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FOR P/P, P/M, P/FN, P/FW, EU-SPRINGER, VOA/BX
STATE FOR EUR/CE, PASS TO AMBASSADOR RONALD LAUDER
WHITE HOUSE FOR NSC/WEUROPE
E.O. 12356: N/A

TEXT

SUBJECT: AUSTRIA MEDIA REACTION

1. PRESIDENT WALDHEIM'S INAUGURATION: UNDER THE FRONT PAGE HEADLINE "LAUDER'S DECISION," VIENNA'S INDEPENDENT DAILY "DIE PRESSE" CARRIED THE FOLLOWING EDITORIAL BY FOREIGN EDITOR ANDREAS UNTERBERGER:

"THE AMBASSADOR OF THE UNITED STATES HAS BETTER THINGS TO DO THAN TO BE PRESENT AT THE INAUGURATION OF THE NEW FEDERAL PRESIDENT. THIS WILL ANNOY ONLY THOSE PEOPLE WHO STILL REMEMBER THAT AMBASSADORS USED TO BE APPOINTED FOR (THE PURPOSE OF FACILITATING) COMMUNICATIONS BETWEEN CHIEFS OF STATE - IN A TIME, OF COURSE, WHEN FOREIGN AFFAIRS WERE NOT YET A FUNCTION OF DOMESTIC POLITICS. MOST PEOPLE WILL BE ABLE TO DO WITHOUT MR. LAUDER'S

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PRESENCE. WHAT THEY WILL DO, HOWEVER, IS TO REGISTER THE (LOW) PRESTIGE VALUE THE USA ATTACHES TO A SMALL NEUTRAL COUNTRY, A COUNTRY ONE APPROACHES PERHAPS IN THE ROLE OF A CONDESCENDING PATRON OF THE ARTS, BUT NOT AS A PARTNER WHOM ONE RESPECTS. AND IF THERE STILL IS ANYBODY LEFT IN THE USA WHO CAN THINK BEYOND THE NEXT ELECTION DAY, HE WILL PERHAPS REALIZE HOW MUCH ONE IS ALIENATING THAT POLITICAL CAMP IN AUSTRIA WHICH HAS HELD AMERICA'S BANNER HIGH, OFTEN TO THE POINT OF SELF-DENIAL."

ALSO ON ITS FRONT PAGE, "DIE PRESSE" TODAY CARRIED THE FOLLOWING STORY BY UNTERBERGER, ENTITLED "PEOPLE'S PARTY ANNOYED BY U.S. AMBASSADOR'S REGRETS":

"PEOPLE'S PARTY POLITICIANS ON TUESDAY REACTED ANGRILY TO U.S. AMBASSADOR LAUDER'S ANNOUNCEMENT, MADE IN A CONVERSATION WITH 'DIE PRESSE,' THAT HE WILL NOT ATTEND FEDERAL PRESIDENT WALDHEIM'S INAUGURATION. SECRETARY GENERAL (MICHAEL) GRAFF 'CANNOT IMAGINE THAT AMBASSADOR LAUDER PUTS HIS PERSONAL POLITICAL AMBITIONS IN THE STATE OF NEW YORK OR FAMILY CELEBRATIONS ABOVE THE TASK OF CULTIVATING RELATIONS BETWEEN THE UNITED STATES AND THE HOST COUNTRY, AUSTRIA. THEREFORE, I DO HOPE THAT HE WILL DISENGAGE HIMSELF FROM HIS OTHER COMMITMENTS OR THAT THE AMERICAN ADMINISTRATION WILL SEND A SPECIAL ENVOY TO VIENNA.'

"IN A SIMILAR VEIN, PEOPLE'S PARTY MP (WENDELIN) ETTMAYER WARNED THAT THE EFFORTS IN THE INTEREST OF GOOD RELATIONS BETWEEN THE USA AND AUSTRIA MUST NOT BE A ONE-WAY STREET. HE SAID, EVEN MORE SHARPLY: 'WE DON'T NEED A HERRENMENSCH (SUPER RACE) MENTALITY.

