

The Waldheim Affair in Austrian Politics

By James Wilkie

This first-hand account of the internal Austrian situation by an outsider was not written for publication, but as a documentation of the background and the chronology of events which is essential for any objective commentary on the matter. The information has been generally updated to June 1993 with some later additions.

The Waldheim affair stirred up an international uproar which at the time was generally agreed to have been the worst blow to Austria's image since the war. As things turned out, the setback was short-lived, despite attempts at home and abroad to keep the embers fanned, and Austria was soon riding the crest of another wave of international popularity and economic prosperity.

The controversy was a matter of bewilderment to many Austrian voters. 80 per cent of the population is younger than 60 years of age, and a large number of the remainder were immigrants after the war. The events of the Second World War are something that happened two generations ago, and they are just not particularly interested in the awful dilemma faced by their grandparents all those years ago in the dim and distant past. Even today's 70-year-olds were uncomprehending 10-year-old children when Hitler's army marched into Austria, and the Austrians were informed that they were now German citizens of the Third Reich, Heil Hitler!

That, of course, was the difference between Austria and all the other occupied countries. As the only German-speaking country to have been taken over by Hitler, Austria was assimilated to Germany, and not merely occupied, and therein lay the roots of the evil. A substantial proportion of the Austrian population of course accepted the situation, either actively or - mostly - with passive fatalism.

And it should not be forgotten that National Socialism itself was largely a product of the linguistic and cultural border areas of the former Austro-Hungarian Empire, where German-speaking minorities under pressure felt the need to defend themselves by means of aggressive nationalistic behaviour. After the dissolution of the Monarchy in 1918, many of them went over from the defensive to the offensive, like the banned Nazi minority in inter-war Austria.

Presented with the *fait accompli* of the German take-over in March 1938, some Austrians went in for the new regime in a big way, some simply wanted to be on the winning side and tailored their enthusiasm accordingly, others went to the opposite extreme in an excess of bravery or foolhardiness, and the vast majority just kept their

mouths shut, swam with the tide, and looked to their own survival. Kurt Waldheim was one of these.

Unlike the citizens of the other occupied countries, however, who were at most drafted into forced labour, or went as volunteers to the SS legionary units (as many did), the German-speaking Austrians had to do compulsory military service in the German army, and as a result provided not only some of the most notorious war criminals, but also an above-average proportion of military and civilian resistance heroes. Regarded with open contempt by their northern neighbours, they set out to eradicate their inferiority complexes by their assiduousness, by proving themselves the better Germans in the new Greater Germany. It cannot be overlooked that about 20 percent of the leading SS figures were Austrians, which was out of all proportion to the relative size of the Austrian population within the Third Reich.

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Kurt Waldheim's political career began just before the Second World War. The son of a Czech immigrant family whose name had been judiciously "Austrianised" at the time of the First World War, he was a member of the Right-wing Christian Social faction, one of the three main groupings in inter-war Austria. Often described as the Austro-Fascists, the party was strongly Catholic, agrarian and business oriented.

Its counter-pole was the Social Democratic group - industrial, working-class and urban, with Vienna and the industrial centres as its strongholds. The third and very much smaller main group was the National Socialist faction, the Nazis for short. These three groups fought the bit out among themselves for years on end, until Hitler finally settled matters for them. There were almost a quarter of a million men in one or other of the paramilitary "private armies" belonging to the two main factions, in addition to some 40,000 Nazi adherents and smaller Monarchist and Communist groupings.

The dissolution of the Austrian Parliament in 1933 was exploited by the increasingly authoritarian Christian Social government under Engelbert Dollfuss, who refused to call an election and simply ruled by decree thereafter. In February 1934, when the oppressed Social Democrats staged an armed revolt against the dictatorship, they were crushed by military force and their party was banned. The result of the short-sighted suppression of the Social Democratic movement and the execution of its leaders was a mass flight of left-wing activists into the Nazi camp – not on ideological grounds, but because the Nazis were now the only effective opposition to the Dollfuss regime. This is well documented in Bruno Kreisky's memoirs. Decades later, Kurt Waldheim was to become the focus of their unabated poisonous hatred. The Nazis had also been banned the previous year, but remained an underground terror organisation with German support and their new force of working-class members. In July 1934 they tried to take over the government of Austria by armed force, but failed, although Dollfuss was murdered in the course of the attack.

Dollfuss's successor, Kurt Schuschnigg, continued the authoritarian policies of the corporate state with the unitary party called the Fatherland Front, the only one

permitted. This was where Kurt Waldheim had his political home. There is no reason to doubt his impeccable anti-Nazi background. He and his family were sworn enemies of the Nazis, with a bitterness that can hardly be conceived of nowadays.

The Austro-Fascists were no liberals, but they were Austrian nationalist in outlook, without the appalling racism of the German Nazis. Under Schuschnigg, the Jews may have been disliked, but they were physically safe.

The same could be said of Italian Fascism - the model for the Austrian variety - which was never characterised by the barbarities of German Nazism. It is a matter of often forgotten fact that, at the time of the Anschluss with Germany in March 1938, Schuschnigg's Austria was harbouring a huge number of German Jews who had sought and found sanctuary there from the Nazi pogroms in Germany. Compelling the Jews to wash the Schuschnigg slogans off the streets, and later worse barbarities, began only after the German army arrived. And the vast majority of the 60,000 Austrians who were sent to Dachau concentration camp immediately after the German take-over were not Jews, but anti-Nazi activists.

The Austrian Nazis wanted a National Socialist Austria, but one independent of Germany. However, Schuschnigg's capitulation to Hitler, and the diplomatic winks from Britain, France and Italy that they would take no action, led to the assimilation of Austria into the Third Reich. Waldheim, a reserve lieutenant in the Austrian army, found himself conscripted into the German Wehrmacht without his opinion having been invited, and even his riding club was now affiliated to the SA. Wounded in Russia during the siege of Leningrad, and unfit for further front service, he was posted for headquarters staff duties in the Balkan theatre, where a murderous guerrilla war was being waged by the partisans, with no holds barred on either side.

Hundreds of thousands of soldiers in the German Wehrmacht knew of the crimes that were being committed by the SS, SD and Gestapo on the Eastern Front, without being in any position to influence the course of events - just like Waldheim, who was too junior in rank to have any real power of decision (he was still a lieutenant at the end of the war, when some of his contemporaries had already achieved high rank, which does not say much for his commitment to the Nazi cause). Waldheim, however, was better informed than most because of the papers which passed through his hands, and which he had to formally initial before passing them on.

What was later held against him was, firstly, the lack of any evidence that he ever took steps to ameliorate the force of the deportation and similar orders (precisely what he could have done has never been specified), and secondly, that after the war he just did not want to know anything about this particular episode in his career. He certainly took every opportunity to escape back to Austria on one pretext or another - to get married, to finish his doctoral thesis, for medical treatment, etc., presumably because he had no stomach for what he saw going on around him. As he said later, he wanted to survive the war - which he did by keeping his head down and his mouth shut, like countless others.

