



cc BG

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Paul Gray, Esq
No.10 Downing Street
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Prime Minister²

*RECC
21/3*

Dear Paul,

Chancellor

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OVERSEAS PRESS REACTIONS TO THE BUDGET

The Chancellor thought the Prime Minister might be interested to see the enclosed anthology of overseas comments on the Budget, and on the UK economy in the light of the Budget.

I am copying this letter to Simon Judge in the Paymaster General's office here.

*Yours
Alec*

A C S ALLAN

UNITED STATESJournal of Commerce 16.3.88

"Buoyant revenues generated by a booming economy enabled Chancellor of the Exchequer, Nigel Lawson, to slash the top rate of income tax and lower the lowest income tax bracket"

Wall Street Journal 16.3.88

" the British Chancellor, Nigel Lawson, introduced what surely will go down as a historic tax reform for Mrs Thatcher's government."

"The winners will be the British people, at all levels of income, and in all regions of the country."

"Britain has returned to the lead in the global swing toward free economics and pro-growth policies based on individual initiative."

Washington Times 24.3.88

" the most sweeping tax reform and tax reduction in British history."

The Christian Science Monitor 27.3.88

" ... the most radical change in Britain's tax structure since World War II."

" a personal triumph for Lawson, who, during five years as Chancellor has simultaneously reduced inflation to 3.3 per cent and cut taxes."

Business Week 28.3.88

"With Britain now in the seventh year of a powerful recovery that's becoming the envy of the globe "

" Thatcher is taking over from a flagging West Germany the job of helping keep the world economy on an even keel as the US slows."

Newsweek 28.3.88

"Since Margaret Thatcher became Prime Minister in 1979, Britain has been transformed from the sick man of Europe to an economy of enviable vitality."

" Lawson's Budget was probably a landmark in Britain's postwar fiscal history - and perhaps that of Europe as well."

WEST GERMANY

Handelsblatt 16.3.88

"The once sick man of Europe has become the most dynamic economic nation in Europe."

Die Zeit

"The term 'economic miracle' is now being applied in connection with Britain."

"In the past, the German model was praised in an almost embarrassing manner and compared with Great Britain's bad example. Now it is the other way around."

Rheinischer Merkur

"Ten years ago the UK's economy was still Europe's problem child; today it has moved to the top of European countries as far as growth rate is concerned. In view of the Budget surplus of the £3bn, Governments and Finance Ministries in the rest of the world, above all in Washington, and also in Bonn, are facing almost a miracle."

FRANCE

Liberation 16.3.88

"The most fundamental and most daring Budget since Margaret Thatcher came to power."

" ... the exceptional dynamism of the British economy."

Le Figaro 16.3.88

"[Mr Lawson] introduces an income tax reform without parallel in the West."

"The Thatcher government has, once again, shown a boldness rare in Europe."

Tribune de l'Expansion 16.3.88

"Great Britain has won the fiscal jackpot."

"Nigel Lawson outline the most ambitious fiscal reform in the western world ... thanks to the exceptional performance of the British economy."

Les Echos 16.3.88

"A radical reforming budget."

Le Monde 16.3.88

"... a gold Budget realising the impossible dream of every finance minister: a balance of receipts and expenditures, combined with major tax reductions."

Le Figaro 17.3.88

"The British Government provides an example of firmness and constancy in its medium-term fiscal strategy while demonstrating great flexibility in execution"

ITALY

Corriere Della Sera 16.3.88

"For the first time in twenty years, the British economy is no longer 'the sick man of Europe'."

"An Italian observer would have had to struggle yesterday against a deep feeling of envy while the Chancellor of the Exchequer, Nigel Lawson, presented his Budget to the House of Commons."

"The proceeds of privatisation have certainly helped but the explanation lies in the strengthening of the entire economy which was 'the sick man of Europe' in the 60s and 70s and which today has begun to function again."

Il Sole 24 Ore 16.3.88

"To the Italian observer, the feature of the balance sheet which stands out most clearly, in stark contrast to the facts of our own case, is the public sector surplus of £3 billion."

JAPAN

Yomiuri

" ... the Thatcher miracle."

Asahi

" ... a budget too bold for the Japanese government."

Nihon Keizai

" the changing image of Britain a country of individual enterprise rather than cradle to grave welfare."