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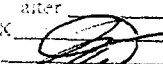
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E.O. 12356: N/A

TEXT
TAGS: PREL, PGOV, AU, US
SUBJECT: AMBASSADOR VISITS SALZBURG AND TIROL

1. SUMMARY: AMBASSADOR GRUNWALD'S FIRST OFFICIAL VISIT OUTSIDE THE CAPITAL CITY INCLUDED A ROUND OF DISCUSSIONS WITH OFFICIALS IN SALZBURG AND TIROL PROVINCES, AS WELL AS AN OPPORTUNITY TO MEET MANY OTHER PROMINENT LOCAL RESIDENTS DURING TWO LARGE SOCIAL OCCASIONS IN SALZBURG AND INNSBRUCK. THESE LATTER EVENTS WERE WELL ATTENDED AND PROVIDED A TACIT BUT RATHER CLEAR INDICATION THAT MANY AUSTRIANS SEEM PREPARED TO ACCEPT A FRESH START IN AUSTRIAN-AMERICAN RELATIONS AFTER THE STRAINS CREATED BY U.S. MEASURES AGAINST PRESIDENT KURT WALDHEIM AND THEIR AFTERMATH.

2. MOST NOTABLE OF THE OFFICIAL DISCUSSIONS WAS THAT WITH SALZBURG GOVERNOR WILFRIED HASLAUER. THOUGH CLOSE TO WALDHEIM AND CONSISTENTLY ONE OF HIS MOST VOCAL SUPPORTERS, HASLAUER CAUTIOUSLY VENTURED THE PERSONAL SPECULATION THAT AFTER SEVERAL MONTHS, ONCE THE CURRENT FUROR OVER THE HISTORIANS' REPORT FINDINGS HAD SUBSIDED, WALDHEIM MAY AFTER ALL DECIDE TO RELINQUISH

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HIS POST IN ORDER TO OVERCOME THE GREAT DIVISION THAT THE PRESIDENTIAL ISSUE HAS CREATED WITHIN THE AUSTRIAN PEOPLE. OFFICIALS AT ALL LEVELS REAFFIRMED THE IMPORTANCE THEY ATTACH TO KEEPING OPEN THE AMERICAN CONSULATE GENERAL IN SALZBURG AS A MEANS OF MAINTAINING AN OFFICIAL AMERICAN PRESENCE IN WESTERN AUSTRIA.
END SUMMARY.

3. AMBASSADOR VISITED SALZBURG AND TIROL FROM FEBRUARY 27 TO MARCH 3. RECEPTION WAS UNIFORMLY CORDIAL AT ALL LEVELS, WITH LITTLE OR NO EVIDENCE OF THE RANCOR GENERATED LOCALLY BY THE APRIL 1987 U.S. WATCHLIST DECISION AGAINST AUSTRIAN PRESIDENT **KURT WALDHEIM** AND CRITICAL PUBLIC AND MEDIA STATEMENTS IN THAT CONNECTION. THIS APPARENT WILLINGNESS TO MAKE A FRESH START IN BILATERAL RELATIONS WAS PERHAPS MOST EVIDENT AT A LARGE WELCOMING RECEPTION AT THE CONSUL GENERAL'S RESIDENCE IN SALZBURG. NUMEROUS PROMINENT LOCAL FIGURES NOT ONLY ATTENDED, BUT VISIBLY ENJOYED THE OLD ATMOSPHERE OF CORDIALITY, WHICH WAS NOTABLY ABSENT DURING THE VIRTUAL BOYCOTT OF LAST YEAR'S INDEPENDENCE DAY RECEPTION.

4. PROGRAM IN SALZBURG INCLUDED OFFICIAL CALLS ON GOVERNOR WILFRIED HASLAUER AND SALZBURG MAYOR JOSEF RESCHEN, ALONG WITH SEVERAL CULTURAL EVENTS.