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After the liberation of Austria there was a witch-hunt against former Nazis that went on for many years after the war. The carnage had been appalling, and goes a long way to explain the post-war reaction against Hitlerism and everything to do with it. The 400,000 Austrians who had died violent deaths (of whom "only" 65,000 were Jews) represented a horrendous bloodletting from a population of only 6.5 millions. Included in this total are 35,000 Austrians who were formally condemned and executed, or informally liquidated by the Gestapo and SS, for active resistance and opposition to the Hitler regime. There were plenty of old scores to be paid back.

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Waldheim never even came into consideration as a guilty party. He teamed up with Karl Gruber, the dynamic Tyrolean leader of the Austrian anti-Nazi resistance who became Austrian Foreign Minister after the war. Gruber, who had first-class connections with the Americans in particular, tells of how he had Waldheim given positive vetting by the British and US secret services, and of how he was given a clean sheet. His comment on Waldheim - "The best secretary I ever had!" - probably says a lot more about his character than Gruber intended.

At that time, a large part of Austrian foreign policy was devoted to countering claims by Tito's Yugoslavia to large areas of territory in southern Austria. The murky horse-trading that passed for diplomacy at the time involved Britain in handing over more than a hundred thousand Yugoslavs for execution by Tito, as well as handing the Cossacks over to Stalin.

In the end, Stalin settled the matter by withdrawing his support for Tito's territorial claims, but not before the Yugoslavs had done their best to discredit Gruber. They were playing a losing game with the famous Austrian resistance leader personally, so they concentrated their attention on his personal secretary, Kurt Waldheim, whose service as a junior headquarters staff officer during some of the anti-partisan and deportation operations by the German army was well-known. This cut no ice with the forceful Gruber, and still less with the Allied forces, who had already cleared Waldheim of any involvement in war crimes. It did, however, lead to an entry recording the bare allegation in the UN War Crimes Commission records - which was never pursued for lack of any evidence, but was to be dragged up again 40 years later, along with some forged Yugoslav documents.

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The ambitious Waldheim's career went from one pinnacle of success to another. Never popular among his colleagues, and widely detested among the Austrian Socialists on account of his association with the pre-war authoritarian Schuschnigg regime, as well as a degree of personal arrogance, he nevertheless made it to Ambassador to the United Nations, and became Foreign Minister in January 1968. Contrary to popular belief, it was not Bruno Kreisky, but Kurt Waldheim, who inaugurated the radical change in Austrian foreign policy from a discreet military neutrality to a positive multilateral involvement in world affairs. This policy was energetically continued and developed by Kreisky, and became associated with his name.

Waldheim stood for the Austrian presidency in 1971. He never had any real chance against the popular Socialist, Franz Jonas, and even during the campaign his candidacy was known to be more or less just an additional qualification for the post of United Nations Secretary General, which was about to become vacant.

His wartime service in the Balkans was once again brought up against him in the course of the particularly dirty presidential campaign, but did not cause any controversy; there were still too many Austrians around who had been forced into German uniforms during the war, and who knew the score.

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It was Austrian Federal Chancellor Bruno Kreisky, a Jew, who put Waldheim forward for the post of UN Secretary General. In the first place, he wanted Waldheim out of his way; Kreisky ran his own foreign policy, and he wanted no competition from anyone, especially unemployed ex-foreign ministers.

Secondly, as an Austrian nationalist who regarded the Second Republic as practically his own creation, Kreisky was working up to the situation where for a time Austrians held virtually all of the most prominent posts in the international organisations, and the prestige for Austria from having Waldheim as head of the UN organisation suited him fine. Furthermore, he and Waldheim were former colleagues in the Foreign Ministry, and were in basic agreement on policy and Austria's place in world affairs.

Nobody mentioned the paper in the UN War Crimes Archive with the still unsupported Yugoslav allegation, and Waldheim served two terms with unanimous approval - at least as regards votes for his appointment, for he seems to have spent his time at the UN making a huge number of personal enemies, whose venomous hatred of him was later to become very evident. When the controversy broke out, many of his former UN colleagues were among the first to jump onto the anti-Waldheim bandwagon, and some of the most vicious attacks on him came from this quarter. However, when the Chinese blocked a third term, Waldheim retired to his native land in 1984 with a fat pension and the reputation of "a man trusted by the whole world". And there he might have remained happy ever after but for the exigencies of the domestic political situation.

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Bruno Kreisky bestrode the narrow Austrian world like the proverbial colossus for 13 years with a wide personal following (so much for the alleged Austrian anti-Semitism). With his own memories of 1934 and 1938, and the attempted Communist take-over in 1950, Kreisky concentrated on maintaining social peace and political stability at virtually any economic price. In this he was hugely successful; Austria became a model of a welfare state, but at the price of massive deficit budgeting. Kreisky, for all his socialist utterings, was never one to bother about party allegiances when it came to getting the right man or woman for the job, and several of his candidates from or near to the "other camp" were quite outstanding successes, above

all Stefan Koren as President of the National Bank, and Rudolf Kirchschräger as Federal President.

However, all things come to an end, and when Kreisky retired a sick man in 1983 there was no really outstanding successor. The succeeding SPÖ-dominated coalition government under former Minister of Education Fred Sinowatz was a general disaster. The hitherto prosperous nationalised industries ran into the sand, and the international wine scandal was so mishandled that the world gained the impression that it was an all-Austrian affair (the 30 deaths at the Italian end were hushed up and Italian wine sales did not suffer from it, whereas export sales of Austrian wines, from which there has never been a single reported case of ill effects, were slashed by 90 percent; the French and Germans also successfully kept their heads down and avoided Austrian-type publicity). Sinowatz's team blundered from one crisis to another, and Kreisky's attempts to offer advice were met with rejection; the children had lived in father's shadow for long enough, and now wanted to show that they were grown up.

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In 1985 the revered Kirchschräger, a model of a head of state, whose partnership with Kreisky had made Austria into what had become known as "the island of the blessed", was approaching the end of his second and final term of office as President, and here again there was no obvious successor. Kreisky jumped in with the suggestion that, in view of the difficulties the country was experiencing (not least due to the deficit spending during his own four terms of office) and some adverse international publicity, the internationally known and respected Kurt Waldheim should be nominated as a consensus candidate by the two large parties, the Socialists (SPÖ) and the conservative People's Party (ÖVP). The conservatives would have been prepared to consider this, but Kreisky's own party rejected it out of hand, even although Waldheim is nominally non-party.

The ÖVP then decided to approach Waldheim on their own. The Socialists were still without a candidate, but there were rumours that Kreisky himself would stand in their name. Waldheim went to Kreisky's house to discuss the matter with him, and when he had the assurance that Kreisky would definitely not be standing against him, he accepted the ÖVP's offer. The SPÖ, after a fair amount of ignominious jockeying for places, finally adopted Dr. Kurt Steyrer as its candidate - a Viennese general practitioner who had made a good Minister of Health, but had nothing like Waldheim's diplomatic flair, something that was certainly sensed by the electors. Two other candidates also stood - Frieda Meissner-Blau from the Greens, and Otto Scrinzi, a genuine ex-Nazi who made no secret of his Right-wing views.

