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USINFO FOR P/M; P/RC; P/RM; P/P; P/G (RCLELLAN); P/F;  
P/FW; P/FN; P/PFN; P/PPE; P/PFE; P; EU; VOA NEWS/CA; PL  
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E.O. 12356:N/A

TEXT

SUBJECT: MEDIA REACTION REPORT, APRIL 28, 1987

KEY STORIES: THE DECISION TAKEN BY THE U.S. ADMINISTRATION TO BAR DR. **KURT WALDHEIM** FROM ENTERING THE UNITED STATES, RECEIVES MUCH INTEREST. THERE ARE ALSO REPORTS CONCERNING THE SOVIET DRAFT TREATY WHICH WAS PUT FORWARD AT GENEVA YESTERDAY AND MR. NAKASONE'S VISIT TO THE STATES. A STORY, WHICH HAS BEEN GIVEN A FULL AIRING IN THE U.S. PRESS, SAYS MR. ED MEESE HAS BECOME EMBROILED IN A SERIES OF 'CONTROVERSIES' SURROUNDING HIS PRIVATE BUSINESS AFFAIRS AND HIS ROLE IN THE OFFICIAL IRAN ARMS SCANDAL INVESTIGATION. IT IS ALSO REPORTED THAT A U.S. MILITARY OFFICE IN MANILA YESTERDAY WAS ATTACKED. REPORTS SUGGEST THE GUNMEN WERE 'CLAIMING VENGEANCE FOR LAST YEAR'S BOMBING RAIDS ON LIBYA.' FINALLY, ACCORDING TO A FINANCIAL TIMES ARTICLE, SENATORS AND CONGRESSMEN ARE AMONG THE MOST FREQUENT AND FUSSIEST FLIERS IN THE U.S. THEY ARE ALSO AMONG THE MOST PRIVILEGED. SUCH ACCUSATIONS ARE PRESUMABLY THE RESULT OF LAST WEEK'S SUBCOMMITTEE HEARINGS, IN WHICH THEY GAVE AIRLINE INDUSTRY EXECUTIVES AN 'EARFUL OF COMPLAINTS, SHARED WITH THE LESS COSSETED PUBLIC.'

BROADCAST MEDIA: EARLY MORNING TELEVISION AND RADIO LED WITH THE U.S. ADMINISTRATION DECISION TO BAR DR. **KURT WALDHEIM** FROM ENTERING THE UNITED STATES AS A PRIVATE CITIZEN. DR. WALDHEIM IS REPORTED TO HAVE RETALIATED BY SAYING THE DECISION BY THE UNITED STATES WAS 'GROTESQUE.' IT WAS ALSO REPORTED THAT THE WORLD HEALTH ORGANIZATION HAS ANNOUNCED THAT THE NUMBER OF PEOPLE WITH AIDS COULD INCREASE TEN-FOLD IN THE NEXT FEW YEARS. FINALLY, SECURITY FORCES IN NORTHERN IRELAND HAVE UNDERTAKEN AN URGENT REVIEW OF THEIR STRATEGY AND RESOURCES IN THEIR FIGHT AGAINST TERRORISM. THE MOVE FOLLOWS A MEETING LAST NIGHT BETWEEN NORTHERN IRELAND SECRETARY, MR. KING, THE CHIEF CONSTABLE OF THE RUC AND THE ARMY CHIEF GENERAL, TO DISCUSS THE WAYS OF COPING WITH THE RECENT INCREASE IN IRA VIOLENCE.

ELECTION POLLS: (NO REPORT)

A) TODAY'S MAJOR STORIES:

1. ARMS CONTROL
2. U.S./JAPAN TRADE WAR
3. WALDHEIM

B) SUMMARY OF COVERAGE:

1. ARMS CONTROL: EDITORIAL COMMENT SUGGESTS THAT THE WARNING BY NIXON AND KISSINGER DESERVES TO BE TAKEN

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SERIOUSLY. OTHER REPORTS DISCUSS THE SOVIET DRAFT TREATY AND THE EXPECTED EUROPEAN RESPONSE.

