Tony Blair, a Labour MP, who served as prime minister of England from 1997-2007, understood Margaret Thatcher better than most. A “modernizer against outdated collectivism,” with an uncluttered mind and an ability to cut straight to the heart of issues, the “Iron Lady,” Mr. Blair declared, was a great reformer, who, toward the end of her tenure at No. 10 Downing Street, “became more small-c conservative,” exhibiting a nostalgia for the past that marred her legacy.

In “Margaret Thatcher: Herself Alone,” the third volume of his authorized biography, Charles Moore, an editor and columnist for the Daily Telegraph, the Spectator, and the Sunday Telegraph, draws on interviews with all the major political figures in England and all of Mrs. Thatcher’s papers to examine her third term as prime minister (1987-1990) and life following her ouster from power. Like its predecessors, “Herself Alone” is monumental, magisterial and masterful.

Mr. Moore celebrates Mrs. Thatcher’s signature domestic and international policies. Acknowledging her many errors, self-righteousness and unnecessarily combative and polarizing rhetoric, he emphasizes that her “housewife economics” challenged post-World War II orthodoxy about the role of the government in regulating employment, increasing public debt (and taxation), nationalizing the major means of production, and managing supply and demand; along with Reaganomics it provided a template for other industrialized nations.

In foreign policy, Mr. Moore writes Mrs. Thatcher downplayed balance of power calculations in favor of NATO rearmament and carefully chosen confrontations that helped bankrupt the
Soviet Union. She was also the first to see that Mikhail Gorbachev was a leader with whom the West “could do business” — and a forceful proponent of the liberation of Eastern European nations.

That said, Mr. Moore implies that Mrs. Thatcher’s third term was disastrous. For reasons unexplained in this volume, she persisted in pushing through an unpopular poll tax. She alienated members of her Cabinet, most notably Foreign Secretary Geoffrey Howe and Chancellor of the Exchequer Nigel Lawson, by opposing British participation in Europe’s Exchange Rate Mechanism. To the consternation of President George H.W. Bush and Chancellor Helmut Kohl, she was “highly allergic” to the reunification of Germany, in part because Mr. Gorbachev did not want it. And, although Mr. Moore credits Mrs. Thatcher with “lonely courage” in resisting the integration of Europe (into what became the European Union), he agrees that her “pig-headed” style of negotiations sometimes defeated her own ends.

A faltering economy, the fatigue of voters with a prime minister who had served for more than a decade, and the desire of influential Tory politicians, several of whom she had treated with disdain, to replace her, best explains Mrs. Thatcher’s fall from power. That said, Mr. Moore is surely right to highlight the ineptitude of the campaign to re-elect her leader of the Conservative Party, a campaign led by Sir Peter Morrison, a heavy drinker who was out of touch with younger MPs, that fell short by two votes.

Mrs. Thatcher, Mr. Moore reveals, had a difficult time adjusting to what she regarded as, in essence, a coup, and, at times, undercut John Major, her successor. In her last decade, she struggled with dementia (brought on by a series of strokes). She died April 8, 2013.

With all her flaws, fundamental elements of Mrs. Thatcher’s political character deserve the praise Mr. Moore bestows on them. As her participation in the 24 meetings of the National Health Service Working Group indicates, she was well-informed and hard-working. Unlike many politicians, who shall remain unnamed, she genuinely desired to give voice to what she believed was the truth. Divisive, and at times reckless, her candor and courage in responding to her father’s challenge (“dare to be a Daniel”), Mr. Moore writes, “enabled her to have a much greater effect on the agenda” — and on her reputation — than if she sought merely to please. More often than not, Mr. Moore adds, Mrs. Thatcher was more cautious in action than in words.

Mrs. Thatcher’s political positions include a few surprises. She was, Mr. Moore demonstrates, an ardent believer in climate change. Nonetheless she was, without doubt, an ardent
conservative, who played an outsized role in the turn to the right that has dominated Western democracies since the 1980s. As Mr. Moore demonstrates, she lit a path to our partisan, polarized present.

Glenn C. Altschuler is the Thomas and Dorothy Litwin Professor of American Studies at Cornell University.