The ÖVP move was an immediate success; Waldheim rocketed ahead in the public opinion polls, fuelled not only by his own prestige from his 10 years at the head of the UN, but also by the tarnished reputation of Sinowatz's scandal-ridden SPÖ, and the consequently rising star of the ÖVP. The voters wanted a change, and Waldheim was the means they were going to use to demonstrate it. Forty years after the events, and after a brilliant diplomatic career, there was every reason to believe that his wartime service in the Balkans was no longer relevant, to the extent that it was thought possible to omit any reference to it from his autobiography (which he did not write

himself - it was ghosted for him by "Kurier" journalist Heinz Nussbaumer, who was later press spokesman in the Presidential Office from 1990 till 1999).

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Then the stormclouds began to gather. The SPÖ, which had nominated every President of Austria for the previous 40 years, and regarded the office as to all intents and purposes its own property, was in a state of panic over Waldheim's unassailable and increasing lead in the opinion polls.

This was seen with good reason as the thin end of a wedge that could lead to an ÖVP landslide in the following parliamentary election, to a loss of lucrative positions, and - as transpired in due course - to the uncovering of much that had been going on under the camouflage of years of unchallenged power resulting from an absolute majority.

Rumours began to circulate to the effect that this would be stopped by revelations about Waldheim's alleged "brown past" - an allusion to the Nazi SA "brownshirt" storm troopers, to which Waldheim, as a member of the Fatherland Front, had certainly never belonged. Sinowatz unwisely made a concrete statement to that effect at a meeting of the Burgenland Socialists in November 1985, which was minuted and later revealed in a sensational court case. On 3 January 1986 Sinowatz and two of his senior colleagues were overheard discussing these plans in the "Weinhaus Ernst Arlt" restaurant in Vienna.

The indications mounted, but no public steps were taken, although Waldheim's candidacy had been announced fully a year ahead of the election. Then, on 8 March 1986, when the presidential election was moving into its final phase, with Waldheim's lead as large as ever over all three other candidates combined, the offensive began. The first public mention of his service in the Balkan theatre appeared in "Profil", the weekly current affairs magazine, but the interesting thing was the channel through which the campaign was continued.

It was taken up by the World Jewish Congress, an organisation which had very close links with the SPÖ, and which had in fact held its previous annual conference in Vienna at the invitation of the SPÖ leadership. Even at the time, the names of the SPÖ-WJC link men were known in all informed circles in Vienna. Prominent figures like Bruno Kreisky and Simon Wiesenthal stated publicly that they knew who the conspirators were. However, in an interview with "Die Presse" in December 1996 Wiesenthal publicly named the chief instigator as Leon Zelman, head of the Jewish Welcome Service and WJC representative in Vienna, in collusion with certain unnamed members of the SPÖ Central Committee. The main conspirator was, however, known to be Hans Pusch, head of Sinowatz's office. On 4 February 1986 Eli M. Rosenbaum of the WJC held secret talks with leading SPÖ members in the Marriott Hotel in Vienna to coordinate the campaign.

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There was no love lost between Bruno Kreisky and the World Jewish Congress, by now to all intents and purposes a private organisation since it was taken over by Edgar

Bronfman of the Seagram alcohol empire. Bronfman stated to Kreisky during the dinner held on the occasion of its Vienna conference, that if he (Kreisky) had still been Chancellor they would not have come to Vienna. To which his fellow-Jew Kreisky retorted that if he had still been Chancellor they would not have been invited.

Kreisky's forthright condemnation of the Israeli policy towards the Palestinians, which was echoed by Waldheim's pro-Palestinian actions as UN Secretary General, had made them many enemies. This is in spite of Austria's outstanding record as a haven and transit point for around 300,000 East European Jews since the Second World War (including five thousand Soviet Jews who returned in disillusionment from Israel, but were not allowed to re-enter the Soviet Union, and have since been given Austrian citizenship). Kreisky was actually persona non grata in Israel, where his own brother lived, and Waldheim was highly unpopular there too, because of his attitude to the Palestine question while at the United Nations.

Kreisky pointed out that the World Jewish Congress is only one of innumerable Jewish organisations, and, despite its imposing self-awarded title, by far the smallest of them. The motive for its common cause with the SPÖ in the Waldheim campaign seems to have been not only paying off old scores against Waldheim, but also as a means of establishing its own pre-eminence, and that of Bronfman personally, among the many competing Jewish organisations. There is also a widespread opinion that the vicious campaign was an act of revenge for the United Nations resolution (since rescinded) which equated Zionism with racism, for which Bronfman and the other Zionists seem to have held Waldheim responsible. Furthermore, Nazi war criminals are thin on the ground these days, and what better way of making one's mark than by "discovering" one in such sensational circumstances? There is no doubt, however, that the whole campaign was started from Vienna, and that the WJC was consistently fed with material from there.

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The "revelations", which contained no fresh material at all over and above what had been known in previous years, were centred primarily on the UN War Crimes Commission entry, which in fact contains only the record that the unsubstantiated Yugoslav allegation was made (the space for evidence remains blank to this day), but which looked spectacular when enlarged - with the blank space cut out - alongside a picture of the young Waldheim in Wehrmacht uniform.

In fact, Waldheim's war record is a good deal less colourful than those of many highly respected German statesmen, to say nothing of persons like the father of US space activities, Werner von Braun, who was not only a high-ranking Nazi officer but also ran his own concentration camp to ensure a plentiful supply of slave labour for his missile work, where he apparently not only ordered executions but also carried them out with his own hands. The United States has accepted and given citizenship to thousands of such persons with war crimes records if, like Braun, they happened to be useful.

By contrast, no substance has ever been found in the allegations that Waldheim had been a Nazi, and that he had had an active part in the commission of war crimes in the

Balkans. Karl Gruber and the establishment of the Austrian wartime resistance movement rose to his defence in those respects, as did Simon Wiesenthal, with all the authority of the world's leading Nazi hunter. When asked on television whether he supported the WJC accusations against Waldheim, Wiesenthal replied caustically that he would wait until he had some evidence before doing so.

Unfortunately, Waldheim turned out to be his own worst enemy. When Wiesenthal implored him to take legal action against his detractors in America (by implication including the WJC, which on many occasions has been a thorn in the flesh of the Israeli Government and other Jewish circles), Waldheim was "too proud" to do so, in Wiesenthal's words.

Waldheim's own arrogance led him into a disdainful attempt to brush the whole attack off with a simple denial that he had had any connection with the deportation of Jews from Saloniki (perfectly true - had been in Austria at the time) or that he had had any knowledge of this and similar events, which was proved conclusively to have been untrue, because although he had had no power of decision the relevant papers had passed through his hands. It was this "forgetfulness" which led to a controversy that could and should have been squashed in weeks being prolonged for over two years.

