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INFO NIO LONDON, NIO BELFAST, DUBLIN, BIS NEW YORK.

MY TELNO 4334 OF 22 DECEMBER: ARMS FOR THE RUC.

1. SINCE THE PRIME MINISTER'S VISIT, WE HAVE CONTINUED TO SEEK POSSIBLE OPENINGS. THE PRESENT POSITION IS THAT THE STATE DEPARTMENT HAVE NOT (NOT) YET RECEIVED A FORMAL APPLICATION FOR A LICENCE FOR THE FURTHER 3000 WEAPONS WE ARE SEEKING. THE MANUFACTURERS WROTE TO THE OFFICE OF MUNITIONS CONTROL AT THE STATE DEPARTMENT ON 14 DECEMBER SEEKING ADVICE ON WHAT THE STATE DEPARTMENT REACTION TO A FORMAL LICENCE APPLICATION WOULD BE (TEXT OF LETTER IN MIFT). NO REPLY HAS YET BEEN SENT TO THAT LETTER BUT WE KNOW FROM A STATE DEPARTMENT SOURCE (PLEASE PROTECT) THAT THE COMPANY WERE IN TOUCH WITH THE OFFICE OF MUNITIONS CONTROL BEFORE SENDING THEIR LETTER AND THAT THEY HAVE BEEN TOLD THAT, WHILE THE STATE DEPARTMENT REVIEW CONTINUES, NO ACTION IS LIKELY ON LICENCE APPLICATIONS. THE MANUFACTURERS THEMSELVES HAVE RECEIVED THREATS FROM IRISH AMERICANS OF RETALIATION IF FURTHER ARMS ARE SUPPLIED.

2. THE MAIN OBSTACLE TO PROGRESS REMAINS THE ATTITUDE OF SPEAKER O'NEILL. HE WAS IMPRESSED BY THE PRIME MINISTER AND HE SUPPORTS OUR CURRENT INITIATIVE ON NORTHERN IRELAND. HE REMAINS ADAMANTLY OPPOSED TO BIAGGI AND HIS FOLLOWERS AND PERSONALLY TELEPHONED THE PRESIDENT ONLY RECENTLY TO PREVENT HIM FROM SENDING (AT BIAGGI'S INSTIGATION) A GOODWILL MESSAGE TO THE IRISH NATIONAL CAUCUS (INC) ANNUAL DINNER IN NEW YORK. BUT HE BELIEVES THAT IF HE SANCTIONS THE SALE OF ARMS TO THE RUC HE WILL LOSE HIS CLAIM TO IMPARTIALITY AND WILL NO LONGER BE ABLE TO DISSUADE IRISH AMERICANS FROM GIVING FINANCIAL SUPPORT TO SURROGATES OF THE PIRA SUCH AS NORRID. MOREOVER, HE WOULD NO LONGER BE ABLE TO RESIST PRESSURE FOR HEARINGS ON THE GROUNDS THAT CONGRESS HAD NO STANDING IN THE MATTER. IN THE ABSENCE OF ANY SALE, O'NEILL'S OPPOSITION TO HEARINGS (INCLUDING THOSE ON AMERICAN INVESTMENT IN NORTHERN IRELAND WHICH HAVE BEEN FORMALLY REQUESTED BY CONGRESSMAN GILMAN) REMAINS FIRM.

3. IF WE WERE

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3. IF WE WERE TO MAKE ANOTHER BIG PUSH NOW ON ARMS SALES I SUSPECT THAT THE MOST WE WOULD ACHIEVE WOULD BE FURTHER APPEALS FROM PRESIDENT CARTER TO THE SPEAKER WHICH WOULD GET NOWHERE. THE ELECTORAL CONSIDERATIONS WHICH HAVE INFLUENCED CARTER UNTIL NOW CONTINUE TO APPLY AND ARE LIKELY TO DO SO AT LEAST WHILE THE DEMOCRATIC NOMINATION IS IN DOUBT AND PROBABLY, IF CARTER WINS THE NOMINATION, UNTIL THE ELECTION IN NOVEMBER.

4. IT HAS BEEN SUGGESTED TO ME INFORMALLY THAT THE ONLY PERSON WHO COULD AT PRESENT CHANGE THE SPEAKER'S MIND, AND THEREFORE THE ADMINISTRATION'S MIND, IS JOHN HUME OF THE SDLP, EITHER BY A DIRECT APPROACH TO O'NEILL NOW OR FOLLOWING THE ESTABLISHMENT OF A NEW ADMINISTRATION IN NORTHERN IRELAND OF WHICH HUME WAS A MEMBER.

5. WITHOUT A BREAKTHROUGH OF THAT KIND, I SEE LITTLE HOPE OF MAKING EARLY PROGRESS ON OUR APPLICATION OR EVEN OF PERSUADING THE ADMINISTRATION TO MAKE A STATEMENT OF INTENT WHICH COULD BE USED IN PARLIAMENT AND WHICH WOULD HELP OVER THE PROBLEM OF MORALE IN THE RUC. I CANNOT THEREFORE SEE THAT THERE IS MUCH GOOD IN CONTINUING TO RELY ON SUPPLIES OF THESE WEAPONS FROM THE U.S.A.

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