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DESKBY 030900Z

FM WASHINGTON 010220Z DEC 84

TO IMMEDIATE FCO

TELEGRAM NUMBER 3570 OF 30 NOVEMBER

INFO SAVING UKMIS NEW YORK, UKDEL NATO, UKREP EEC AND US CONSULATES
GENERALS.

NY TELNO 3547: SENATE CHANGES

SUMMARY

1. SENATOR DOLE, THE NEW MAJORITY LEADER, IS LIKELY TO BE MORE INDEPENDENT OF THE WHITE HOUSE THAN HIS PREDECESSOR. THE LINE-UP OF COMMITTEE CHAIRMEN LOOKS GOOD FROM OUR POINT OF VIEW.

DETAIL

2. SENATE REPUBLICANS HAVE AGREED THAT THE LINE-UP OF MAJOR OFFICE HOLDERS IN THE SENATE WILL BE AS FOLLOWS (PREVIOUS INCUMBENTS IN BRACKETS):

MAJORITY LEADER	DOLE - KANSAS	(BAKER-TENNESSEE)
MAJORITY WHIP	SIMPSON - WYOMING	(STEVENS-ALASKA)
FOREIGN RELATIONS	LUGAR - INDIANA	(PERCY-ILLINOIS)
ARMED SERVICES	GOLDWATER - ARIZONA	(TOWER-TEXAS)
AGRICULTURE	HELMS - N. CAROLINA	(NO CHANGE)
FINANCE	PACKWOOD - OREGON	(DOLE)
ENERGY	MCCLURE - IDAHO	(NO CHANGE)
COMMERCE	DANFORTH - MISSOURI	(PACKWOOD)
BUDGET	DOMENICHI - N. MEXICO	(NO CHANGE)

3. DOLE'S ELECTION TO THE MAJORITY LEADERSHIP, AT THE FOURTH BALLOT AND AFTER A HARD FOUGHT RACE, HAS PUT A RATHER MORE INDEPENDENTLY MINDED FIGURE THAN THE WHITE HOUSE WOULD HAVE WANTED (AND A MORE SERIOUS POTENTIAL ALTERNATIVE FOCUS OF SUPPORT WITHIN THE REPUBLICAN PARTY) IN THE KEY LIAISON JOB BETWEEN THE ADMINISTRATION AND CONGRESS. DOLE HAS A RECORD OF STANDING UP TO THE ADMINISTRATION, AND ARGUING FOR DEFICIT REDUCTIONS. IN HIS FIRST PUBLIC STATEMENT AFTER HIS ELECTION HE QUALIFIED HIS SUPPORT FOR THE ADMINISTRATION BY SAYING THAT SENATE REPUBLICANS WOULD BACK THE PRESIDENT'S PROGRAMME "WHEN WE CAN". HE IS CLEARLY RESERVING THE RIGHT TO INTERPRET THE INTERESTS OF REPUBLICAN SENATORS IN HIS OWN WAY, BEARING IN MIND THE FACT THAT 22 OF THEM WILL BE FACING RE-ELECTION IN 1986. THE PROSPECTS FOR SMOOTH COOPERATION BETWEEN THE WHITE HOUSE AND THE NEW SENATE LEADERSHIP OVER DEFICIT REDUCTION ISSUES DO NOT THEREFORE LOOK TOO GOOD. NEVERTHELESS DOLE ALREADY APPEARS TO HAVE HAD SOME SUCCESS, IN HIS FIRST FORMAL MEETING WITH THE PRESIDENT AS MAJORITY LEADER, IN INTERESTING THE PRESIDENT IN THE IDEA OF SOME SORT OF OVERALL BUDGET FREEZE.

4. LUGAR, WHO WAS THOUGHT TO HAVE BEEN THE ADMINISTRATION'S PREFERRED CANDIDATE FOR MAJORITY LEADER, IS AN EXCELLENT CHOICE FROM OUR POINT OF VIEW AS CHAIRMAN OF THE FOREIGN RELATIONS COMMITTEE. A FORMER RHODES SCHOLAR AT OXFORD, HE IS SENSIBLE AND WELL INFORMED ABOUT EUROPEAN AND ALLIANCE MATTERS AND WILL BE A

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CONGRESSIONAL VOICE IN FAVOUR OF PROGRESS IN ARMS CONTROL NEGOTIATIONS. IT IS OF COURSE A RELIEF THAT WE HAVE BEEN SPARED HELMS IN THIS ROLE. (ALTHOUGH SOME SAY THAT HELMS COULD STILL CHANGE HIS MIND, THE AGREEMENT ABOUT CHAIRMANSHIPS HAS NOW BEEN PUBLICLY ACCEPTED BY BOTH HELMS AND LUGAR AND MUST BE REGARDED AS FIRM).

5. AS CHAIRMAN OF THE ARMED SERVICES COMMITTEE, GOLDWATER WILL STAND FOR A STRONG DEFENCE POSTURE AND CONTINUED INCREASES IN DEFENCE EXPENDITURE. HE MAY NOT BE SUCH A WELL KNOWN FRIEND OF BRITAIN AS WAS HIS PREDECESSOR TOWER, BUT HIS APPOINTMENT IS ON THE WHOLE GOOD NEWS FOR US. IT IS NOT YET CLEAR WHO WILL SUCCEED GOLDWATER ON THE INTELLIGENCE COMMITTEE, BUT THE FRONT RUNNER, DURENBERGER (MINNESOTA), IS A MODERATE LIBERAL WHO HAS MADE CLEAR HIS OPPOSITION TO FURTHER AID TO THE CONTRAS IN NICARAGUA.

6. THE MODERATES IN THE SENATE WILL ALSO HAVE THEIR HAND STRENGTHENED BY THE PROMOTION OF PACKWOOD TO THE CHAIRMANSHIP OF THE FINANCE COMMITTEE (AND THE CONSEQUENT APPOINTMENT OF DANFORTH TO SUCCEED PACKWOOD ON THE COMMERCE COMMITTEE). WE ARE REPORTING SEPARATELY ON THE LIKELY IMPLICATIONS OF THESE TWO MOVES.

7. WHEN LADY YOUNG SEES SENATOR MATHIAS ON 3 DECEMBER (YOUR TELNO 2044: ACTION TAKEN) SHE MAY LIKE TO ASK HIM HOW HE VIEWS THESE SENATE APPOINTMENTS. HE WAS OF COURSE HIMSELF AN OUTSIDE CANDIDATE FOR CHAIRMAN OF THE FOREIGN RELATIONS COMMITTEE. EVEN THOUGH HIS OWN POSITION HAS NOT ADVANCED, HE SHOULD BE WELL SATISFIED WITH THE GENERAL STRENGTHENING OF MODERATE AND CENTRIST OPINION WITHIN THE SENATE.

8. PLEASE PASS ADVANCE COPY TO PS/LADY YOUNG

FCO PASS SAVING TO UKDEL NATO AND UKREP BRUSSELS.

WRIGHT

[ADVANCED AS REQUESTED]

[REPEATED AS REQUESTED]

FCO (PALACE) WHITEHALL

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