

CONFIDENTIAL



Prime Minister ^{SC/10}
 At least some progress
 has. AT 2/3

Treasury Chambers, Parliament Street, SW1P 3AG

Andrew Turnbull Esq
 10 Downing Street
 LONDON

7 March 1985

Dear Andrew

WATER PRIVATISATION

Your letter to Rachel Lomax dated 28 February said that the Prime Minister would be grateful if the Treasury would prepare a paper for E(A) setting out the progress on privatisation. This is being done.

Meanwhile, the Prime Minister might like to know of the increased priority that is being given to the consideration of water privatisation. The Minister for Housing and Construction announced to the House on 7 February that the possibility of a measure of privatisation in the water industry was to be examined. This work is underway and the Department of the Environment, in consultation with the Treasury and other Departments directly concerned, are preparing a preliminary consultation note that is intended should be sent to water authorities very shortly. The general E(A) paper that the Treasury are producing will report developments and relate water privatisation to the overall programme.

I am sending a copy of this letter to the Private Secretaries to Members of E(A), the Minister for Housing and Construction's Private Secretary, and to Richard Hatfield at the Cabinet Office.

yours sincerely

FP Bogan

MISS F P BOGAN
 Assistant Private
 Secretary

ECON POL: Privatisation: Pt 11



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