

# Lawson's spending cuts

1ms 17 SEP 1983  
**warning**

By Anthony Bevins  
Political Correspondent

Mr Nigel Lawson, Chancellor of the Exchequer, emphasized yesterday that there could be no sacred cows exempted from public spending cuts.

The Treasury is trying to identify cuts totalling about £2,500m for 1984-85, to keep spending within the target of £126,400m. Mr Peter Shore, the shadow Chancellor, summed up the choice yesterday as "axe or tax".

Mr Lawson, who is attending a meeting of EEC finance ministers in Greece, said that public spending threatened to increase more quickly than economic growth. "That means that either taxation will have to go up or we have got to find savings in public expenditure," he said in a BBC radio interview.

"If we put taxation up, then this is going to damage the prospects for growth in the economy over the longer term and it is that growth in the economy in the longer term which is the only way in which we can afford the better public services which we want to see."

The Chancellor has already indicated that he intends to scrutinize health, welfare and defence budgets.

Mr Lawson gave a warning yesterday: "We have got to look at a number of things which may be, in some people's eyes, sacred cows, and we have got to find the most sensible way of making the savings which will enable us not merely to prevent taxation from rising, but enable taxation to be reduced."

Challenge to dollar, page 15