. He and Mrs. Thatcher did not always agree; he thought she was too reluctant on cutting taxes, while she was wary of his insouciance over rising federal deficits. When Mr. Reagan, without warning the British, ordered troops to invade the Caribbean nation of Grenada, a member of the Commonwealth, in the wake of a Communist coup, Mrs. Thatcher gave him a dressing down. Nevertheless, the Reagan-Thatcher axis was, in the words of Hugo Young, “the most enduring personal alliance in the Western world throughout the 1980s.”

The prime minister supported Mr. Reagan’s stand against Communism, echoing White House assertions that Fidel Castro’s Cuba was exporting revolution to Nicaragua and other Latin American states. She was equally vigorous in supporting the United States’ fight against terrorism. In April 1986, after terrorist attacks in Western Europe, the United States sought permission to launch American warplanes from bases in Britain for attacks on Libya. Mrs. Thatcher granted it. The bombing destroyed the living quarters of the Libyan leader, Col.Muammar el-Qaddafi. Mrs. Thatcher’s support for the mission outraged many Britons. But she said that terrorism demanded a united response.

Mrs. Thatcher had shown similar resolve at the Conservative Party conference in Brighton in 1984. On the evening of Oct. 12, as she worked on a speech in her hotel room, a bomb exploded on the floor below, killing four people and wounding more than 30. Among the dead was the wife of the Tories’ chief whip, John Wakeham. A cabinet minister, Norman Tebbit, and his wife were wounded. The Irish Republican Army claimed responsibility. The next day Mrs. Thatcher addressed the party as planned, declaring, “All attempts to destroy democracy by terrorism will fail.”

Despite the sectarian violence, Northern Ireland was not high on her agenda. Mrs. Thatcher saw the troubles there as intractable and her policies as simply preserving the status quo.

She was more flexible over South Africa, where the struggle against institutionalized racism was growing more violent. Though she regarded apartheid as repugnant, she initially refused to impose economic sanctions on South Africa, arguing that apartheid would ultimately be undone by greater trade and the prosperity and yearnings for democracy that come with it. But pressured by other Commonwealth countries, she grudgingly reversed herself.

On another problem involving the British Empire’s complex legacy, Mrs. Thatcher had more success, at least at first. In 1984, Britain reached an agreement with China over the fate of Hong Kong, which was to revert to China in 1997. Under a formula of “one country, two systems,” the political freedoms and economic structure of Britain’s wealthiest colony would stand for 50 years, preserving Hong Kong’s capitalist economy under a Communist state.

But in the turmoil after the Tiananmen Square massacre in 1989, China, fearing a democratic Hong Kong’s influence on the mainland, was far less amenable to granting the territory representative government. When the British governor, Chris Patten, handed over the colony to China in 1997, Hong Kong’s political future remained uncertain.

The Cold War’s End

“Some of these diplomatic minuets you have to go through I cannot stand,” Mrs. Thatcher once said, by way of paying a compliment to Mr. Gorbachev. He forsook rhetoric for blunt realism, she said, and “that suits me better.”

In the 1980s, the Soviet Union was rife with political disillusion and economic chaos. The Reagan administration sought to add pressure by moving ahead with high-tech weapons, including plans for the Strategic Defense Initiative, the space-based defense system known as Star Wars, which would in theory enable the United States to intercept incoming nuclear missiles.

Mr. Gorbachev was unalterably opposed to Star Wars, as were many in the West. Mrs. Thatcher was also against it, though she publicly supported it. At a White House meeting she warned that the project was a costly pipe dream. “I am a chemist,” she is said to have told the president. “I know it won’t work.”

But she changed her mind after being assured that Britain would receive a goodly share of the business in researching and developing the system. At a meeting in Washington in December 1984, she helped draft a position on Star Wars, later adopted by Mr. Reagan, that assured the Soviets that the program would enhance nuclear deterrence, not undercut it, and that it would not get in the way of arms control talks.

Nevertheless, it did. During a summit meeting in Reykjavik, Iceland, in October 1986, Mr. Reagan and Mr. Gorbachev came close to an agreement to ban nuclear weapons altogether. But when Mr. Gorbachev insisted first on an American promise to drop the Strategic Defense Initiative, Mr. Reagan refused, and the negotiations fell apart.

The president’s position infuriated his critics. But many people in NATO and the Pentagon were relieved. “The fact is that nuclear weapons have prevented not only nuclear war but conventional war in Europe for 40 years,” Mrs. Thatcher said in a speech. “That is why we depend and will continue to depend on nuclear weapons for our defense.”

Mrs. Thatcher did not fare so well in other battles. In the face of popular opposition, she retreated from plans to privatize the water industry and the National Health Service, replace college grants with a student loan program, cut back pensions and revamp the social security system. Many predicted she would not win a third term. But the economy continued to work in her favor. When she called an election for June 1987, the Tories were returned to power.

Third Term

That October, Wall Street crashed. In the following months, disagreements among the Tories over Britain’s future in the European Community and a series of other events forced Mrs. Thatcher to surrender hard-fought gains.

She believed that linking the pound to other currencies would erode Britain’s political independence. Mr. Lawson, her chancellor of the Exchequer, argued that it would be better to lay the groundwork for joining the European monetary system by tying the pound to the more stable German mark. Without telling the prime minister, Mr. Lawson, in January 1987, had informally begun to peg the pound to the mark.