2. U.S./JAPAN TRADE WAR: PAPERS AGREE THAT THERE IS UNLIKELY TO BE AN AGREEMENT THIS WEEK BETWEEN PRESIDENT UNCLAS SECTION 02 OF 07 LONDON 08859

USIA

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REAGAN AND PRIME MINISTER NAKASONE. HOWEVER, REPORTS EXPRESS A DESIRE THAT A 'NOTE OF REASON' IS INJECTED INTO THE BILATERAL TALKS.

3. WALDHEIM: EXTENSIVE COVERAGE IS GIVEN TO THE DECISION BY THE U.S. TO BAN MR. KURT WALDHEIM, IN HIS CAPACITY AS A PRIVATE CITIZEN, TO ENTER THE STATES.

C) HEADLINES:

1. ARMS CONTROL:

"EURO-MISSILE ACCORD NNOW 'WITHIN GRASP'" (TIMES)  
NIXON SUGGESTS TRADE-OFF ON SDI" (TIMES)  
"TWO VOICES OF WARNING" (TIMES EDITORIAL)  
"COLD FEET ON THE WESTERN FRONT" (GUARDIAN)  
"ARMS AND THE SAME TWO MEN" (GUARDIAN EDITORIAL)  
"RUSSIA TO BRIEF PM ON INF PROPOSALS" (GUARDIAN)  
"FRANCE TO TELL U.S. IT WILL NOT BE LEFT HOLDING THE NUCLEAR BABY" (LONDON DAILY NEWS)

2. U.S./JAPAN TRADE WAR:

"REAGAN HOPES TO END CURBS SOON" (TIMES)  
"THE MONEY MARKETS WILL SORT OUT THE ECONOMIC FACTS FROM THE DIPLOMATIC FICTION" (GUARDIAN)  
"MR. NAKASONE IN WASHINGTON" (FINANCIAL TIMES EDITORIAL)  
"U.S. URGES HONG KONG TO PUSH FOR FREE TRADE" (FINANCIAL TIMES)  
"NAKASONE WILL TRY TO REMOVE U.S. TRADE SANCTIONS THORN" (THE INDEPENDENT)

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"THE NEED FOR A DOLLAR PROP" (THE INDEPENDENT EDITORIAL)

3. WALDHEIM:

"AUSTRIAN LEADER BARRED FROM U.S." (TIMES)

"WALDHEIM IS BARRED FROM ENTERING U.S." (GUARDIAN)

"KURT WALDHEIM BARRED FROM ENTERING U.S." (DAILY TELEGRAPH)

"U.S. ORDERS BAR ON VISA FOR WALDHEIM" (THE INDEPENDENT)

"U.S. BARS WALDHEIM OVER HIS NAZO PAST" (DAILY MAIL)

D) TEXT:

1. ARMS CONTROL:

THE CONSERVATIVE TIMES DIPLOMATIC CORRESPONDENT ANDREW MCEWEN REPORTED: "A GROWING INTERNATIONAL CONSENSUS THAT A TREATY ON EUROPEAN NUCLEAR MISSILES IS WITHIN GRASP GATHERED STRENGTH YESTERDAY WITH DEVELOPMENTS IN GENEVA, BONN AND LUXEMBOURG:..

"WASHINGTON APPEARED TO SHARE INCREASINGLY MOSCOW'S WISH TO MAKE THE ROLLER-COASTER UNSTOPPABLE, WHILE EUROPE PONDERED WHETHER TO APPLY THE BRAKES. EVEN IF EUROPEAN DOUBTS PREVENT ELIMINATION OF SHORTER-RANGE UNCLAS SECTION 03 OF .07 LONDON 08859

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MISSILES, A DEAL ON MEDIUM-RANGE WEAPONS LOOKS HIGHLY PROBABLE...

"IF THE SMALL PRINT OF THE SOVIET DRAFT MATCHES AMERICAN HOPES, EUROPEAN LEADERS ARE LIKELY TO COME UNDER PRESSURE FROM WASHINGTON TO AGREE. TECHNICALLY THE U.S. COULD GO AHEAD WITHOUT EUROPEAN ASSENT, BUT HAS IMPLIED THAT IT WILL NOT DO SO..."

THE TIMES WASHINGTON CORRESPONDENT MICHAEL BINYON

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REPORTED: "FORMER PRESIDENT RICHARD NIXON SAID YESTERDAY THAT THE U.S. SHOULD TRADE ITS STRATEGIC DEFENSE INITIATIVE FOR CUTS IN LONG-RANGE SOVIET OFFENSIVE MISSILES..."