"AS THE REASON FOR HIS ABSENCE, LAUDER HAS MENTIONED A FAMILY REUNION IN FRANCE. INSTEAD OF THE AMBASSADOR, CHARGE D'AFFAIRES FELIX BLOCH IS TO PARTICIPATE IN THE CEREMONY.

"THE VIENNA FOREIGN MINISTRY HAS REFUSED TO COMMENT BOTH ON THE LAUDER REGRETS AND ON THE SHARP RETORT BY THE AUSTRIAN AMBASSADOR TO THE USA, THOMAS KLESTIL, ON THE GROUNDS THAT THESE ARE NEWSPAPER REPORTS.

"ACTUALLY, THERE IS NO NEED FOR ANY OFFICIAL REGRETS: FOR THE SWEARING-IN CEREMONY BEFORE THE NATIONAL ASSEMBLY, THE DIPLOMATIC CORPS IS INVITED ONLY BY A CIRCULAR NOTE WHICH DOES NOT REQUIRE AN ANSWER. THEY SAY AT THE HOFBURG THAT IT 'NEVER HAPPENED THAT ALL CAME.' TO A RECEPTION TO BE GIVEN BY THE NEW FEDERAL PRESIDENT A FEW DAYS LATER, HOWEVER, INVITATIONS BY NAME WILL GO OUT. BUT THESE HAVE NOT YET BEEN SENT."

THE INDEPENDENT, MASS-CIRCULATION DAILY "KURIER" TODAY CARRIED THE FOLLOWING UNSIGNED ARTICLE ON PAGE 3, ENTITLED "U.S. AMBASSADOR NOT TO ATTEND WALDHEIM'S INAUGURATION":

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"NOW IT IS A FACT: AMERICA'S NEW AMBASSADOR TO AUSTRIA, RONALD LAUDER, WILL NOT PARTICIPATE IN KURT WALDHEIM'S INAUGURATION AS CHIEF OF STATE ON JULY 8. HE HAS HAD 'FIXED PLANS OUTSIDE AUSTRIA FOR QUITE SOME TIME,' THE AMBASSADOR LET IT BE KNOWN ON TUESDAY, AND HE DENIED ALL THE REPORTS TO THE EFFECT THAT, BY MAKING THIS DECISION, HE HAS YIELDED TO THE PRESSURE BY JEWISH UNCLAS SECTION 02 OF 02 VIENNA 09327

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GROUPS IN NEW YORK. (HE ALSO SAID THAT) HIS ABSENCE DOES NOT CONSTITUTE AN EXPRESSION OF DISPLEASURE OF THE REAGAN ADMINISTRATION WITH AUSTRIA - THE USA WILL BE 'APPROPRIATELY' REPRESENTED AT THE INAUGURATION.

"THE 'KURIER' WAS INFORMED BY THE U.S. EMBASSY THAT THE HIGHEST-RANKING DIPLOMAT AT THE EMBASSY, FELIX BLOCH, WILL COME TO THE INAUGURATION INSTEAD OF LAUDER. HE WAS CHARGE D'AFFAIRES IN THE TIME BETWEEN AMBASSADOR HELENE VON DAMM'S RESIGNATION AND AMBASSADOR LAUDER'S ASSUMPTION OF HIS OFFICE.

"THE AUSTRIAN FOREIGN MINISTRY DID NOT WISH TO COMMENT ON THIS DECISION. RIGHT UP TO THE END, HOWEVER, ONE HAD HOPED THAT THE AMERICANS WOULD NOT TAKE THIS STEP. AMBASSADOR LAUDER HIMSELF, WHO IS FLYING TODAY (SIC) TO NEW YORK, HAD DESCRIBED HIMSELF AS A 'BRIDGEBUILDER'." IN A BOX ON PAGE 2, ENTITLED "USA TO ATTEND WALDHEIM'S INAUGURATION," THE INDEPENDENT, MSSS-CIRCULATION TABLOID "KRONEN-ZEITUNG" TODAY RAN THE FOLLOWING ARTICLE BY FOREIGN EDITOR KURT SEINITZ:

