

CONFIDENTIAL

CONFIDENTIAL

FM WASHINGTON 270030Z JAN 81

TO ROUTINE F C O

TELEGRAM NUMBER 257 OF 26 JANUARY

INFO PARIS, BONN, MOSCOW, UKDEL NATO, UKMIS NEW YORK,
 INFO SAVING ANKARA, LISBON, OTTAWA, OSLO, REYKJAVIK, ATHENS,
 UKREP BRUSSELS, BRUSSELS, COPENHAGEN, DUBLIN, LUXEMBOURG, ROME,
 THE HAGUE, ALL CGS IN USA.

*Read 2 full**ms***PRESIDENT REAGAN'S GOVERNMENT.**

1. YOU MAY LIKE TO HAVE SOME PRELIMINARY COMMENTS ON THE CONDUCT OF BUSINESS, PARTICULARLY FOREIGN AFFAIRS, UNDER THE NEW ADMINISTRATION.
2. REAGAN HAS UNUSUALLY HELD MEETINGS OF HIS CABINET EVERY DAY SINCE HE ASSUMED OFFICE. HE IS ALSO REPORTED TO HAVE INSTITUTED A SERIES OF INTER-DEPARTMENTAL COMMITTEES PRESIDED OVER BY DIFFERENT MEMBERS OF THE CABINET. BUSH HAS MOVED INTO MONDALE'S OFFICE IN THE WHITE HOUSE ITSELF, BUT IT IS TOO SOON TO GUESS WHETHER REAGAN WILL ALLOW HIM THE KIND OF INFLUENTIAL ROLE THAT MONDALE HAD. IT WILL ALSO TAKE A LITTLE TIME TO DISCERN THE BALANCE OF AUTHORITY WITHIN THE WHITE HOUSE BETWEEN MEESE AND BAKER (COUNSELLOR TO THE PRESIDENT AND CHIEF OF STAFF RESPECTIVELY).
3. OF GREATEST DIRECT INTEREST TO US WILL BE TO SEE HOW FAR HAIG CAN RE-ESTABLISH THE PRIMACY OF THE STATE DEPARTMENT OVER THE NSC UNDER RICHARD ALLEN. HAIG HAS SAID THAT HE INTENDS TO DO SO AND IS REPORTED TO BE TRYING TO RE-ESTABLISH STATE DEPARTMENT CHAIRMANSHIP OF TWO FOREIGN POLICY COMMITTEES WHICH WERE CLAIMED BY NSC STAFF UNDER CARTER. ALLEN HAS SAID THAT HE SEES HIS FUNCTION AS THAT OF COORDINATOR RATHER THAN INITIATOR OF POLICY. OF COURSE WASHINGTON HAS HEARD THIS BEFORE, BUT ALLEN HAS AT LEAST BEGUN BY STAYING OUT OF THE LIMELIGHT RECENTLY AFTER HIS MANY PUBLIC APPEARANCES DURING THE TRANSITION.
4. ON STATE/NSC RELATIONS IT IS RELEVANT THAT HENRY OWEN HAS NOT BEEN REPLACED AS ECONOMIC ADVISER TO THE PRESIDENT. IT IS EXPECTED THAT THE PRESIDENT'S SPECIAL REPRESENTATIVE FOR PREPARATIONS FOR ECONOMIC SUMMITS WILL COME FROM THE STATE DEPARTMENT, PERHAPS DICK COOPER'S SUCCESSOR AS ECONOMIC UNDER SECRETARY. (RASHISH HAS BEEN NAMED BUT NOT YET FORMALLY NOMINATED AS COOPER'S SUCCESSOR). THE NOMINATION OF WILLIAM CLARK (MY TELNO 245) WHO IS VERY CLOSE TO REAGAN COULD BE A HELP TO HAIG IF THE TWO HIT IT OFF, SINCE REAGAN, WHO DOES NOT KNOW HAIG, WOULD BE INCLINED TO TRUST CLARK IF DISPUTES AROSE BETWEEN THE STATE DEPARTMENT AND THE NSC.

CONFIDENTIAL*/it would*

CONFIDENTIAL

IT WOULD BE MORE DIFFICULT FOR ALLEN TO UNDERMINE HAIG'S POSITION EVEN IF HE WANTED TO. THERE IS ALSO THE QUESTION OF THE STATE DEPARTMENT'S RELATION WITH THE DEPARTMENT OF DEFENSE. THE LATTER WILL NOT LIKE THE IDEA OF STATE BECOMING ALL-POWERFUL, AND THEY MAY SEE THE DIMINUTION OF THE ROLE OF THE NSC AS THE LOSS OF AN IMPORTANT COUNTER-WEIGHT.

5. ALLEN TOLD ME SOME WEEKS AGO THAT AS ASSISTANT TO THE PRESIDENT FOR NATIONAL SECURITY AFFAIRS HE DID NOT INTEND TO DEAL WITH REPRESENTATIVES OF FOREIGN GOVERNMENTS. IT REMAINS TO BE SEEN WHETHER HE WILL STICK TO THIS. NOR DO WE KNOW WHETHER MEMBERS OF HIS STAFF, NOW BEING APPOINTED, WILL BE PREPARED LIKE THEIR PREDECESSORS TO DEAL WITH EMBASSIES. AMONG THOSE RUMOURED TO BE GETTING JOBS IN THE NSC ARE SEVERAL PEOPLE WHO HAD TRIED AND FAILED TO GET SENIOR JOBS IN THE STATE AND DEFENSE DEPARTMENTS AND WHO WILL WANT TO FLEX THEIR MUSCLES FROM THEIR POSITIONS IN THE NSC. UNTIL THE RELEVANT SENIOR APPOINTMENTS ARE COMPLETE - IN STATE NO ONE HAS EVEN BEEN FORMALLY NOMINATED EXCEPT WILLIAM CLARK - IT WILL BE IMPOSSIBLE TO DETERMINE THE BALANCE OF POWER AND INFLUENCE.

6. MEANWHILE RUMOURS AND SPECULATION CONTINUE TO FILL THE PRESS. WE HAVE BEEN TOLD BY A MEMBER OF SENATOR HELMS'S STAFF THAT THE PRESENT DELAY IN THE FORMAL NOMINATION OF SENIOR OFFICIALS IN THE STATE DEPARTMENT IS DUE TO A CONTINUING STRUGGLE WITHIN THE REPUBLICAN RANKS, LIKELY TO BE RESOLVED THIS WEEK. HAIG HIMSELF TOLD ME TODAY THAT HE HAS NOW SELECTED ALL HIS TOP OFFICIALS EXCEPT HIS ASSISTANT SECRETARY FOR LATIN AMERICA, BUT THAT VARIOUS CLEARANCES HAVE STILL TO BE EFFECTED BEFORE SOME OF THEM CAN BE OFFICIALLY NOMINATED FOR SENATE CONFIRMATION.

FCO PASS SAVING ANKARA, LISBON, OTTAWA, OSLO, REYKJAVIK, ATHENS, UKREP BRUSSELS, BRUSSELS, COPENHAGEN, DUBLIN, LUXEMBOURG, ROME, THE HAGUE.

HENDERSON

*FCO/WHITEHALL
NAD*

THIS TELEGRAM
WAS NOT
ADVANCED

(REPEATED AS REQUESTED)

2.
CONFIDENTIAL