Meanwhile, the government’s tax-cutting and easy-credit policies fed an investment and housing boom, again fueling inflation. Mr. Lawson, reluctant to allow the value of the pound to rise above the ceiling he had imposed to keep it in range with the mark, ignored calls for higher interest rates. As his actions became apparent, the prime minister accused him of misleading her and warned that the practice had to stop.

But Mr. Lawson and his supporters saw the European monetary system not only as a step toward European integration but also as a safeguard against the kind of wide swings in the pound’s value that had so disrupted Britain’s economic health in the past. On this fundamental issue the Tories were split, the two sides set on a collision course.

As inflation rose, Mr. Lawson reversed himself and raised interest rates. The sudden effort to stanch the money flow threw Britain into recession. In October 1989, Mr. Lawson resigned, but many devoted Thatcherites admitted that she bore much of the blame.

Other misjudgments were laid at her door. In an effort to make the local authorities more accountable for the way they spent tax money, Mrs. Thatcher pushed through a measure that replaced property taxes with a “poll tax” on all adult residents of a community. The tax was intended to make everyone, not just property owners, pay for local government services. In practice, the measure was manifestly unfair and deeply unpopular. In March 1990, protests flared into riots. Within her own party, there was a growing feeling that the Iron Lady had become a liability.

The Fall

That November, tensions among the Tories exploded. The deputy prime minister, Geoffrey Howe, the last survivor of the original Thatcher cabinet of 1979, was known for his loyalty, though he disagreed with the prime minister’s policy toward Europe. Now their differences came to a boil. At a cabinet meeting, “Margaret was incredibly rude to Geoffrey,” Kenneth Baker, another minister, recalled. “It was the last straw for Geoffrey, and he resigned that night.”

The next day Michael Heseltine, a former defense minister who favored greater links with Europe, announced that he would challenge Mrs. Thatcher for the party leadership. On Nov. 20, as the prime minister was attending a summit meeting in Paris, the Tories took a vote. For Mrs. Thatcher, whose approval ratings in the polls were falling, the outcome was bleak: though she beat Mr. Heseltine, 204 votes to 152, under party rules her majority was not strong enough for her to keep her place.

The race, now wide open, took an unexpected turn. Mrs. Thatcher was awaiting results of the party ballot with her family and friends at 10 Downing Street when she learned that Mr. Heseltine had lost to the soft-spoken chancellor of the Exchequer,John Major, a protégé of hers. When someone said that her colleagues had done an awful turn, she replied, “We’re in politics, dear.”

Though vowing at first to “fight on and fight to win” the second ballot, she was persuaded to withdraw. After speaking to the queen, calling world leaders and making a final speech to the House of Commons, she resigned on Nov. 28, 1990, leaving 10 Downing Street in tears and feeling betrayed.

After leaving office, Mrs. Thatcher traveled widely and drew huge crowds on the lecture circuit. She sat in the House of Lords as Baroness Thatcher of Kesteven, wrote her memoir and devoted herself to the Margaret Thatcher Foundation, to further her values.

She remained forthright in expressing her opinions. During her final months in office, she had bolstered President George Bush in his efforts to build a United Nations coalition to oppose Iraq after it invaded Kuwait on Aug. 2, 1990. At the time of the invasion, Mrs. Thatcher was meeting with Mr. Bush and other world leaders at the Aspen Institute in Colorado. “Remember, George,” she is said to have told him, “this is no time to go wobbly.”

In retirement, she continued to call for firmness in the face of aggression, advocating Western intervention to stop the ethnic bloodshed in the Balkans in the early 1990s. After the Sept. 11 terrorist attacks, she endorsed PresidentGeorge W. Bush’s policy of sanctioning pre-emptive strikes against governments that sponsored terrorism. She also backed the war to oust the Iraqi leader,Saddam Hussein.

By then, according to her daughter, Mrs. Thatcher had begun to show signs of the dementia that would overtake her and become, to much criticism, the focus of “Iron Lady,” a 2011 film about her withMeryl Streepin the title role.

But while she was of sound mind, Mrs. Thatcher never let up on her anti-Europe views. “In my lifetime, all the problems have come from mainland Europe, and all the solutions have come from the English-speaking nations across the world,” she told the Conservative Party conference in 1999. Her words drew predictable outrage, but few doubted that Mrs. Thatcher, as usual, had meant exactly what she said.

She also did not shy from criticizing her successors’ actions, including Mr. Major’s handling of the economy. Her frankness often embarrassed the Tories. It seemed to many that Mrs. Thatcher preferred Labour’s new leader,Tony Blair, to Mr. Major.

That perception was not surprising, since Mr. Blair’s victory over Mr. Major in 1997 seemed in a curious way to emphasize the success of Mrs. Thatcher’s policies. Mr. Blair led his “New Labour” party to victory on a platform that promised to liberate business from government restrictions, end taxes that discouraged investment and reduce dependence on the state.

Mrs. Thatcher’s legacy, “in most respects, is uncontested by the Blair government,” Mr. Young, her biographer, said in a 1999 interview. “It made rather concrete something she once said: ‘My task will not be completed until the Labour Party has become like the Conservative Party, a party of capitalism.’ ”