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TEXT
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SUBJECT: LANDSLIDE VICTORY FOR WALDHEIM SHAKES SOCIALISTS

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1. SUMMARY AND INTRODUCTION:
FOLLOWING WALDHEIM'S LANDSLIDE VICTORY YESTERDAY (JUNE 8), THE RESIGNATION TODAY OF SOCIALIST (SPO) CHANCELLOR FRED SINOWATZ AND HIS REPLACEMENT BY FINANCE MINISTER FRANZ VRANITZKY HAS UNDERLINED THE SERIOUSNESS OF THE SPO'S DEFEAT (SINOWATZ REMAINS AS PARTY CHAIRMAN). THIS IS THE FIRST TIME SINCE BEFORE THE WAR THAT A NON

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SOCIALIST-ENDORSED CANDIDATE HAS CAPTURED THE AUSTRIAN PRESIDENCY AND IT IS CORRESPONDINGLY BEING PORTRAYED BY THE CONSERVATIVE PEOPLE'S PARTY (OVP) AS A "CONSERVATIVE TURNING POINT" IN AUSTRIAN POLITICS. AMONG THE REASONS BEING CITED FOR THE ELECTION'S OUTCOME ARE: THE AUSTRIAN VOTER'S DESIRE FOR A CHANGE AFTER 16 YEARS OF SOCIALIST-DOMINATED GOVERNMENT; A DECLINE IN THE STRENGTH OF THE SOCIALISTS' TRADITIONAL STRONGHOLDS AS A RESULT OF ECONOMIC AND SOCIAL CHANGE; A TURNING ON THE PART OF AUSTRIAN YOUTH TO MORE TRADITIONAL VALUES LIKE THOSE HIGHLIGHTED BY WALDHEIM IN HIS CAMPAIGN; THE UNINSPIRATIONAL LEADERSHIP OF SOCIALIST CHANCELLOR SINOWATZ. NATIONAL RESENTMENT AT THE ANTI-WALDHEIM CAMPAIGN IN THE U.S. AND ISRAEL PLAYED A SIGNIFICANT ROLE, MOST AGREE, BUT MORE IN TERMS OF INCREASING AN ALREADY EXISTING WALDHEIM LEAD. MEANWHILE, CONCERNED POLITICIANS AND OFFICIALS OF ALL STRIPES ARE TURNING TO THE PROBLEM OF THE AUSTRIAN IMAGE ABROAD AFTER THE WALDHEIM VICTORY. WALDHEIM HIMSELF IS EXPECTED TO ADDRESS THE ISSUE IN THE NEXT FEW DAYS. AND, ALTHOUGH ALL HERE WERE LOOKING TO SINOWATZ' VISIT TO THE U.S. LATER THIS MONTH TO BUILD UPON THE WARM WORDS ABOUT U.S.-AUSTRIAN RELATIONS THAT WERE EXCHANGED HERE DURING DEFENSE SECRETARY WEINBERGER'S RECENT VISIT, THIS PARTICULAR EFFORT MUST BE ABANDONED FOR THE MOMENT IN THE WAKE OF THE SINOWATZ RESIGNATION. END INTRODUCTION AND SUMMARY.

2. THE SCORECARD:

IN THE SECOND ROUND RUN-OFF ON JUNE 8 WALDHEIM'S TOTAL WAS 53.9 PERCENT OF THE VALID VOTES. WITH THIS HE PICKED UP AN ADDITIONAL 4.2 PERCENT OF THE VOTE AS COMPARED WITH HIS TOTAL IN THE FIRST ROUND ON MAY 4 (REFTEL). STEYRER MANAGED TO GARNER ONLY AN ADDITIONAL 2.4 PERCENT, LEAVING HIM WITH A FINAL TALLY OF 46.1 PERCENT. THE RECORD NUMBER OF AUSTRIANS WHO STAYED AWAY FROM THE POLLS AND WHO CAST INVALID BALLOTS IN THE FIRST ROUND WAS EXCEEDED BY A COMFORTABLE MARGIN IN THE SECOND ROUND. IN WHAT CAN SAFELY BE CONSIDERED A GESTURE OF PROTEST, ONLY 87.3 PERCENT OF THOSE ELIGIBLE ACTUALLY VOTED YESTERDAY AND FULLY 3.7 PERCENT OF THEIR BALLOTS WERE INVALID.

3. THE ELEMENTS OF VICTORY:

PRELIMINARY ANALYSIS OF YESTERDAY'S ELECTION RESULTS INDICATES THAT WALDHEIM WAS ABLE TO WIN A SIGNIFICANT SHARE OF THOSE WHO HAD VOTED FOR GREEN CANDIDATE FREDA MEISSNER-BLAU ON MAY 4 WHILE STEYRER WAS NOT. THE FORMER UN SECRETARY GENERAL IS ALSO SAID TO HAVE PICKED UP EVERY NINTH SOCIALIST (SPO) VOTER AND FULLY TWO THIRDS OF THOSE WHO USUALLY SUPPORT THE FREEDOM PARTY (FPO).