Even Kreisky and Wiesenthal, not the best of personal friends with each other, eventually turned against Waldheim, because his handling of the controversy had made him into a liability. Wiesenthal's attitude earned him immense popularity in Austria during the controversy. There were even suggestions that he should stand for the presidency himself - not very practical for an 80-year-old, but indicative of his standing.

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The uproar escalated into an irrational mass hysteria of international proportions, with reporters descending like vultures on Vienna from all parts of the world, not a few of them with personal axes to grind, like some of their Austrian colleagues. Some of the most vicious attacks were made in foreign newspapers that employ native Austrians as correspondents.

The hard core of long-standing foreign correspondents in Vienna, many of whom had an inkling of the true situation, found themselves under pressure from their editors to be less reticent. In several cases, where editors found that their reports were not sensational enough, special correspondents were sent to Vienna over their heads to cover just this one story.

Even the best-intentioned reporters were often lost when trying to cope with the extreme complexity of the historical development of the current Austrian situation - and since most of them, especially those in the major agencies, are resident for only a year or two at a time, they never have a chance to acquire the necessary background knowledge. A number of commentators on the Waldheim affair, who rushed in where angels fear to tread without properly researching the background, later became very silent on the subject, but made no attempt to correct their previous hysterical inaccuracies.

One classic case is the Daily Mail, with a native Austrian correspondent, which carried on a vitriolic anti-Waldheim campaign for months on end. The Mail's editorial staff in London were flabbergasted when it was pointed out to them that, on the occasion of Hitler's arrival in Austria in March 1938, their own resident correspondent, Ward Price, had stood up on a platform in Linz alongside all the Nazi leaders, and had made a rabble-rousing speech in favour of the Nazi take-over. And that Hitler's snap decision to annex Austria instead of merely installing a puppet Nazi government there, as he had intended, was to no small degree influenced by the favourable attitude of the foreign press.

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Meanwhile controversy and indignation mounted in Austria. The campaign undoubtedly lost Waldheim some support, but stiffened it in other directions. President Kirchschräger called for the UN papers on the case and, after studying them with the eye of a professional lawyer and former judge, pronounced in a televised statement that they contained no evidence whatever to implicate his would-be successor in war crimes, but that contrary to Waldheim's assertions he had undoubtedly been well informed about what was going on. This was later confirmed by the commission of historians. Mere knowledge, however, was not an offence, and it was too late for Waldheim and the ÖVP to back out.

The Austrian Jews, whom the WJC had neither consulted nor informed, were appalled at the havoc wreaked by these attacks without the slightest foundation in fact, after decades of efforts to establish tolerance and good relations within Austria. Wiesenthal's memoirs describe the "desperate attempts" by the President of the Vienna Jewish Community, Ivan Hacker, to induce the WJC to abandon the campaign because it was simply going to ignite latent anti-Semitism at home and abroad. The reaction by the abrasive WJC Secretary-General, Israel Singer, was that any negative results for the Austrian Jews had to be accepted for the sake of the campaign as a whole. Wiesenthal reported a further statement by Singer in which he advocated that the 8,500 Austrian Jews should simply emigrate if they encountered difficulties as a result of the campaign against Waldheim. (Singer was eventually sacked from the WJC and all its subsidiary organisations after financial irregularities had been discovered.)

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The election was held on 5 May 1986, when the considerable effect of the campaign was seen in the fact that Waldheim failed to gain an absolute majority, after his previous enormous overall lead in the opinion polls. The genuine ex-Nazi, Otto Scrinzi, got a miserable 1.18 percent of the total vote, and dropped out along with the Green candidate. The playoff between Waldheim and Steyrer took place on 8 June, and Waldheim came out the clear winner with 54 percent to Steyrer's 46 percent. The foreign-orchestrated campaign had aroused considerable indignation in Austria, and many people reacted by stubbornly voting for Waldheim irrespective.

This electoral disaster, on top of the general political situation, brought about a rolling of heads in the SPÖ. Sinowatz resigned the Chancellorship. Of the others involved, SPÖ General Secretary Peter Schieder was given his marching orders, but remained an MP. Hans Pusch, the main conspirator, had his political career abruptly terminated and disappeared into limbo, but Sinowatz's press spokesman Gerhard Zeiler went on to a career in television. The new Chancellor was Franz Vranitzky, Minister of Finance.

The net result of the campaign against Waldheim was that the party's Left wing was virtually wiped out, the rout being completed in the following two or three years when the full extent of its internal scandals began to be revealed in courts of law and parliamentary investigations.

The Right wing now in control of the SPÖ was able to form a coalition government together with the conservative ÖVP, which over the next few years gradually pulled Austria up again to a level of prosperity and stability that not even Kreisky had achieved.

The next stage in the saga was the appointment - at Waldheim's instigation - of a commission of historians to investigate the whole business. This was a major error; an investigation was certainly called for, but it should have been a judicial inquiry on a legal basis. The historians failed to find any evidence implicating Waldheim in Nazism or war crimes, but of course seized on his "bad memory" regarding events then, and on the strength of this indulged in moral strictures and implications of guilt that would have had no place in legal findings.

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The American activists were balked of success when Waldheim was democratically elected and refused even to consider stepping down again - quite correctly, for his resignation would have gone into the history books as an admission of guilt, and would have been a millstone round Austria's neck for years to come; furthermore, the Austrian constitution does not provide for the resignation of the President - there is simply no procedure for it. And so the WJC and its supporters managed to exert enough influence on the US Justice Department to have Waldheim's name placed on the so-called "Watchlist" of persons who had been in the vicinity of events later classified as war crimes, and whose cases would require special consideration in the event of applying to enter the US.

US Attorney General Edwin Meese was at that time the subject of a media campaign (in the same Bronfman papers that were attacking Waldheim) because of alleged corruption, and he gave way to the WJC pressure as a means of taking the heat off himself. Furthermore, the man responsible for the Watchlist within his department was Neil Sher, a Zionist and Bronfman associate who made it publicly clear that the campaign against Waldheim was a personal matter in his case. There were also domestic political reasons.

US President Ronald Reagan's domestic policies were threatening to run into the sand during the mid-1980s. For opportunistic reasons his Republican Administration was

wooing the influential but traditionally Democrat-voting Jewish opinion-formers. What actually happened is described in Waldheim's memoirs and elsewhere. Shortly before the Watchlist decision there was a meeting between Meese, Bronfman and US Secretary of State George Schultz. The government members complained to Bronfman that the Jewish organisations did not express sufficient appreciation for the favours they had received from the United States. To which Bronfman responded: "Our behaviour in the 1988 presidential election will depend on your behaviour". Since Bronfman and his associates effectively controlled large sectors of the US media, the implied threat was not to be taken lightly. To Meese's question: "And what should we do?" Bronfman replied that it would be a useful signal to put Waldheim on the Watchlist. Meese later informed Waldheim through mutual friends of the dilemma and of the pressure he had been under. And in fact the media campaign against him died down after he acceded on 27 April to the demand to list Waldheim.