"MR. NIXON SAID THE WEST HAD TO GET RID OF TWO MYTHS. ONE WAS THAT NUCLEAR WEAPONS COULD BE ELIMINATED FROM THE EARTH, AND THE OTHER WAS THAT THEY COULD, IN MR. REAGAN'S WORDS, BE RENDERED 'IMPOTENT AND OBSOLETE' BY SDI..."

THE TIMES ALSO EDITORIALIZED: "THE WARNING ABOUT MR. GORBACHEV'S OFFER, PUBLISHED IN THE LOS ANGELES TIMES, DESERVES TO BE TAKEN SERIOUSLY..."

"TOGETHER, THE NIXON-KISSINGER CONDITIONS PROVIDE A WELL-FOUNDED BASIS FOR THE NEGOTIATIONS THAT ARE IN PROGRESS. THEY MAY DELAY AGREEMENT. THEY MAY INTRODUCE HISTORICAL AND GLOBAL ELEMENTS WHICH THE SOVIET SIDE WOULD PREFER TO DISREGARD. BUT THEY SUPPLY A MEASURE BY WHICH SOVIET GOOD FAITH WILL BE ABLE TO BE JUDGED: A TEST OF WHETHER WE ARE WITNESSING A REVOLUTIONARY CHANGE IN SOVIET POLICY OR MERELY A CHANGE IN TACTIC DIRECTED ONCE AGAIN TOWARDS WEAKENING OR EVEN SPLITTING THE WESTERN ALLIANCE..."

THE LIBERAL GUARDIAN DIPLOMATIC CORRESPONDENT HELLA PICK REPORTED ON 'NATO'S CONFUSED RESPONSE TO GORBACHEV': "...WHEN PRESIDENT REAGAN PROPOSED THE COMPLETE ELIMINATION OF MEDIUM RANGE NUCLEAR WEAPONS, WESTERN EUROPE ACCUSED HIM OF PUTTING FORWARD UTOPIAN SOLUTIONS IN ORDER TO BLOCK ARMS CONTROL. YET NATO DID FORMALLY BACK HIS ZERO-SOLUTION IN 1981 - AND IT NEVER REVERSED ITSELF. IN 1985, AT THE FIRST REAGAN-GORBACHEV SUMMIT, THE TWO LEADERS WON MUCH PRAISE FROM NATO FOR SINGLING OUT INF AS A CANDIDATE FOR PROGRESS. BUT WHEN NONE WAS FORTHCOMING, THE ADMINISTRATION (WITH ITS NATO ALLIES) ACCUSED THE RUSSIANS OF BAD FAITH. SOME PEOPLE IN THE WEST NOW CLEARLY REGRET THAT GORBACHEV WANTS TO MAKE GOOD ON HIS UNDERTAKING."

THE GUARDIAN ALSO EDITORIALIZED: "...NATO IS ACCUSTOMED TO CRISES, SOME OF THEM THE WORST IN ITS HISTORY, BUT THE KISSINGER-NIXON PROPHECY IS DANGEROUS BECAUSE OF ITS POTENTIAL FOR SELF-FULFILMENT..."

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USIA

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"KISSINGER AND NIXON ACCEPT THAT A SUBSTANTIAL AGREEMENT IS LIKELY TO BE REACHED THIS YEAR BUT THEY INSIST ON TWO CONDITIONS TO MAKE IT SAFE. ONE IS THE ELIMINATION OF ALL INF, NOT SIMPLY THOSE BASED IN EUROPE...THE SECOND CONDITION IS THAT THE REMOVAL OF THE INF AND SHORTER-RANGE WEAPONS BE LINKED TO A CUT IN SOVIET CONVENTIONAL FORCES..."

"CERTAINLY WESTERN EUROPE WOULD BE HAPPIER TO SEE THE CONVENTIONAL IMBALANCE CORRECTED, BUT THAT IMBALANCE IS NOT SO SEVERE THAT 4,600 NUCLEAR WEAPONS ARE NEEDED TO OVERCOME IT. EUROPEAN NATO NEEDS TO STEP BACK AND LOOK AT FIRST PRINCIPLES. WE ARE GROSSLY OVER-DEFENDED AND CAN MAKE SUBSTANTIAL CUTS WITHOUT ANY LOSS WHATEVER OF SECURITY."

