



*cy A. Puguid*

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Policing & Regulatory  
Energy*

PRIME MINISTER

I understand from Cecil Parkinson that one of the two balloted motions for debate at the Party Conference will be on the Government's energy pricing policy. On the scheduled programme, of course, there is no Energy debate at all.

While I will defend our policies to their best advantage, this can only be a damage limitation exercise - and the damage caused by an energy price debate, however limited, would still be considerable.

There is, however, one way out of this predicament. That would be for me to broaden out the debate and to unveil the privatisation and monopoly-breaking moves on the oil and gas front on which we have decided - particularly those agreed at Cabinet on 24 September. These will be warmly welcomed by the Conference and give encouragement to our supporters. There is also a clear connection between the BGC monopoly and the energy price problem.

At the same time, I think I should make it clear that, partly in consequence of this, we will delay action on BGC's gas showrooms since there will not be time for the necessary safety legislation in the coming Session. Provided we make it clear that we still intend as soon as practicable to deal with the problem of the BGC retail monopoly, I believe that all this can be presented as a single coherent package which our supporters will accept as a whole, rather than as a climbdown in the face of union pressure - which is how the showroom decision, on its own, would inevitably be interpreted.

In this context Norman Tebbit has already written to me suggesting that against the mounting volume of threatening noises from the

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unions about an all-out strike, it is important that we should make an early statement of our new position on the gas showrooms. I believe that the approach I am proposing will meet Norman's concern, and do so in the way that is least damaging to the Government.

I should be most grateful for your agreement to the course I am proposing.

I am sending a copy of this minute to the Home Secretary, the Lord President of the Council, the Chancellor of the Duchy of Lancaster and the Paymaster General.

NR.

Secretary of State for Energy

8 October 1981