Meese confirmed to Austrian Chancellor Vranitzky on the occasion of a visit to Washington in May 1997 that the Watchlist case contained no allegation of war crimes against Waldheim personally. He had just been in the wrong place at the wrong time in the wrong unit. His sacrifice of Waldheim to save himself availed him little in the long run, because justice eventually caught up with Meese.

President Reagan, already suffering from Alzheimer's disease, was not consulted and had no part in this decision. What was at stake for the Republican Party was the outlook for its candidate George Bush in the US presidential election in the autumn of 1988, since documents were already circulating in Washington alleging that, as a young air force pilot, he had machine-gunned survivors in lifeboats – a flagrant war crime. Compared with this, the welfare of the Austrian President was a matter of no consequence. The official justification for the move was never made public, and the US President continued to receive innumerable dictators, mass murderers and violators of human rights with full diplomatic honours.

A group of embarrassed US officials who were sent to Vienna to explain the background to the Austrian Government could come up with no reason which remotely justified the action. The Austrian Government several times pointed out to the US in diplomatic notes that it represented a flagrant breach of legal and diplomatic procedure, to no effect. Eventually, in March 1994 the US citizens Stephen E. Nevas and John R. Mapother (formerly CIA in Vienna) forced the Administration to open the Waldheim file, with the cooperation of Janet Reno, head of the Justice Department in the Clinton Administration. This, needless to say, was opposed tooth and nail, albeit without success, by Neil Sher and the OSI. In 1997 Mapother published a book on "How to get onto the Watchlist", revealing the total lack of any justification for the move.

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The filleting of the Austrian Socialist Party went so far that Kreisky's team was almost completely eliminated, even down to the junior members. Kreisky himself had started the process with his vendetta against Hannes Androsch, his own Minister of Finance, who amongst other financial peccadilloes had seen nothing wrong with running a tax consultancy on the side because there is no law specifically forbidding it. The feud

went on for years after Androsch was finally dislodged from the Government and immediately became managing director of Austria's largest bank. Rumours were put about that "the Old Man is getting past it" and that Androsch, who had a considerable following in the SPÖ, was ready to step into his shoes as Chancellor. It was not until 1988, when Androsch was convicted of perjury at his own trial, and in October 1991, when he was convicted of tax swindles of more than 6 million AS, that the realisation dawned that Kreisky had been right. Androsch's fall was only the first harbinger of things to come. A few years later, however, he was a multi-millionaire with massive financial interests, especially in Upper Austria.

Kreisky, whose own puritanical political integrity has never been questioned, was in a towering rage at what was happening within the SPÖ. He resigned all his offices in the party in which he had spent his entire life, and flatly refused even to turn up for its centenary celebrations in December 1988, accusing his former colleagues of having ruined his life's work.

The downward spiral of the SPÖ's fortunes was, however, slowed by the new Chancellor and Party Chairman, Franz Vranitzky, personally untainted by scandals and an exceptionally telegenic personality.

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The 1986 election resulted in a drastic reduction in support for both of the two main parties, and a strong increase in votes for the Freedom Party (FPÖ) and the Green parties. Vranitzky, with no overall majority, formed a coalition with the conservative ÖVP, and the governmental situation at least returned to stability.

The series of SPÖ scandals continued without a pause. Three party general secretaries in quick succession - Peter Schieder (Waldheim), Heinrich Keller and Günther Sallaberger (multiple undeclared incomes and tax evasion) had to take their hats. Then ex-Chancellor Sinowatz made the mistake of suing the journalist Alfred Worm of the "Profil" current affairs magazine for libel in reporting that Sinowatz had indicated the plan to defame Waldheim at the meeting of the Burgenland Socialists in November 1985. Sinowatz not only lost the sensational case, but ended up on a double charge of perjury.

At his trial on this charge (the Noricum and Lucona charges were to follow - see below) in September 1990, Sinowatz was found guilty, and fined the enormous sum of 360,000 schillings (£21,000 or \$35,000). The case went to appeal, but at the end of a three-day hearing the appeal court confirmed the verdict on 15 April 1991 after calling 40 witnesses. As a result, in September 1991 prosecutions were instigated against another six leading SPÖ figures. Former *Landeshauptmann* Hans Sipötz of Burgenland was subsequently acquitted of conspiracy, but the others were convicted. Waldheim received a substantial personal boost from the verdicts, and Sinowatz went forward to his trial on the other charges with a criminal record.

Worse was to follow, when the Austrian diplomatic service reported that Austrian-made long-range heavy artillery (the reputedly superb GHN 45 model) was being used by both sides in the Gulf War between Iran and Iraq, in flagrant contravention of

Austrian foreign policy. Bribery involving around 800 million schillings was also a factor in the case. In the search for who had authorised the sales - via Jordan to Iraq and via Libya to Iran, about 400 units in all - by the Noricum subsidiary of the state-owned Voest-Alpine steel combine, the spotlight fell on Sinowatz, as well as Karl Blecha, Minister for Home Affairs, and Leopold Gratz, formerly Foreign Minister and then Speaker of Parliament. Although there seems to have been blatant economic blackmail by Iran, criminal proceedings were instigated against all three in September 1990.

Heribert Apfalter, head of the company and personal friend of Sinowatz, died with suspicious suddenness. The same happened to Ambassador Amry, whose four reports from Athens had instigated the investigation. Post-mortem examination revealed that they had both been poisoned with the digitalis pharmaceutical *Lantop*. Gerhard Loitzenbauer, Austrian trade commissioner (and reputed secret service agent) who had provided some of the information, was murdered in Beirut.

In 1986 the US State Department showed Austrian Ambassador Thomas Klestil (later Federal President) and his military attaché secret photos and satellite pictures of Iranian military installations, in which the GHN 45 had been clearly identified. Klestil immediately reported the matter to Foreign Minister Gratz in Vienna for personal attention, but the papers disappeared from the Foreign Ministry files and have never been accounted for. The very existence of the report was revealed only during the investigation in 1989.

By the summer of 1989 insistent calls were being made by the ÖVP and the two smaller parties for a parliamentary inquiry into the Noricum affair, and this was agreed in Parliament when it resumed after the summer recess. By the autumn criminal charges had been laid, and the trial of the first group of 18 senior Noricum management personnel started in the spring of 1990. The Noricum directors stated in court that everything had been done with the knowledge and approval of the SPÖ ministers of the day.

Robert Danzinger, Director of National Security, and a key witness, also died of *Lantop* poisoning, coincidentally the day before he was due to give evidence at the Noricum trial in October 1990. On 1 February 1991 the jury found 14 of the 18 accused guilty; they were sentenced to imprisonment for up to two and a half years.