4. ONE OF THE MAJOR FACTORS BEHIND THESE FIGURES WAS UNDOUBTEDLY A GROWING WAVE OF DISSATISFACTION WITH THE SPO, THE PARTY SUPPORTING WALDHEIM'S OPPONENT, KURT STEYRER. AFTER 16 YEARS IN THE GOVERNMENT, THE SOCIALISTS ARE THE OBVIOUS TARGETS FOR THE FRUSTRATION AND FATIGUE THAT HAVE ACCUMULATED OVER THAT PERIOD. LED

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BY THE UNINSPIRING FRED SINOWATZ, THE SOCIALIST POLICY LINE IS PERCEIVED AS OFFERING STALE REPETITIONS OF OLD SOLUTIONS. A YEARNING FOR MORE CHARISMATIC LEADERSHIP AND FOR NEW APPROACHES EXTENDS EVEN TO THE RANKS OF THE SPO'S OWN LEFT WING INTELLECTUALS AND THE PARTY'S TRADITIONAL BLUE-COLLAR CORE. STEYRER'S ABYSMAL SHOWING IN UNCLAS SECTION 02 OF 03 VIENNA 08371

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TRADITIONAL SOCIALIST BASTIONS LIKE THE INDUSTRIAL AREAS OF STYRIA WAS A GRAPHIC DEMONSTRATION OF GROWING ALIENATION WHERE THE SPO HAS ALWAYS BEEN STRONGEST. STEYRER'S DEFEAT IS, THUS, EVEN IN THE MINDS OF THE SOCIALISTS, MUCH MORE AN EXPRESSION OF DISCONTENT WITH THE SOCIALIST PARTY THAN WITH THE PERSONALITY OF THE CANDIDATE. IN FACT, ALL SOCIALIST SPOKESMEN, FROM CHANCELLOR SINOWATZ DOWN, HAVE PUT THIS FACTOR AT THE TOP OF THE LIST IN THEIR DISCUSSION OF THE STEYRER DEBACLE.

5. FOR ITS PART, THE OVP LOUDLY AGREES THAT, IN REJECTING STEYRER, THE ELECTORATE WAS CASTING A VOTE OF PROTEST AGAINST THE SOCIALIST STATUS QUO. IN ELECTING WALDHEIM, ON THE OTHER HAND, THE PEOPLE OF AUSTRIA HAVE CHOSEN A PRESIDENT ON THE BASIS OF HIS PERSONAL MERITS, ACCORDING TO THE OVP. AND IN REALITY, THE OVP SPOKESMEN ARE PROBABLY ACCURATE WHEN THEY SAY THE ELECTION WAS A PERSONAL VICTORY FOR WALDHEIM, NOT FOR THE OVP, AND A PARTY DEFEAT FOR THEIR SOCIALIST OPPONENTS, NOT SO MUCH FOR STEYRER THE MAN. IT IS, IN ANY EVENT, A SITUATION FROM WHICH THE OVP EXPECTS TO DRAW MUCH BENEFIT.

6. ONE INTERESTING FACT THAT HAS CLEARLY EMERGED FROM POST-ELECTION ANALYSIS OF THE VOTE IS THAT YOUNG AUSTRIANS, FAR MORE THAN THOSE CLOSER TO WALDHEIM IN THE OLDER GENERATION, DIVERGED FROM TRADITIONAL AUSTRIAN VOTING PATTERNS TO VOTE FOR THE OVP CANDIDATE. IT IS BEING SPECULATED THAT A MAJOR FACTOR OPERATING HERE WAS WALDHEIM'S APPROPRIATION OF THEMES LIKE MORAL RENEWAL, PERSONAL ACHIEVEMENT AND A RETURN TO FAMILY VALUES, ISSUES THAT APPARENTLY STRUCK A PARTICULARLY RESPONSIVE CHORD AMONG YOUNG VOTERS. HERE, IF ANYWHERE, WE MAY BE SEEING THE "CONSERVATIVE UPSWING" THAT THE OVP HAS TRIED TO ADVERTISE. ALONGSIDE THIS, WE NOTE THAT THE GREEN VOTES THAT WENT PREPONDERANTLY TO WALDHEIM MIGHT BE TAKEN AS INDICATIVE OF A CONSERVATIVE STREAK AMONG AUSTRIAN ENVIRONMENTALISTS.

7. ACCORDING TO A NUMBER OF SPO LUMINARIES, , THE IMMEDIATE TASK IS TO DRAW THE NECESSARY CONSEQUENCES FROM THEIR DEFEAT IN ORDER TO MAKE THE INDICATED CHANGES AS THEY PREPARE FOR THE REALLY CRITICAL PARTISAN CONTEST, THE UPCOMING PARLIAMENTARY ELECTIONS. WITH THE RE-

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PLACEMENT TODAY OF SINOWATZ AS CHANCELLOR A FIRST STEP HAS BEEN TAKEN IN THIS DIRECTION. WHETHER THIS WILL BE SUCCESSFUL DEPENDS, OF COURSE, ON VRANITZKY'S PERFORMANCE AND HIS ABILITY TO ENGAGE THE EMOTIONAL COMMITMENT OF THOSE WHO HAVE RECENTLY TURNED AWAY FROM THE SOCIALISTS.

