

Austrian billionaire Stronach launches new right-wing party

Markus Salzmann
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This past summer, Austro-Canadian billionaire Frank Stronach (Magna International) founded a new right-wing party in Austria calling itself “Team Stronach”. Thanks to five defectors from other political organisations, his party has enjoyed the status of a parliamentary faction since the beginning of November. Team Stronach is currently polling at 10 to 12 percent and could play a decisive role in next year’s parliamentary elections.

Stronach has recruited his parliamentarians primarily from the ranks of the right-wing Alliance for the Future of Austria (BZÖ, Bündnis Zukunft Österreich), a split-off from the far-right Austrian Freedom Party (FPÖ, Freiheitlichen Partei). The new parliamentary group consists of Christoph Hagen and Elisabeth Kaufmann-Bruckberger from the BZÖ, independents Stefan Markowitz and Erich Tadler...and Gerhard Köfer of the Social Democratic Party of Austria (SPÖ, Sozialdemokratische Partei Österreichs).

Team Stronach is also represented in some state legislatures, where the defectors are also not just from the traditional right wing. More and more Social Democrats and trade union officials are joining.

Köfer, the Social Democratic parliamentary deputy from Carinthia, and also mayor of Spittal an der Drau, and his deputy and party colleague Hartmut Prasch have defected to Stronach’s party. Former Linz chief of police Walter Widholm was named as head of Team Stronach in Upper Austria. Widholm had been an SPÖ member for decades. His deputies include the chair of the Austrian Pig and Beef farmers’ lobby group, Leo Steinbichler.

The BZÖ has been in a deep crisis for a long time and, according to the latest opinion polls, will fail to gain representation in parliament at the next elections. The party suspects that its defectors to Stronach have

been bought and paid for. State attorneys are currently investigating a lawsuit filed by the BZÖ against the billionaire businessman. Three BZÖ parliamentary deputies have given legal depositions claiming that Stronach and his people had tried to solicit them with large sums of money.

BZÖ party leader Josef Bucher said Stronach “offered him €500,000 for immediate payment”. Another BZÖ parliamentary deputy said that he had been offered a million euros by a Stronach confidante in the event of switching his loyalty. In Austria, bribery involving more than €50,000 euros can earn someone a prison term of up to 10 years.

Given Stronach’s considerable private fortune, the new outfit is better funded than some of the establishment parties. According to press reports, Stronach intends to put €25 million into the party. “Frank has said we want to be the strongest party in Austria, and is ensuring we are financially well provided for”, said the designated group chair of Team Stronach, Robert Lugar.

In addition, Team Stronach will now enjoy state funding. The new group will receive €1.4 million in such funds. This will cost parliament €2 million a year, since the costs for rooms and personnel will also be taken over. Parliament will have to dip into its reserves, parliamentary president Barbara Prammer (SPÖ) said.

Stronach is the founder and head of global auto supplies concern Magna International. The company employs 115,000 people in 26 countries and has an annual turnover of €28 billion. In 2009, Magna tried to take over General Motors’ German subsidiary Opel, with the support of the IG Metall union. Stronach’s personal fortune amounts to around €1.3 billion.

Stronach enjoys the strongest connections to Austrian political parties. He has repeatedly engaged leading

politicians in senior management positions in his company. In 1997, after the end of his 11-year term in office, former SPÖ chancellor Franz Vranitzky joined Magna's board of directors. Before Karl-Heinz Grassler became finance minister in the right-wing Austrian Peoples Party (ÖVP, Österreichische Volkspartei)-FPÖ government in 2000, he was CEO of a Magna Group subsidiary, Sport Management International (SMI).

Peter Westenthaler (BZÖ), since 2000 a member of the government, was also employed by Magna and then joined the board of the Austrian Football League, whose president at the time was Stronach. The former governor of Styria (1996-2005), Waltraud Klasnic (ÖVP), became "advisor for socio-economic issues" at Magna in 2007. This list could be extended and makes very clear the close nexus of business and politics in the Alpine republic.

The growth of the Stronach party must be seen in the appropriate context. The two major parties, the Social Democrats and conservative ÖVP, who have dominated politics in Austria since the end of World War II and currently govern in a grand coalition, are thoroughly discredited.

In the 2008 general election, each party suffered its biggest loss in history. Nevertheless, under Chancellor Werner Faymann (SPÖ), a grand coalition was again established, which passed major budget cuts as the economic crisis hit Austria and its key eastern European markets in 2009. Further losses are predicted for the SPÖ and ÖVP in next year's elections, which could be so substantial that the two parties might not be able to put together a grand coalition majority.

The far-right Freedom Party, which from 2000 to 2006 functioned as a junior partner in the People's Party government, has repeatedly shown itself to be unstable. In 2005, the late FPÖ chair Jörg Haider split off and founded the BZÖ.

Against this background, the Styrian ÖVP politician Herbert Paierl recommended his party "think about an alliance with Frank Stronach" and strive for a "coalition of the finest minds". The influential ÖVP politician Erwin Pröll might also come to terms with this idea. SPÖ officials have also said they are "open" to a discussion with Stronach.

It is clear what role Stronach and his party would play. Given the increasing economic and social tensions, he strenuously represents the interests of the

financial elite, and receives the support of business circles.

A commentary in the economic daily *Wirtschaftsblatt* compared Stronach favourably with former Italian prime minister Silvio Berlusconi. Both dedicated themselves to "practical politics", commented the newspaper, which welcomed Stronach's statement that his politicians would go back into the business world after two years in office.

The shape of Stronach's "practical politics" is already clear. The 30-page founding policy statement of his party calls for radical austerity measures. "Our representatives are pledged to uphold a balanced budget", it states. The programme also favours the introduction of a flat tax, which includes large tax breaks for corporations and foresees a general tax exemption for employers.

In relation to the euro crisis, Stronach opposes further aid being provided to weak countries and for a strengthening of national sovereignty in financial matters.

Student tuition fees are to be retained, and funding in the cultural sector will be radically cut. The health care system is to be further privatised and more "competition" introduced. Under the headings "basic security" and "personal responsibility", pensions will be reduced.

When it comes to foreign policy, Stronach stands with the extreme right. The policy statement says immigration should be "controlled sensibly" and asylum "dealt with more strictly". The transformation of the armed forces into a professional army would facilitate Austria's military involvement abroad.



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