

cc Press Office



NORTHERN IRELAND OFFICE  
WHITEHALL  
LONDON SW1A 2AZ

Charles Powell Esq  
Private Secretary  
10 Downing Street  
LONDON SW1

5<sup>th</sup> September 1984

AT to see

NBM

CDP 579.

Dear Charles,

KINSALE GAS

The Prime Minister's message of 15 August to Dr FitzGerald made it plain that the Kinsale Gas project would not now go ahead. It is clear that the Irish accept that the project will not now go ahead - Mr Spring said as much at a news conference on Monday, and you told me that when Dr FitzGerald called on the Prime Minister on Monday he made only the briefest reference to Kinsale Gas, and had nothing of substance to say.

... We therefore propose to make a low key press announcement (on the lines of the attached draft) on 6 September to confirm publicly that the project is at an end, there will also be some additional material to correct the record with the Press on some of the points that the Irish have been making in public over the last few weeks.

Since the Irish do not wish to join us in a joint statement, the need for further consultation with them does not arise, but as a courtesy our Embassy in Dublin will be handing the Irish a copy of our statement shortly before it is released.

I am sending copies of this letter to the Private Secretaries to Members of E(A), to Colin Budd and to Richard Hatfield.

Yours Sincerely  
Neil Ward.

N D WARD



DRAFT STATEMENT BY ADAM BUTLER, MINISTER OF STATE

KINSALE GAS PROJECT

In my statement of 10 August I outlined the Government's position on the Kinsale Gas Project and indicated that we had discussed with the Irish Government the difficulties which we would face in carrying the project forward. In the light of the outcome of these discussions it is clear that it is not possible to reconcile the interests of both sides and that the project would not be economically viable for Northern Ireland. The project cannot therefore go ahead. I am bitterly disappointed that despite the intense efforts put into negotiations and discussion by both governments, the project to supply natural gas to Northern Ireland from Kinsale will not now go ahead.