THE GUARDIAN DIPLOMATIC CORRESPONDENT ALSO REPORTED: "THE SOVIET UNION, AFTER YESTERDAY TABLING ITS DRAFT INF TREATY TO ELIMINATE MEDIUM-RANGE NUCLEAR MISSILES FROM EUROPE, IS SENDING ITS DEPUTY FOREIGN MINISTER, MR. ALEXANDER BESSMERTNYKH, TO BRIEF MRS. THATCHER AND THE FORIEGN OFFICE TOMORROW.

"THE SOVIET GOAL IS TO CONVINCEN BRITAIN AND ITS EUROPEAN ALLIES THAT THE PROPOSED U.S.-SOVIET INTERMEDIATE NUCLEAR FORCES AGREEMENT IS NOT AGAINST THEIR INTERESTS, AND THAT THE SOVIET UNION, LIKE MRS. THATCHER, NOW ACCEPTS A STEP-BY-STEP APPROACH TO ARMS CONTROL THAT INCLUDES A WILLINGNESS TO NEGOTIATE ON CONVENTIONAL FORCE IMBALANCES..."

THE LONDON DAILY NEWS TABLOID CORRESPONDENT NINA SUTTON IN PARIS REPORTED: "FRENCH FOREIGN MINISTER FLIES TO WASHINGTON THIS WEEK TO DISCUSS PROPOSALS FOR NUCLEAR ARMS CUTS IN EUROPE WITH U.S. SECRETARY OF STATE GEORGE SHULTZ..."

"FRANCE HAS TAKEN THE LEAD IN WARNING THAT A COMPLETE WITHDRAWAL OF U.S. NUCLEAR MISSILES FROM EUROPE COULD LEAVE RUSSIA WITH A MASSIVE SUPERIORITY IN STRATEGIC, CONVENTIONAL AND CHEMICAL WEAPONS..."

"THE FEAR OF BEING LEFT ALONE HOLDING THE WESTERN NUCLEAR BABY IN FRONT OF THE SOVIET GIANT SEEMS TO BE AT THE ROOT OF FRANCE'S AMBIGUOUS REPNSE TO MOSCOW'S

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OFFER..."

2. U.S./JAPAN TRADE WAR:

THE CONSERVATIVE TIMES WASHINGTON CORRESPONDENT BAILEY MORRIS REPORTED: "PRESIDENT REAGAN, PROMISING TO LIFT SANCTIONS AGAINST JAPAN AS SOON AS POSSIBLE, YESTERDAY ATTEMPTED TO DEFUSE GROWING TENSIONS BETWEEN THE TWO NATIONS WHICH COULD LEAD TO A DANGEROUS TRADE WAR..."

"MR. REAGAN DELIBERATELY ADOPTED A CONCILIATORY TONE IN AN ADDRESS MARKING THE 75TH ANNIVERSARY OF THE U.S. UNCLAS SECTION 05 OF 07 LONDON 08859

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CHAMBER OF COMMERCE. HIS AIM WAS TO COOL PROTECTIONIST PRESSURES IN CONGRESS AND TO DEMONSTRATE TO OTHER NATIONS POISED TO TAKE ACTION AGAINST JAPAN THAT THE U.S. REMAINED A STRONG ALLY, WHITE HOUSE SOURCES SAID... "AT THE SAME TIME, CONGRESSIONAL OFFICIALS SAID THAT THEY DOUBTED THAT THE MARKET-OPENING MEASURES TO BE UNVEILED BY MR. NAKASONE WOULD BE SUFFICIENT TO COOL POLITICAL TENSIONS."

THE LIBERAL GUARDIAN ECONOMIC CORRESPONDENT HAMISH MCRAE REPORTED: "SO PRESIDENT REAGAN IS MAKING EMOLLIENT NOISES AHEAD OF MR. NAKASONE'S VISIT TO THE U.S. LATER THIS WEEK.

"THAT'S FINE. IT IS AT LEAST BETTER THAN THE ALTERNATIVE, AND THE MARKETS SHOULD NOW EXPECT THE DISCUSSIONS TO BE PRESENTED AS A SUCCESS: 'U.S./JAPAN TRADE WAR OFF: OFFICIAL.' BUT THE IDEA THAT THE TRADE CONFLICT BETWEEN THE TWO NATIONS WILL SOMEHOW BE ENDED BY THE TWO LEADERS SAYING NICE THINGS TO EACH OTHER, RATHER THAN SLAGGING EACH OTHER OFF, IS A NICE FICTION.