The Canadian designer of the GHN 45, Gerald Bull, who might have been expected to be another key witness, was murdered in Brussels on 22 March 1990 by a Mossad *kidon* hit team just as a short-lived controversy broke out over his involvement with the Iraqis in the construction of a large-calibre so-called "super-gun", the components of which had been forged in England. Bull's involvement in the actual sales of the GHN 45 to Iraq is not clear, but it is practically certain that there is a link between the two affairs. He was probably not directly involved in the around 200 sales to Iran, which the Sinowatz government sanctioned under considerable economic blackmail from Iran, one of Austria's largest non-European export markets.

The journalist Wolfgang Fellner, who had brought the affair into the open, exploded a bombshell when he gave his evidence to the court on 18 October 1990. He revealed

that his source of information for the exposure of the Noricum scandal in 1985 had been none other than Bruno Kreisky, who had by then been two years in retirement. Kreisky had urged him to investigate the matter. In Kreisky's words, Ambassador Amry had not died of heart failure, but had "died of Leopold Gratz". The story has been put about that Kreisky's estrangement from the SPÖ was due to Vranitzky's allowing the Foreign Ministry to fall into the hands of the ÖVP coalition partner. It is clear, however, that the real reason was that Kreisky had more than an inkling of the activities being pursued by his SPÖ successors, and refused to have his name associated with them.

Further evidence of the cover-up came to light when Ingrid Petrik, former President of the Administrative Court (one of the country's three highest judicial posts), was convicted of perjury on 14 December 1991. When giving evidence to a judicial inquiry in her former role as a senior civil servant she had three times denied any knowledge of the fourth telegram from Ambassador Amry regarding the arms sales to the Middle East. The court found her implication in the cover-up to be "proven beyond doubt".

In his summing-up, the judge made some pointed comments clearly implying that SPÖ-member Petrik had been rewarded for her party loyalty with the judicial appointment, whereas another civil servant colleague who had been opposed to the concealment had been effectively degraded to a position below his abilities and experience. When the controversy broke out, Petrik had resigned from the Administrative Court for "health reasons".

A parliamentary investigation had already been held in 1988 into the "Lucona" affair. The 1,200-ton Austrian-owned freighter Lucona was reported to have sunk in the Indian Ocean in 1977 after an explosion on board, with the loss of six members of the crew. Ostensibly carrying a uranium reprocessing plant, destination Hong Kong, the real nature of its voyage has never come to light with certainty. The man behind the affair was Udo Proksch, joint proprietor of the famous Demel coffee house in Vienna, and the host of the SPÖ's "Club 45", the meeting place for the SPÖ establishment in the Demel premises. It transpired in the course of the parliamentary inquiry that the Lucona had almost certainly been sunk by a substantial charge of explosives from Austrian army stores. These were evidently supplied by former SPÖ Minister of Defence Karl Lütgendorf, who meantime had apparently succeeded in shooting himself through the closed window of his Lada estate car on a remote hunting estate.

Proksch had previously been arrested along with his associate Peter Daimler, on suspicion of fraud. He was released from custody when papers exonerating him were received from Romania via the diplomatic courier service. These papers turned out to have been forged by the Romanian "Securitate" at the personal instigation of Leopold Gratz, Austrian Foreign Minister. Subsequently, on 5 October 1992, Gratz was found guilty of perjury for having failed to reveal to an investigating judge that he had instigated the forging of Proksch's alibi documents by the Romanian secret service. He was fined 450,000 AS (£27,000 or \$43,000) on this particular charge.

The Austrian professional diplomatic service carefully avoided involvement in the little they knew of the SPÖ links with Ceausescu and the Securitate. When other

evidence emerged, and suspicion began to rise again, Interpol was brought in to find Proksch, who had last been seen in the Philippines. After the parliamentary inquiry detected the involvement of other leading SPÖ personalities, either directly or by suppression of investigations into the circumstances, Blecha and Gratz finally had to resign all their political offices and await criminal charges on the Lucona affair along with Sinowatz and other prominent individuals. These charges were in addition to those in respect of the Noricum and Waldheim affairs.

On 2 October 1989, Proksch was stopped at London Airport carrying false papers, and sent back to Vienna, where he was identified and arrested. His trial started at the end of January 1990, after investigations into the relationship between the Lucona and Noricum affairs, and the involvement of other political figures. Amongst other revelations, it was stated that it was Proksch who established the initial contacts for the Noricum arms sales to the Middle East. Gerald Bull's son Philippe confirmed that Proksch had several meetings with his father during the 1970s. The Canadian oil millionaire Steven Low apparently also played an important role in bringing the two together, and also played a part in the Iraq arms deal. The ultimate destination of the 800 million ATS Noricum bribery money has never yet come to light.

The court decided that the situation justified a search for the wreck of the Lucona. The US Eastport Company was awarded the contract. At the beginning of February 1991 its deep-sea survey vessel Valiant Service detected the wreck at a depth of 4,193 metres on the flat seabed to the north-west of the Maldivian Islands. It is in two halves, split apart beyond doubt by a massive internal explosion, with part of its cargo on the ocean floor beside it. Some of this was retrieved by the unmanned robot Magellan, which also filmed the wreck and location.

Proksch did not have a leg to stand on after this. In March the jury unanimously found him guilty of the sinking, but were divided on the murder charges, on the technical ground that it had not been proved that Proksch had intended to kill the six sailors. The 57 years old Proksch was therefore sentenced to 20 years imprisonment on all charges. The prosecutor submitted an immediate appeal against the leniency of the sentence, and on 28 January 1992 the supreme appeal court raised the sentence to life imprisonment. With the central figure safely behind bars, his accomplice Daimler under arrest in Germany, and a related trial taking place in Switzerland, the focus of the investigation began to shift to the political ramifications of the affair and its interaction with the Noricum arms deals.

The trials of Sinowatz, Gratz and Blecha on the Noricum charges took place in early 1993; on 24 June all three were acquitted on the charge of endangering Austria's neutrality by arms exports to belligerent countries, but Blecha received a suspended sentence of nine months imprisonment on a charge of falsifying and suppressing documents.

The International Maritime Bureau in London issued a statement that the Lucona affair showed definite signs of involvement by the international drug mafia and organised crime in a number of other countries; furthermore, all of the threads led to North America, at least some of them to Miami, the centre of the drug trade. The information stems partly from Israel. A direct link with the Waldheim affair and the

World Jewish Congress has so far not been established, other than that the same group of SPÖ politicians was apparently involved.

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The SPÖ-ÖVP coalition government under Franz Vranitzky of the SPÖ and Alois Mock of the ÖVP (the man who nominated Waldheim and through sheer stubborn persistence against all the odds succeeded in having him elected) remained isolated from involvement. The New Right of the SPÖ were personally untainted by the affairs, and the almost total turnover of personnel by the autumn of 1989 meant that no fingers could be pointed at them, with two exceptions where there was suspicion of at least superficial knowledge of the Noricum arms sales; these two were, however, later cleared of any involvement.