"AT THE INAUGURATION OF THE NEW FEDERAL PRESIDENT IN PARLIAMENT ON JULY 8, THE AMERICAN SEAT NEXT TO THE SOVIET AMBASSADOR WILL NOT REMAIN EMPTY. AT THIS SWEARING-IN CEREMONY, THE USA WILL BE REPRESENTED 'APPROPRIATELY AND IN A DIPLOMATICALLY CORRECT WAY.' THIS HAS NOW BEEN LEARNED FROM U.S. GOVERNMENT CIRCLES. KEEPING AWAY, AS DEMANDED BY CERTAIN CIRCLES IN THE USA, 'WAS NOT CONSIDERED AT ANY TIME.' IT MAY HAPPEN, HOWEVER, THAT U.S. AMBASSADOR LAUDER AT THAT TIME WILL NOT BE IN VIENNA 'BECAUSE OF 'AN URGENT OFFICIAL TRIP.' IN THIS CASE, THE USA WOULD BE REPRESENTED BY THE ACTING CHARGE D'AFFAIRES."

2. COMMUNIST COMMENT ON THE AMBASSADOR'S "KRONEN-ZEITUNG" INTERVIEW:

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UNDER THE FRONT PAGE HEADLINE "PERFUMED MESSAGE," THE AUSTRIAN COMMUNIST PARTY DAILY "VOLKSSTIMME" OF JUNE 24 CARRIED THE FOLLOWING EDITORIAL COMMENT ON AMBASSADOR LAUDER'S RECENT "KRONEN-ZEITUNG" INTERVIEW, THE SECOND HALF OF WHICH APPEARED IN THE FORM OF STRAIGHT QUOTATIONS IN THE "KRONEN-ZEITUNG" LAST SATURDAY:

"SINCE THE NEW U.S. AMBASSADOR RONALD LAUDER SEES THE EXPANSION OF ECONOMIC RELATIONS AS ONE OF HIS PRINCIPAL TASKS, AND HE HAS A RIGHT TO DO THAT, THE SON OF PERFUME QUEEN ESTEE LAUDER IMPERTINENTLY INTERFERES WITH AUSTRIAN AFFAIRS RIGHT AWAY. HE HAS DONE THIS THROUGH THE 'KRONEN-ZEITUNG' AS HIS VERY SERVILE COURT NEWSPAPER.

"IN LAUDER'S OPINION, THE AUSTRIAN ECONOMY IS STILL MUCH TOO MUCH AUSTRIAN, AND THIS WILL HAVE TO CHANGE. 'FOREIGN CAPITAL COULD HELP.' HE IS WILLING TO ARRANGE THIS. 'BUT WHY SHOULD U.S. BANKS GO TO AUSTRIA IF THEY CANNOT COMPETE HERE? ONLY THE U.S. BANKS CAN BRING FOREIGN FIRMS AND INVESTMENT CAPITAL TO A COUNTRY.' BUT WALL STREET IS NOT PERMITTED TO DO THAT.

"LAUDER WOULD BE ABLE TO REHABILITATE FOR INSTANCE THE VOEST-ALPINE CORPORATION IN NO TIME. TO THIS END, ONE WOULD MERELY HAVE 'TO MAKE FOREIGN CAPITAL INVESTMENTS MORE ATTRACTIVE, WHICH WOULD BE THE BEST WAY TO ENSURE AN EXPANSIVE COURSE OF THE ENTERPRISE.'

"IT IS QUITE UNDERSTANDABLE THAT THE AMBASSADOR, WHO CAME FROM THE PERFUME BOTTLE, AS A LOBBYIST OF THE U.S. BANKS INTERPRETS HIS ROLE IN SUCH A WAY THAT HE IS 'BRINGING INTERESTING PEOPLE TOGETHER.' FOR THIS PURPOSE, THE AMBASSADOR WOULD FIRST HAVE TO SUCCEED IN DENATIONALIZING ALL OF AUSTRIA, IF POSSIBLE. AS A PRIVATE CITIZEN, 'ART LOVER' LAUDER AT THE END OF HIS OFFICE WANTS TO TAKE AS MANY KLIMT AND SCHIELE PAINTINGS AWAY WITH HIM." KOHL

END OF MESSAGE

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