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TELEGRAM NUMBER 204 OF 21 JANUARY
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This does not augur very well for the conduct of business in the first few weeks of the Reagan administration.

And

THE REAGAN ADMINISTRATION.

1. TODAY'S WASHINGTON POST REPORTS THAT PRESIDENT REAGAN HAS COMPLETED HIS ECONOMIC POLICY TEAM BY SELECTING MURRAY WEIDENBAUM, A PROFESSOR AT WASHINGTON UNIVERSITY AND AN EXPERT ON BUSINESS DEREGULATION, AS CHAIRMAN OF THE COUNCIL OF ECONOMIC ADVISERS. BIOGRAPHICAL DETAILS WILL FOLLOW WHEN THIS APPOINTMENT IS MADE OFFICIAL.

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2. THE FULL SENATE YESTERDAY CONFIRMED WEINBERGER'S APPOINTMENT AS SECRETARY OF DEFENSE BY 97 TO 2. ONLY SENATOR HELMS (R NORTH CAROLINA) AND HIS PROTEGE THE NEWLY ELECTED SENATOR EAST, ALSO FROM NORTH CAROLINA, VOTED AGAINST WEINBERGER'S CONFIRMATION, ARGUING THAT HIS QUALITIES WERE NOT THOSE NEEDED IN A SECRETARY OF DEFENSE WHOSE PRIMARY TASK WAS TO REBUILD US MILITARY STRENGTH.

3. THE SENATE IS VOTING TODAY ON HAIG (SECRETARY OF STATE), REGAN (TREASURY) AND SMITH (ATTORNEY GENERAL). THE WHOLE CABINET IS EXPECTED TO BE CONFIRMED BY THE END OF THE WEEK.

4. ONE CONSEQUENCE OF PRESIDENT REAGAN'S SLOWNESS IN NAMING HIS CABINET HAS BEEN A CORRESPONDING DELAY IN APPOINTMENTS TO SUB-CABINET-LEVEL POSTS. THERE ARE 4000-ODD POSTS IN THE ADMINISTRATION SUBJECT TO PRESIDENTIAL APPOINTMENT; BUT THE IMPORTANT ONES ARE 87 DEPUTY SECRETARY AND UNDER SECRETARY POSTS, TOGETHER WITH ANOTHER 250 OR SO AT SENIOR POLICY-MAKING LEVEL. THE REAGAN TRANSITION STAFF, WHO ARE SAID TO BE PLANNING A COMPLETE PURGE OF ALL CARTER'S POLITICAL APPOINTEES, HAD HOPED TO HAVE 150-200 SENIOR OFFICIALS IN PLACE BY 20 JANUARY. SO FAR THEY HAVE ONLY A HANDFUL. THE NAMES OF SEVERAL SENIOR NOMINEES AT EG THE STATE DEPARTMENT AND TREASURY HAVE BEEN REPORTED IN

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THE PRESS (MY TELNOS 85 AND 98) BUT THEY HAVE YET TO BE MADE OFFICIAL. CARLUCCI'S APPOINTMENT AS DEPUTY TO WEINBERGER AT DEFENSE IS OFFICIAL (ALTHOUGH HE HAS NOT YET BEEN CONFIRMED) BUT THE IDENTITY OF HAIG'S DEPUTY AT STATE IS STILL IN DOUBT.

5. ALL THESE APPOINTMENTS ARE SUBJECT TO CONFIRMATION BY THE SENATE AND THIS PROCESS IS EXPECTED TO CONTINUE THROUGHOUT FEBRUARY AND BEYOND. PENDING CONFIRMATION, NEW APPOINTEES WILL OCCUPY THEIR DESKS AND DEAL WITH DAY TO DAY BUSINESS, BUT ARE NOT EMPOWERED TO ACT OFFICIALLY. THEY WILL ALSO BE PREOCCUPIED WITH PREPARING THEMSELVES FOR THEIR CONFIRMATION HEARINGS.

6. HEARINGS BY THE APPROPRIATE SENATE COMMITTEE ARE NORMALLY HELD IN ORDER OF SENIORITY OF THE NEW NOMINEES. HEARINGS ON STOESSEL'S APPOINTMENT AS UNDER SECRETARY FOR POLITICAL AFFAIRS AT STATE ARE PLANNED FOR 26 JANUARY. BUT THE DELAY IN NAMING A DEPUTY SECRETARY OF STATE COULD PUT BACK THE STATE DEPARTMENT HEARINGS. ALL US AMBASSADORS HAVE, AS IS CUSTOMARY, SUBMITTED THEIR RESIGNATIONS. THOSE WHO ARE ASKED TO STAY ON IN THEIR PRESENT POSTS DO NOT HAVE TO BE RECONFIRMED BUT ALL NEW APPOINTEES MUST BE CONFIRMED BY THE SENATE.

HENDERSON

[THIS TELEGRAM WAS NOT ADVANCED]

FCO/WHITEHALL

NAD