
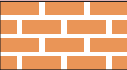



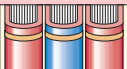







VAT – the Chancellor's choice

The Autumn Budget could earn billions of pounds for the Treasury if VAT at the full rate of 17.5 per cent were to be imposed on areas of expenditure currently zero-rated. Their estimates, however, do not take into account any potential drop in sales forced by a sudden hike in prices

Category	Potential revenue (£ billions)	
Food	7.2	
Home construction	1.8	
Domestic fuel and power	2.6	
Domestic passenger transport	1.15	<div> MPs' budget choices Results in rounded percentages of written questionnaires returned by 75 Conservative MPs <i>What should be first budget priority?</i> Economic recovery 56 Reduce public borrowing 31 Cut public spending 12 Low inflation 7 Promote investment 4 <i>Should taxes increase beyond levels set by Norman Lamont?</i> Yes 52 No 48 <i>Should VAT be added to:</i> Newspapers, books 53 Transport 19 Children's clothes 19 Other 16 Food 14 <i>Should VAT on fuel be scrapped?</i> No 57 Yes 35 <i>Should interest rates be cut?</i> Yes 80 No 11 </div>        
International passenger transport	1.0	
Newspapers, magazines and books	1.1	
Children's clothing	0.6	
Water and sewage services	0.8	
Prescription drugs and medicines	0.5	
Supplies to charities	0.2	
Vehicles and other supplies to disabled	0.15	