Kreisky, from his holiday home on Majorca, poured vitriol on Vranitzky's efforts to paper over the cracks in the Socialist Party, and was never really reconciled with it up to the time of his death in the summer of 1990.

By the middle of 1989 the Party was having serious personnel difficulties due to the sheer number of provincial and national office-bearers who had had to resign after revelations or allegations of corruption.

Alois Mock, with the first symptoms of Parkinson's disease appearing, handed the Vice-Chancellorship and the leadership of the ÖVP over to his colleague Joseph Riegler, but remained in the Government as Foreign Minister. Austria by this time was booming again, with one economic record after another being broken in a continuous upwards swing, and membership of the European Community was topic number one.

During the General Assembly of the United Nations in New York in September 1988, Foreign Minister Mock - the man who had nominated Waldheim for the presidency - was ostentatiously feted by the major Jewish organisations of America. At one of the dinners he was presented with a plaque by the Jewish refugee organisation Rav Tov, as thanks for Austria's services as a haven for hundreds of thousands of Jewish emigrants from Eastern Europe. The slap in the face for Edgar Bronfman and his World Jewish Congress from their own fellow-Jews could not have been more conspicuous. The WJC was not represented at any of these events, and was possibly not even invited.

More salt was rubbed into the wound when Rav Tov's London Committee presented its "Rescue Award 1989" to the Austrian Government for its services to Jewish refugees; the Austrian Ambassador received the award when he was guest of honour at the organisation's annual dinner in Manchester during September. The international Jewish organisations continued their series of tributes to Austria with the Canadian "Humanitarian Award 1989". The American "Annual Humanitarian Award" had been made to Austria from as far back as 1984. On 26 June 1990, Rabbi Juda Glasner, Vice Chairman of the Council of Orthodox Rabbis of the United States and Canada, made the pointed gesture of paying an official visit to Austrian Federal President Kurt

Waldheim in Vienna, when he expressed the thanks of his organisation for the assistance which Austria had given to Jewish refugees over a period of many decades.

The major Jewish organisations thus made it pointedly clear, by distancing themselves from Bronfman, that the maverick World Jewish Congress was on its own as far as the Waldheim campaign was concerned. The reputation of the WJC among Jews has probably not been improved by Bronfman's association with the former Honecker communist regime in East Germany, from whom he accepted honours, and with whom he concluded lucrative commercial deals (reputedly of the order of 100 million dollars), despite the prevalent political repression and anti-Semitism. There have been printed allegations that Bronfman agreed as part of the deal to exert his influence to play down Jewish reparation claims on the German Democratic Republic, which never admitted even partial responsibility for the Holocaust, and never paid a single pfennig of compensation. Quite apart from that, Bronfman's abrasive tactics are widely regarded as provoking resentment and anti-Semitism where none previously existed.

More murky depths were plumbed in September 1991 when Markus Wolf, the notorious former head of the East German secret service under Erich Honecker's regime, sought political sanctuary in Austria and gave a good deal of information to the Austrian State Police. A warrant had been issued for his arrest in now united Germany, but since he was charged with political offences he could not be extradited. He later went to Germany voluntarily. It transpired that Wolf had maintained a connection with the SPÖ's "Club 45", where Gerald Bull had concluded the agreement with Apfalter for the manufacture of the GHN 45. More concrete information was obtained on Udo Proksch's links with various East European communist intelligence services. The link with Edgar Bronfman via Honecker thereby also solidified.

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The self-destruction of the Austrian Left in the Waldheim fiasco really meant the end of the internal controversy. By 1990 Waldheim had carried through a dozen state visits in the Middle East and Asia, with more planned elsewhere, but was still being warily regarded in the West. The Soviet Union, on the other hand, never uttered a word of criticism of him, and ascribed the campaign against him to Zionist subversion.

A British report issued in November 1989 exonerated Waldheim of involvement in the execution of British commando soldiers in the Balkans. The international attitude was nevertheless illustrated by Prime Minister Margaret Thatcher, when asked by Lord George Weidenfeld what she had against him. She replied that she knew the accusations against Waldheim were untrue, but that meeting him would provoke bad international publicity. In other words, it was the public relations factor that was inhibiting the international community from condemning the campaign against Waldheim as a gigantic soap bubble with no substance that was blown up for personal and party advantage - and as a frightening example of the abuse of power, especially over the media.

Waldheim's own mishandling of the controversy - which he has freely admitted - undoubtedly tempered enthusiasm for him as an individual, but on the whole Austrians had no strong feelings either for or against their Head of State for the greater part of his period of office. Then his spectacular personal "rescue" of the Austrian hostages in Iraq in August 1990 gave him a substantial personal boost on the domestic political scene. (The international criticism that he "broke ranks" in negotiating personally with Saddam Hussein was not applied to the similarly successful mission by US Senator Jesse Jackson, among others, which illustrates the hypocrisy and double standards that have been the rule all through the Waldheim controversy.) He had lengthy conversations with other heads of state and government at the coronation of Emperor Akihito of Japan.

Since there was clearly no substance in the allegations that were made against Waldheim, his relations with other Western states ought to have been normalised long since, but the damage had been done. Waldheim strongly resented the unfounded campaign that was mounted against him, and it was thought that he might stubbornly stand for re-election simply in order to avoid handing even a partial success to his enemies.

However, he eventually gave way to pressure from the ÖVP leadership, the Federation of Austrian Industrialists, and in particular Thomas Klestil, by then permanent head of the Foreign Ministry. He announced on 21 June 1991 that he would not seek a second term of office. The decision was greeted with praise and relief. It is now generally conceded, as emphasised at the time by Klestil after soundings abroad, that the campaign against him was a blatant and unfounded conspiracy, not least the disgraceful pressure put on friendly countries by US diplomats to prevent state visits to him in Vienna, but this did not alter the foreign policy disadvantages for Austria.

Meantime, the Austrian general election on 7 October 1990 turned out something of a watershed. The long-running series of SPÖ scandals would certainly have resulted in a massacre of the Socialists, had it not been for the strictly personal popularity of Chancellor Franz Vranitzky. Opinion polls predicted drastic losses for both major parties, and a further advance by the third-force Freedom Party (FPÖ). The FPÖ went up from 9 to 16 percent of the poll, and 33 seats. The Greens went up from 8 seats to 10. The conservative ÖVP suffered a dramatic setback as predicted, being reduced from 77 seats to 60. Vranitzky's scandal-ridden SPÖ, however, retained its 80 seats with some 140,000 fewer votes, due to reduced overall participation.