"IT IS A FURTHER FICTION THAT THE VENICE SUMMIT WILL

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SOMEHOW BE ABLE TO CLEAR THE PATH TOWARDS A SMOOTH ADJUSTMENT OF THE IMBALANCES WHICH DOG THE WORLD ECONOMY..."

THE INDEPENDENT FINANCIAL TIMES EDITORIALIZED: "...MR. NAKASONE, AND HIS COUNTRY, ALSO DESERVE SYMPATHY. THE PERFORMANCE OF MR. CLAYTON YEUTTER, AND MR. RICHARD LYNG IN JAPAN LAST WEEK LEFT MUCH TO BE DESIRED. JAPAN DOES PROTECT ITS AGRICULTURAL SECTOR TOO MUCH...IT IS IN THE GLOBAL INTEREST THAT AGRICULTURAL PROTECTION BE REDUCED. BUT THE U.S. NEEDS TO ACCEPT THAT PUBLIC POLICY IN AMERICA, WITH ITS VAST NATURAL RESOURCES, IS NOT INSTANTLY TRANSFERABLE TO A COUNTRY LIKE JAPAN, WHERE FOOD AND ENERGY SECURITY CANNOT BE TAKEN FOR GRANTED..."

"IT IS PROBABLY TOO MUCH TO EXPECT MR. NAKASONE AND MR. REAGAN, IN THEIR WEAKENED POLITICAL CONDITIONS, TO SOLVE ALL EXISTING PROBLEMS AT A STROKE. BUT IT IS TO BE HOPED THAT BOTH WILL INJECT A NOTE OF REASON INTO WHAT IS BECOMING A DISCORDANT CACOPHONY OF RECRIMINATION AND BLIND EMOTION..."

THE FINANCIAL TIMES CORRESPONDENT IN HONG KONG, DAVID DODWELL REPORTED: "MR. MALCOLM BALDRIGE YESTERDAY CALLED ON HONG KONG TO TAKE A LEADERSHIP ROLE IN PROMOTING FREE TRADE IN THE ASIAN REGION..."

EXACTLY WHAT THE U.S. ADMINISTRATION WANTS HONG KONG TO DO TO EXERT PRESSURE FOR GREATER FREE TRADE IN ASIA WAS NOT MADE CLEAR, BUT LOCAL OFFICIALS EMERGED FROM MEETINGS WITH MR. BALDRIGE RELIEVED THAT HONG KONG HAD NOT JOINED JAPAN, CHINA AND TAIWAN AS TARGETS OF U.S. WRATH...

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"IT APPEARS THAT MR. BALDRIDGE GAVE ASSURANCES THAT NEW



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TRADE LAWS WERE UNLIKELY TO DAMAGE THE INTERESTS OF FREE-TRADE REGIMES SUCH AS HONG KONG..."

CENTRIST THE INDEPENDENT EDITORIALIZED: "...THE RAPID SLIDE IN THE U.S.CURRENCY, WHICH THREATENS TO PRECIPITATE A DAMAGING CHAIN OF CIRCUMSTANCES CULMINATING IN ECONOMIC RECESSION, RESULTS FROM ECONOMIC MISMANAGEMENT OF A KIND NOT UNLIKE THAT SEEN IN MANY THIRD WORLD ECONOMIES. THE U.S. HAS BEEN CONSUMING THE SAVINGS OF THE REST OF THE WORLD TO FINANCE A STANDARD OF LIVING UNJUSTIFIED BY ITS CAPABILITY TO PRODUCE. IN THE PROCESS, IT HAS BUILT UP AN ENORMOUS EXTERNAL DEBT. AND WITH FOREIGN INVESTORS NO LONGER PREPARED TO FINANCE THE U.S. APPETITE FOR GOOD LIVING, REAGANOMICS IS ENDING IN TEARS..."

