



Prime Minister

Content for  
Mr Horeau now to  
move ahead on  
consultations?

PRIME MINISTER

Yes  
no

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2/4

ORGANISATION OF THE ELECTRICITY SUPPLY INDUSTRY IN ENGLAND AND WALES

I wrote to you and to colleagues on 3rd March setting out my proposals on the organisation of the electricity supply industry and attaching a draft written statement.

As you requested, Keith Joseph and I have now discussed the options for competition or an element of privatisation in the electricity industry. We are agreed that we should, when a suitable legislative opportunity occurs, remove the prohibition on private generators supplying electricity as a main business. This will probably not have a very large or immediate practical effect, but it will give play to market forces. I do not see real prospects for introducing private capital into the existing supply industry though our proposals on the monopoly position will give potential customers a full opportunity and possibly a spur.

Play A I hope we can now agree to move on to consultations with management, unions and consumers on the basis of my draft statement on organisation and Keith Joseph is content with this. I told the House recently that I expected to make an announcement about organisation after Easter, and there is still some way to go.



I am copying this letter to the Chancellor of the Exchequer, the Secretaries of State for Industry, Wales, Scotland and Trade and to Sir Robert Armstrong

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SECRETARY OF STATE FOR ENERGY  
2nd APRIL 1980

12 APR 1960



COMMONWEALTH OF AUSTRALIA

<sup>file</sup>  
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Nationalised  
Industries

10 DOWNING STREET

From the Private Secretary

3 April 1980

Dear Sir,

Organisation of the Electricity  
Supply Industry in England and Wales

The Prime Minister has considered your Secretary of State's minute of 2 April on the above subject, and is now content for him to move ahead with consultations with management, unions and consumers on the basis of the draft statement enclosed with his minute of 3 March.

I am sending copies of this letter to Martin Hall (HM Treasury), George Craig (Welsh Office), Ian Ellison (Department of Industry), Godfrey Robson (Scottish Office), Stuart Hampson (Department of Trade) and David Wright (Cabinet Office).

*W J Burroughs*  
*T. L. L.*

W J Burroughs, Esq  
Department of Energy

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