8. LOOKING AHEAD:

IN SEVERAL ELECTION NIGHT STATEMENTS, PRESIDENT-ELECT WALDHEIM SAID HE WAS CONFIDENT THAT HE WOULD BE ABLE TO DEAL SUCCESSFULLY WITH CONTINUING ALLEGATIONS ABOUT HIS PAST COMING FROM ABROAD. HE EXPECTED HIS "GOOD CONTACTS AS FORMER UN SECRETARY GENERAL" TO SERVE HIM IN THIS EFFORT. AT A PRESS CONFERENCE FOR THE INTERNATIONAL PRESS IN THE NEXT FEW DAYS WALDHEIM WOULD ADDRESS QUESTIONS ABOUT HIS RELATIONS WITH COUNTRIES LIKE THE UNITED STATES WHERE SOME "PRIVATE" ORGANIZATIONS AND INDIVIDUALS HAD TAKEN A STAND AGAINST HIM. HE AGAIN SAID HE WAS CONFIDENT THAT THE AMERICAN SYSTEM OF JUSTICE AND ATTORNEY GENERAL MEESE WOULD DECIDE IN HIS FAVOR. IN FACT, HE WAS GRATEFUL THAT AMERICAN JUSTICE AUTHORITIES HAD WAITED TO HEAR HIS LAWYERS BEFORE REACHING A DECISION. WALDHEIM ALSO MADE CLEAR HE DID NOT CONTEMPLATE ANY TRAVELS ABROAD IN THE IMMEDIATE FUTURE BUT WOULD CONCENTRATE ON AUSTRIAN PROBLEMS.

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9. WHAT ROLE DID THE WALDHEIM AFFAIR AND, SPECIFICALLY, AUSTRIAN RESENTMENT AT ATTACKS COMING FROM ABROAD PLAY IN DETERMINING THE MARGIN OF VICTORY AND DEFEAT? ON THE BASIS OF OUR CONTACTS, CASUAL AND OTHERWISE, WITH ALL KINDS OF AUSTRIANS, WE ARE FORCED TO JUDGE THAT A BACKLASH AGAINST "FOREIGN INTERFERENCE" PLAYED A SIGNIFICANT ROLE, INDEED - ALTHOUGH WE RECOGNIZE THAT OUR SAMPLE HERE IS NOT A SCIENTIFIC ONE. STEYRER, HIMSELF, IN THE COURSE OF A RESTRAINED, DIGNIFIED AND CANDID DISCUSSION OF HIS DEFEAT, SAID THAT THE WHOLE WALDHEIM CONTROVERSY HAD WORKED TO HIS CONSIDERABLE DISADVANTAGE. WHILE HE IS UNDOUBTEDLY RIGHT HERE, THE MOST THAT CAN BE SAID AT THIS POINT IS THAT THE ISSUE OF THE WALDHEIM-AUSTRIAN PAST INCREASED THE SIZE OF THE WALDHEIM LEAD, BUT THAT THE FORMER UN SECRETARY GENERAL WAS HEAVILY FAVORED TO WIN FROM THE OUTSET.

10. COMMENT:

IT IS TOO EARLY TO TELL WHETHER THE ILLS OF THE SPO BETOKEN SIMPLE PARTY AND VOTER FATIGUE AFTER SIXTEEN YEARS OF POWER TOPPED OFF WITH THE ACHARISMATIC LEADERSHIP OF A SINOWATZ, OR WHETHER SOME SEA CHANGE IS IN PROCESS. IN THIS LATER CONNECTION, SOME OBSERVERS WONDER WHETHER THE VERY SUCCESSES OF AUSTRIAN SOCIAL AND

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ECONOMIC POLICY, ALONG WITH THE MATURATION OF THE SERVICE SECTOR AND DECLINES IN THE OLD SMOKESTACK INDUSTRIAL SECTOR, HAVE NOT MEANT THE GRADUAL CONTRACTION OF THE SOCIALISTS' TRADITIONAL BLUE-COLLAR CONSTITUENCY. IN SUCH A CASE, THE CONSEQUENCES OF BECOMING ONE OF EUROPE'S MOST BOURGEOIS NATIONS, NOT ONLY IN ASPIRATION BUT ALSO IN FACT, MIGHT FINALLY BE COMING HOME TO ROOST.

11. AS FAR AS WALDHEIM IS CONCERNED, WE EXPECT TO SEE A MAJOR EFFORT IN THE NEXT DAYS AND WEEKS TOWARD "RECONCILIATION" WITH HIS OVERSEAS DETRACTORS.

THE SPO IS IN THE MIDST OF CAUCUSING TO CONSIDER HOW THEY GO FROM HERE. ONE IMMEDIATE EFFECT HAS BEEN THE RESIGNATION OF CHANCELLOR SINOWATZ IN FAVOR OF THE MORE DYNAMIC AND CHARISMATIC CURRENT FINANCE MINISTER VRANITZKY. WE EXPECT THESE MOVES TO BETOKEN FURTHER CABINET CHANGES IN THE DAYS AHEAD. LAUDER

END OF MESSAGE

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