The SPÖ, too, would have been decimated, but for Vranitzky and a last-minute stratagem. In the final few days before the election, the SPÖ conducted a massive campaign to induce the voters to give Vranitzky their preferential votes (Vorzugsstimmen). This is a provision within the party-list system which allows voters to write the names of candidates otherwise hopelessly low on the party lists on the ballot papers, a sufficient number of such preferential votes having the effect of raising the candidate up the list to a position where he or she must be elected to Parliament. Vranitzky, however, was already heading the party lists in all nine federal lands, and could not have been advanced any further by the preferential votes. The SPÖ campaign emphasised that writing Vranitzky's name on the ballot paper was

enough; it was not necessary to put a cross against the Socialist Party of Austria, whose reputation with the voters was near rock bottom. Such preferential votes are, however, credited to the party concerned, even without a cross. The result was that Vranitzky personally received some 560,000 preferential votes, which sufficed to save the SPÖ from disaster. Countless voters have since admitted that they did not know what they were doing when they thought they were voting for Vranitzky and not for the SPÖ.

The open jubilation in the SPÖ ranks at the success of this shameless trick was conspicuous by its absence among the party leadership, where satisfaction at the outcome was tempered by a rather more sober recognition that this is no way to run a political system. Another coalition with the conservatives was formed in December 1990, with the parties having an equal number of ministries and state secretaryships. High up on the list of drastic reforms agreed was a (half-heartedly) reformed electoral system with more emphasis on votes for personalities rather than parties.

Vranitzky's programme for cleaning up the SPÖ was headed by a change of name for the party, which now reverted to its former name of Social Democratic Party of Austria. The reforms would nonetheless have had to go a good deal further than such cosmetic surgery if they were to have any effect on a population and electorate now largely emancipated from fixed political allegiances and with an increasingly cynical attitude towards politics and politicians in general. Vranitzky still had an uphill battle against reaction.

The continuing strength of the old guard within the SPÖ can be seen from the fact that Vranitzky was obliged to dispense with Minister of Justice Egmont Foregger, with no party affiliations, who had decreed the prosecution of so many leading SPÖ figures for corruption. Vranitzky's proposed successor to Foregger, Otto Oberhammer, was known to stand near to the SPÖ. However, Oberhammer, in his turn, had to step down after the ÖVP came into possession of leaked documents revealing that telephone conversations between his wife and Udo Proksch's mistress had been recorded by the State Police on court order. The new Minister of Justice was Nikolaus Michalek, President of the Chamber of Notaries, with no party political affiliations, who continued preparations for the trials of Sinowatz, Blecha, Gratz and others instigated by Foregger.

The Volkspartei continued to slide downwards in the opinion polls. Josef Riegler resigned as party leader, and was replaced by Erhard Busek, Minister for Science and Research. Busek also became Vice Chancellor. The provincial elections in Styria, Upper Austria and Vienna confirmed the trend against the ÖVP at federal level, but also demonstrated that the SPÖ's "Vranitzky factor" was wearing off. The Upper Austrian result showed losses for the SPÖ which were sometimes greater than the ÖVP's in the industrial areas, the party's traditional strongholds. The Vienna result was particularly devastating for the SPÖ, which lost 6.5 percent and for the first time received less than half of the vote, thereby losing overall control. The gainer in all three elections was again the FPÖ under Haider, whose support increased three or four

times over. In the election for the Salzburg City Council in October 1992 the SPÖ vote was virtually halved.

The candidates for the presidential election were finally nominated in November 1991. The SPÖ put forward Rudolf Streicher, Minister for the State Industries and Transport - the most obvious candidate. The ÖVP made the unexpected choice of Thomas Klestil, permanent head of the Foreign Ministry and former Ambassador in Washington. And the FPÖ predictably nominated Heide Schmidt, Second Deputy Speaker of Parliament and a formidable candidate. The Greens belatedly came up with the environmentalist and futurologist Robert Jungk. Streicher, as expected, came out top of the first ballot on 26 April 1992 with 40.7 percent of the vote, but well short of an overall majority. Schmidt received 16.4 percent and Jungk 5.8 percent. What confounded the commentators was that the virtually unknown Klestil ran hard on Streicher's heels with 37.2 percent.

In a remarkable swing, Klestil swept the board in the playoff with Streicher at the second ballot on 24 May. Not only were the mass of FPÖ and Green votes transferred to him - he also took an astonishing 11 percent of Streicher's support from the first ballot.

Streicher increased his vote by 12,800 in the second round, but Klestil increased his by a shattering 770,000 to win with 56.87 percent against Streicher's 43.11 percent. Klestil achieved the unheard-of feat of topping the polls in all nine Austrian federal *Länder*, including the Socialist stronghold of "Red Vienna". His majority was the largest ever achieved by a new candidate since direct election to the presidency was introduced.

The major development in 1993 was the division of the FPÖ and the formation of the breakaway Liberal Forum with Heide Schmidt at its head. The initial evidence, above all the Lower Austrian election, indicated, however, that the split had not hurt the FPÖ so much as the other parties. The FPÖ vote in Lower Austria actually increased while the LF gained its own 5 per cent at the first attempt. The results of these and subsequent elections have shown clearly that the SPÖ-ÖVP establishment no longer dominates the Austrian political situation and that the country's traditional quasi-corporate socio-political system is breaking up.

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It is probable that the most lasting result of the international political campaign against Kurt Waldheim was to put anti-Semitic and neo-Nazi ideas into the minds of countless unstable individuals who had never given them a moment's thought before the artificial controversy was whipped up. Developments on the extreme right-wing scene in Europe and America since then indicate that the instigators of the campaign have a great deal to answer for in this respect.

Waldheim himself was soon accepted in Austria as a highly respected elder statesman who was seen at all diplomatic and high-society events and whose famous lunch parties attracted prominent speakers from international political and diplomatic sources. The guests have included the ambassadors of most of the major countries,

and not least Viktor Klima, Vranitzky's successor as Chancellor of the SPÖ-ÖVP coalition and Chairman of the Social Democratic Party of Austria. This reconciliation with the SPÖ was, however, achieved only after an almost complete turnover of top party personnel. As President of the Austrian United Nations Association, Waldheim, at over 80, was still actively engaged in diplomacy on behalf of the Austrian Foreign Ministry and the UN Secretary General. His relations with the Austrian Jewish Community remained excellent, and apart from a few echoes from time to time the controversy completely died away.

When Kurt Waldheim died at the age of 88, in June 2007, he was given a state funeral of a magnificence rarely seen outside the ranks of royalty. His body lay in state in St. Stephen's Cathedral, where Cardinal Schönborn conducted a requiem mass with music by Schubert. Federal President Heinz Fischer (SPÖ) delivered a eulogy, in which he emphasised the falsity of the allegations that had been made against Waldheim. The cortege proceeded via the Presidential Office on the Ballhausplatz, where the Austrian Government delivered its tribute, and then United Nations HQ Vienna, where the UN Deputy Secretary-General acknowledged the debt of the world organisation. At the presidential mausoleum, Kurt Waldheim was laid to rest with full military honours in the presence of a vast number of diplomats and the leading members of Austrian society. His reputation and achievements remain unshaken.