3. WALDHEIM:

THE CONSERVATIVE TIMES WASHINGTON CORRESPONDENT MICHAEL BINYON SAID: "PRESIDENT **KURT WALDHEIM** OF AUSTRIA IS TO BE PLACED ON A 'WATCH LIST' AND BARRED FROM ENTERING THE UNITED STATES AS A PRIVATE CITIZEN BECAUSE OF HIS ACTIVITIES IN THE SECOND WORLD WAR, THE JUSTICE DEPARTMENT ANNOUNCED YESTERDAY.

"IT IS THE FIRST TIME A HEAD OF STATE OF A FRIENDLY COUNTRY HAS BEEN FORMALLY FORBIDDEN ENTRY TO THE U.S...THE BAN ON HIM APPLIES ONLY IN HIS PRIVATE CAPACITY. AS THE AUSTRIAN HEAD OF STATE HE WILL STILL BE ABLE TO VISIT THE U.S., BUT AN INVITATION TO DO SO SEEMS EXTREMELY UNLIKELY..."

THE LIBERAL GUARDIAN WASHINGTON CORRESPONDENT ALEX BRUMMER REPORTED: "...THE DECISION TO BAR DR. WALDHEIM WAS TAKEN JOINTLY BY THE JUSTICE DEPARTMENT AND STATE DEPARTMENT, AFTER A THOROUGH REVIEW WHICH FOUND A PRIMA FACIE CASE THAT THE AUSTRIAN PRESIDENT PARTICIPATED IN NAZI PERSECUTIONS. THE U.S. STRESSED THAT THE DECISION WAS AIMED AT DR. WALDHEIM ALONE AND NOT AT THE AUSTRIAN PEOPLE..."

THE CONSERVATIVE DAILY TELEGRAPH WASHINGTON CORRESPONDENT HUGH DAVIES REPORTED: "...THIS IS THE FIRST TIME THAT THE U.S. HAD BRANDED THE HEAD OF A FRIENDLY NATION AN 'UNDESIRABLE ALIEN' AND PRESIDENT REAGAN SUMMONED MR. THOMAS KLESTIL, AUSTRIAN AMBASSADOR, TO THE WHITE HOUSE TO STRESS THAT IT WAS IMPORTANT THAT RELATIONS WITH VIENNA REMAIN OF 'THE SAME QUALITY...'

"BOTH CASES WERE PERSONALLY HANDLED BY THE ATTORNEY GENERAL, MR. EDWIN MEESE, WHO HAS BEEN UNDER FIRE FOR FAILING TO ACT FORTHRIGHTLY ON RECOMMENDATIONS FROM SUBORDINATES. IN THE WALDHEIM AFFAIR, THE POWERFUL

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MISSION, AND OECD; USDEL CSCE/PAA JOHN WILLIAMS;  
CINCUSNAVEUR FOR PUBLIC AFFAIRS; RAF MILDENHALL FOR  
R.BRUS; MUNICH FOR VOA EUROPE; SHAPE FOR PUBLIC AFFAIRS;  
VIENNA PASS USDEL CSCE.

E.O. 12356:N/A

SUBJECT: MEDIA REACTION REPORT, APRIL 28, 1987

ZIONIST LOBBY HAS BEEN PRESSING HIM FOR A YEAR TO ACT  
ON THE ADVICE OF HIS NAZI-HUNTING UNIT, THE OFFICE OF  
SPECIAL INVESTIGATIONS, WHICH URGED THAT THE AUSTRIAN  
BE DECLARED A PROSCRIBED PERSON..."

THE CONSERVATIVE DAILY MAIL TABLOID CORRESPONDENT IN  
NEW YORK, GEORGE GORDON REPORTED: "...THE MOVE SENT  
SHOCK WAVES THROUGH WASHINGTON'S DIPLOMATS AND ONE  
SENIOR WESTERN OBSERVER SAID: 'THIS MAKES AUSTRIA THE  
PARIAH OF THE DIPLOMATIC COMMUNITY...'

"A SPOKESMAN FOR THE STATE DEPARTMENT SAID THAT THE  
PRESIDENT AND THE SECRETARY OF STATE HAD AUTHORITY TO  
OVER RIDE THE BAN IF THEY WANTED, IN SUCH CASES AS  
PRESIDENT WALDHEIM APPLYING TO VISIT THE UNITED NATIONS  
IN NEW YORK IN HIS OFFICIAL CAPACITY AS PRESIDENT OF  
AUSTRIA..."KORENGOLD

ADMIN  
END OF MESSAGE

UNCLASSIFIED