



Foreign and Commonwealth Office

London SW1A 2AH

4 August 1980

Prime Minister

Dear Michael,

MS

MFA 4/8

UK/Irish Continental Shelf Delimitation

Your letter of 21 May recorded that this subject arose during the Prime Minister's lunch for the Irish Prime Minister. My Haughey wondered whether serious consideration should not be given to the establishment of "joint administration" to cover the area in dispute between the parties. You also recorded Mr Dermot Nally's view that the idea was one on which the views of the Irish Government's own experts had not been secured.

At the last round of bilateral discussions, which took place in London on 19 June, Miss Skinner (Legal Adviser to the Irish DFA) confirmed that experts had not been consulted in advance, but said that, following the talks at No 10, they had been studying the idea. She said that Mr Haughey's proposal was for some form of joint administration pending the decision of the Court of Arbitration. It was not thus intended as a substitute for the original Irish proposal to go to ad hoc Arbitration. The Irish had in mind a tripartite licensing system in the disputed area, whereby operators would be licensed jointly by the two Governments. It would be necessary to agree the terms of a compromise licence.

Sir I Sinclair explained that this appeared to us to give rise to two serious difficulties:

- i) it would involve interference with, perhaps expropriation of, the rights of existing ^{SES}licensing; and
- ii) new legislation would be necessary.

All this would lead to delay. It would require the agreement of the operating companies, and would thus make conclusion of the Arbitration Agreement dependent on the agreement of the companies as well as the two Governments. It would also introduce a climate of uncertainty which could well lead to a freezing of activity in the area - an objective sought by neither side. Sir I Sinclair suggested that our own proposals for an interim regime, which we put forward in outline form at the first meeting in the current series in October 1979, might form a more practical basis. They were based on continuation of a large measure of activity under existing national legislation, subject to the overriding principle that the agreed arrangements would be entirely without prejudice to the position of either side before the Court of Arbitration.

/The Irish ...

Michael Alexander Esq
10 Downing Street

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The Irish took this criticism in good part. They agreed to reflect on the problems of joint administration. Miss Skinner said that the proposal had been put forward in the hope that it might make things easier: if this were not the case, she would need to advise her Ministers to reconsider it. She said that it was possible that they did not understand how complicated joint administration would be. Both sides agreed to consider the proposal for joint administration side by side with UK proposal for an interim regime, so as not to waste further time.

It is clear that the Irish proposal is unlikely to facilitate solving the dispute and the Irish themselves have quite simply not thought things through. We judge that it might set back the commencement of the Arbitration by one or two years - with no perceptible benefit to either side. At the next bilateral meeting in October, we shall seek to dissuade them from pursuing it further.

I am sending copies of this letter to Roy Harrington (Northern Ireland Office), Bill Burroughs (Department of Energy) and Bill Beckett (Law Officers' Department).

Yours own

Paul

(P Lever)
Private Secretary

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cc NIO
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Ireland

10 DOWNING STREET

From the Private Secretary

5 August 1980

The Prime Minister has seen and noted your letter to me of 4 August, commenting on the UK/Irish Continental Shelf Delimitation problem which was raised by the Irish Prime Minister on 21 May.

I am sending copies of this letter to Roy Harrington (Northern Ireland Office), John West (Department of Energy) and Bill Beckett (Law Officers' Department).

M. A. PATTISON

Paul Lever, Esq.,
Foreign and Commonwealth Office.

LB

Do you know about

Rockall ? The

Channel between us?

~~the~~ if I remember right, we occupied
Rockall in about 1961 or 2 (I was at
the Admiralty & the Marines did it) The
reason was that if we did not
the Irish would have been able to

claim as that ~~territorial~~ sea a
large area potentially oil bearing.
We had always claimed it, but
never occupied it. [the waves
break over it at high tide]

They have demanded
arbitration.

I will find out but I doubt
that we accept that is any
ambiguity about our position