5. HASLAUER ACKNOWLEDGED THAT THE CONTROVERSY HAS CREATED A DEEP DIVISION WITHIN THE COUNTRY AND WAS HURTING AUSTRIA'S IMAGE. HE POINTED OUT THAT, OWING TO HIS OWN LONG FRIENDSHIP WITH **KURT WALDHEIM**, HE WAS THE ONE WHOM HIS PARTY HAD ENTRUSTED WITH THE TASK OF TRAVELING TO NEW YORK TO PERSUADE WALDHEIM TO BECOME OVP CANDIDATE FOR PRESIDENT. HASLAUER DISPUTED THE CRITICISMS THAT WALDHEIM HAD LIED ABOUT HIS WARTIME RECORD. WHILE ADMITTING THAT THERE WERE OMISSIONS IN WALDHEIM'S AUTOBIOGRAPHY, HASLAUER CONTENDED THAT NO ONE COULD REMEMBER EXACTLY EVENTS THAT HAD HAPPENED SO LONG AGO. LATER IN THE DISCUSSION, HOWEVER, HE VENTURED THE CAUTIOUS PERSONAL VIEW THAT BY SUMMER, AFTER THE DUST HAS SETTLED OVER THE PRESENT EXCITEMENT CREATED BY THE IMPARTIAL HISTORIANS' REPORT, WALDHEIM MAY STILL DECIDE TO RELINQUISH THE PRESIDENCY IN THE INTEREST OF THE COUNTRY. (A CLOSE ASSOCIATE OF HASLAUER HAD INDICATED TO CONOFF A FEW DAYS EARLIER THAT THE SALZBURG PARTY LEADERSHIP HAD REACHED THE CONCLUSION THAT WALDHEIM'S CONTINUATION IN OFFICE WAS A LIABILITY.)

6. MUCH OF THE REMAINDER OF THE CONVERSATION WAS DEVOTED TO HASLAUER'S STRONG SUPPORT FOR MAINTAINING AN AMERICAN CONSULATE IN SALZBURG. POINTING OUT THE INORDINATELY LARGE SOVIET PRESENCE IN THE CITY, THE GOVERNOR SAID THAT A U.S. DECISION TO CLOSE WOULD BE READ HERE AS AN INDICATION THAT AUSTRIA WAS SO UNIMPORTANT TO THE U.S. THAT IT WAS PREPARED TO ABANDON THE FIELD TO THE U.S.S.R. THE AMBASSADOR DISPUTED THE LATTER CONTENTION, BUT WARNED THAT THE NEWS FROM WASHINGTON

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REGARDING THE CONSULATE WAS NOT GOOD. HE ANTICIPATED THAT THE STATE DEPARTMENT WOULD SHORTLY REAFFIRM ITS DECISION TO CLOSE THIS AND SEVERAL OTHER CONSULATES FOR STRICTLY BUDGETARY REASONS. WHILE THE CONGRESS WOULD STILL HAVE AN OPPORTUNITY TO RAISE OBJECTIONS TO THE CLOSURE, HE WAS NOT OPTIMISTIC THAT THE DECISION WOULD BE REVERSED THIS TIME.

7. HASLAUER REGISTERED HIS DISMAY AND INDICATED THAT HE WOULD DO HIS UTMOST TO PREVENT CLOSURE. HE MENTIONED THAT HE HAS INVITED THE MEMBERS OF THE SENATE FOREIGN
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RELATIONS COMMITTEE TO VISIT SALZBURG LATER THIS YEAR, AND THAT SENATOR CLAIBORNE PELL HAD ALREADY INDICATED HIS WILLINGNESS TO ACCEPT A HIGH SALZBURG DECORATION FROM THE GOVERNOR IN RECOGNITION OF HIS PAST AND PRESENT EFFORTS TO MAINTAIN THE CONSULATE HERE.

8. THE CONVERSATION WITH MAYOR RESCHEN FOCUSED LARGELY ON CITY PROBLEMS. RESCHEN MENTIONED THAT HE HAD BEEN ATTEMPTING FOR SOME TIME TO ESTABLISH A PARTNER CITY RELATIONSHIP WITH BOSTON OR SOME OTHER EAST COAST CITY, BUT WITHOUT AVAIL TO DATE. THE CITY ALREADY HAS AN ACTIVE PARTNERSHIP WITH LEON, THE SECOND LARGEST CITY IN NICARAGUA. WHEN ASKED ABOUT HIS LONG-TERM PLANS, RESCHEN SAID HE HAS NO AMBITIONS IN VIENNA'S DIRECTION, BUT ADDED, HALF IN JEST, THAT HE WOULD CONSIDER RUNNING FOR THE GOVERNORSHIP OF STYRIA, SHOULD THE OPPORTUNITY ARISE.

