

RESTRICTED



NORTHERN IRELAND OFFICE

Government Buildings Great George Street London SW1P 3AJ

Telephone Direct Dialling 01-233  
Exchange 01-233 3000

D R Snoxell Esq  
Republic of Ireland Department  
Foreign and Commonwealth Office  
Downing Street East  
LONDON SW1

Your reference

Our reference

Date 28 September 1983

Dear David,

BILL TO EXTEND THE UK TERRITORIAL SEA

You asked me to clarify some points in David Hill's letter to David Barrie of 19 inst. on this matter.

There is no existing legislative provision dealing with petroleum beneath territorial waters adjacent to Northern Ireland. Under the Petroleum (Production) Act (NI) 1964, the Department of Economic Development owns all petroleum beneath Northern Ireland and has the power to license exploration for such petroleum. As a reserved matter under the 1973 Constitution Act, resources under the seabed adjacent to Northern Ireland do not come within DED's ambit. However since 1966 the former Department of Commerce had jointly with the Crown Estates Commissioners issued licences for this seabed.

The presumption that offshore petroleum was owned by the Crown throughout the UK territorial seas was called into question by a High Court decision of 1982 (the Lonsdale judgment). This necessitated legislation, the Oil and Gas Enterprise Act 1982, which regularised the position by confirming Crown ownership of petroleum in the seas adjacent to Great Britain. However the ownership of the petroleum in the sea adjacent to Northern Ireland remains in question.

There is an urgent need to clarify the position through legislation. The status of the export licences issued by the DED and Crown Estates Commissioners is in doubt. Further exploration will be hindered if the questions of ownership and the licensing authority are not resolved. As you are aware, there has been much recent speculation about the existence of petroleum reserves off the Republic of Ireland's coast and this will doubtless stimulate interest in exploration in Northern Ireland waters. The economic consequences of oil find adjacent to Northern Ireland could be significant. All of this accounts for the Northern Ireland Office's desire to regularise the situation by legislation as soon as possible.

We would like to be in a position to tell our Ministers that the dangers of provoking the Irish Government into restating their claim to ownership of waters round the whole island are minimal, and that they are, in any case, outweighed by economic advantages for Northern Ireland. An objective assessment of the Anglo-Irish repercussions must come from RID and the Embassy rather than from ourselves. You are best placed to consider how seriously the Irish regard their theoretical claim and whether, at this juncture of Anglo-Irish relations, they would wish to

RESTRICTED

RESTRICTED

imperil tangible progress by raking over the debris of the 1921 Treaty.

I hope you can see your way to giving us such an assessment. I can appreciate your concern that this might be at variance with Mr Darwin's views on the legal position as set out in his letter of 28 July but what we are seeking is a political assessment of the risks, if any, to Anglo-Irish relations should the proposed legislation go ahead.

Yours ever,

Tony

J A CANAVAN  
SIL

RESTRICTED