9. THE AMBASSADOR'S PROGRAM IN TIROL INCLUDED CALLS ON VICE GOVERNOR FRITZ PRIOR AND INNSBRUCK MAYOR ROMUALD NIESCHER, A PRESS CONFERENCE WITH LOCAL MEDIA REPRESENTATIVES, THE OPENING OF AN EXHIBITION OF POST-MODERNIST WORKS OF ART BY SIX YOUNG NEW YORK ARTISTS, AND A VISIT TO THE SWAROVSKI GLASS WORKS IN NEARBY WATTENS. AN EVENING RECEPTION IN A LOCAL HOTEL PROVIDED AN ADDITIONAL OPPORTUNITY TO MEET A GOOD CROSS SECTION OF LEADING INNSBRUCK PERSONALITIES. TIROL GOVERNOR ALOIS PARTL WAS IN THE HOSPITAL.

10. PRIOR LISTED NORTH-SOUTH HIGHWAY TRANSIT TRAFFIC AS TIROL'S NUMBER ONE PROBLEM, WITH SOME 15 MILLION TONS OF GOODS PASSING THROUGH THE PROVINCE ANNUALLY, AND THE FIGURE GROWING FAST. TO DATE, THE PROVINCE HAD ATTEMPTED TO DEAL WITH THE PROBLEMS OF AIR, NOISE, AND CONGESTION POLLUTION BY IMPOSING LOWER SPEED LIMITS AND PUTTING DOWN NEW SURFACES AND ROADSIDE BARRIERS TO REDUCE NOISE. OTHER POSSIBILITIES WERE ESTABLISHING

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TONNAGE LIMITS OR A BAN ON NIGHT TRAFFIC. THE ULTIMATE SOLUTION, HOWEVER, WAS AN UNDERGROUND NORTH-SOUTH RAIL TUNNEL BENEATH THE BRENNER PASS, WHICH TIROL HOPES TO COMPLETE DURING THE NEXT DECADE, PROVIDED THAT THE ITALIANS CAN BE PERSUADED THAT SUCH A TUNNEL IS IN MUTUAL INTEREST AND HAS NO STRATEGIC IMPLICATIONS. PRIOR ALSO STRONGLY SUPPORTED AUSTRIAN EFFORTS TO GAIN MEMBERSHIP IN THE EUROPEAN COMMUNITY, SINCE 40 PERCENT OF WESTERN AUSTRIA'S TRADE IS WITH EC COUNTRIES.

11. NIESCHER LISTED AS HIS MAJOR PROBLEMS IN INNSBRUCK TRAFFIC CONGESTION, AIR QUALITY, AND THE NEED FOR SUBSTANTIAL NEW URBAN INVESTMENT. HE WAS OPTIMISTIC ABOUT THE GRAND COALITION, FOR WHICH HE SEES NO VIABLE ALTERNATIVE, SINCE THE FREEDOM PARTY IN ITS PRESENT CONFIGURATION (READ HAIDER) IS NOT AN ACCEPTABLE COALITION PARTNER FROM THE REALPOLITIK STANDPOINT. NIESCHER SAID HE HAD FULLY SUPPORTED WALDHEIM'S PRESIDENTIAL CANDIDACY AND CONTINUED TO DO SO, SINCE, IF AN INCRIMINATING DOSSIER HAD EXISTED, THE KGB AND CIA WOULD NOT HAVE HESITATED TO PUBLICIZE IT BEFORE WALDHEIM HAD BEEN ELECTED U.N. SECRETARY GENERAL. HE ADMITTED, HOWEVER, THAT WALDHEIM'S FAILURE TO REVEAL HIS WARTIME ACTIVITY WAS A MAJOR POLITICAL ERROR, AND HE EXPRESSED CONCERN ABOUT POSSIBLE ANTI-WALDHEIM DEMONSTRATIONS IN CONNECTION WITH THE ANSCHLUSS ANNIVERSARY OBSERVANCE ON MARCH 10-11.

12. THIS CABLE WAS DRAFTED BY CG SALZBURG.
GRUNWALD

ADMIN
END OF MESSAGE

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