



REPUBLIK ÖSTERREICH  
Parlament

# Stenographic Protocol



## 75th session of the National Council of the Republic of Austria

XXIII. legislative period

Monday 20 October 2008

# Stenographic Protocol

75th session of the National Council of the Republic of Austria

## XXIII. Legislative period Monday 20 October 2008

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### duration of the session

Monday 20 October 2008: 12.01 – 17.29

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### Agenda

Federal law enacting a federal law to strengthen the interbank market (Interbank Market Strengthening Act - IBSG) and a federal law on measures to ensure the stability of the financial market (Financial Market Stability Act - FinStaG) as well as the ÖIAG Act 2000, the Banking Act, the Stock Exchange Act, the Financial Market Authority Act and the Federal Finance Act to be changed in 2008

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## Start of session: 12.01 p.m

**Chairperson:** President [Mag. Barbara Prammer](#) , Second President [Dr. Michael Spindelegger](#) . .

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**President [Mag. Barbara Prammer](#) :** The session is **open**.

The **MPs** [Angela Lueger](#) , [Mag.- Melitta Trunk](#) , [Hedwig Wechner](#) , [Rainer Wimmer](#) , [Dr. Sebastian Eder](#) , [Michaela Sburny](#) , Dr. Glawischnig-Piesczek, [Mag.-Brigid Weinzinger](#) , [Dr. Gerhard Kurzmann](#) and [Lutz Weinzinger](#) .

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I announce that the Finance Committee has ended its meeting.

The agenda for the recently opened session of the National Council has already been sent to the clubs. In accordance with Section 13 (3) of the Rules of Procedure Act, I will interrupt this meeting for an indefinite period of time - namely until the report of the Finance Committee is available. The timing of the resumption of the meeting will be communicated to the clubs. In addition, I will have the session started 15 minutes before the start. I would ask the groups to make some adjustments to the order of speech in the meantime.

The session is **suspended**.

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*(The sitting was suspended at 12.02 and resumed at 12.44 . )*

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**President [Mag. Barbara Prammer](#)** : Ladies and gentlemen! I **resume** the suspended session .  
The Finance Committee's report on Government [Bill 682 of the Supplements](#) is now available.

### **Disregard the 24-hour waiting period**

**President [Mag. Barbara Prammer](#)** : In order to be able to negotiate the report of the finance committee [683 of the enclosures](#) , it is necessary according to § 44 paragraph 2 of the rules of procedure to refrain from the 24-hour period for the publication of the committee report.

I would ask those ladies and gentlemen who agree that the deadline for publication of this report will be waived to give a corresponding sign. – This **was decided** .

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The session will be broadcast live by ORF until 1 p.m. and from 1.15 p.m. until 5 p.m. at the latest .

### **order of speech**

**President [Mag. Barbara Prammer](#)** : In the Presidential Conference, the following consensus was reached regarding the order of speech for this session:

The debate speaking time per parliamentary group is 43 minutes.

The session adjourned between 1:00 p.m. and 1:15 p.m.

A new order of speech was made for the time of the television broadcast: Chancellor and Vice-Chancellor each 13 minutes, one speaker per parliamentary group 14 minutes, two members of the government 8 minutes each, one speaker per parliamentary group 8 minutes, one speaker per parliamentary group 6 minutes and then two rounds per speaker 5 minutes.

The order of speakers in the individual debate rounds is as follows: first round: FPÖ, SPÖ, Greens, ÖVP, BZÖ; second round: Greens, ÖVP, FPÖ, SPÖ, BZÖ; from the third round, the votes are based on faction strength.

Before the start of the last round, the presiding president, after consultation with the club chairmen, divides the remaining time for the last round equally among the five parliamentary groups.

Actual corrections will not be available until after the television broadcast has ended.

We now come to the **vote**.

I would ask those ladies and gentlemen who support this proposal to send a corresponding signal. – This **was decided unanimously**.

We now turn to the agenda.

**Report of the Finance Committee on the government bill ( [682 dB](#) ):** Federal law enacting a federal law to strengthen the interbank market (Interbank Market Strengthening Act - IBSG) and a federal law on measures to ensure the stability of the financial market (Financial Market Stability Act - FinStaG) and the ÖIAG Act 2000, the Banking Act, the Stock Exchange Act, the Financial Market Authority Act and the Federal Finance Act 2008 are amended ( [683 dB](#) )

**President [Mag. Barbara Prammer](#)** : We now come to the report of the finance committee on government [bill 682 of the enclosures](#) .

There was no verbal reporting. So let's get straight into the debate.

The first to speak is Federal Chancellor Dr. Gusenbauer. - You're welcome.

12.47

**Chancellor [Dr. Alfred Gusenbauer](#)** :Madam President! Dear colleagues on the government bench! Ladies and gentlemen! The mortgage crisis in the United States of America was the starting point of a global crisis that is not limited to the financial markets. In recent months we have had to deal with the food price crisis and also with the energy price crisis. May I just point out that a few months ago a barrel of crude oil was still around 145 US dollars and is now around 70 US dollars. These are volatilities that we have never had to deal with to this extent in the past. One must therefore see the dimension of the crisis somewhat more comprehensively than is sometimes done in today's discussions.

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We are dealing with the fact that there has been a very high foreign trade deficit in the USA for several decades, that very high deficits are being made and that this is causing economic inequalities in the world.

We also have the phenomenon that the weights between the resource-producing countries and the resource-consuming countries have obviously become imbalanced.

We are also dealing with a massive climate crisis in the world.

And it also seems to be the case that the power-political relationships in the world today are significantly more disordered than in the past. Just think of the unresolved crises in Iraq, Afghanistan, the Middle East and many other parts of the world. In other words, the crisis is actually global – and the financial market crisis is part of it.

In Austria and in Europe, we were confronted with the fact that many people didn't notice this financial market crisis because they didn't want to believe it. So the last few months have actually been relatively quiet, and it was thought that what started out as a subprime crisis is actually already over in its effects - before it got really dramatic in September and October of this year.

How did this crisis present itself to us in Europe? – There was no more trust among the banks and no more liquidity. What used to be normal business in the financial system has come to a complete standstill. And even well-functioning banks can no longer get the funds they need to make the loans homebuilders need, to make the loans small and medium-sized businesses need to invest in the economy and in new projects be able.

Dramatic signals have already been seen - and in this context it has been shown that if the market only regulates itself, it **does not** work, but rather tends to ruin itself.

Therefore, the question has arisen of how to regulate the financial markets in a better way than has been the case in the past. – But before you could even ask yourself this question, you had to solve

the problem behind it: how can we stop the avalanche that was coming at an unexpectedly high speed in Europe and also in Austria?

In this context it must also be said that sometimes disappointed expectations cause the negative. European crisis management, which is now working well, was a bit bumpy at first. The meeting of the major European industrialized countries, i.e. the G 4, did not lead to any result, with the result that the markets were sent down for another week, so to speak.

In the end, however, the successful crisis management began with the meeting of the representatives of the euro zone, who – for the first time to this extent – assumed their joint responsibility.

I would also like to take this opportunity to say: I do not even want to imagine what this crisis would have been like if we **did not** have the euro in most of Europe. I am just pointing out that then, in addition to the existing difficulties, there would probably have been currency speculation, as we experienced at the beginning of the 1990s - and as is the case today with individual countries that do not belong to the euro zone, experience. I refer to what is happening in Hungary

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takes place. Despite all the economic difficulties that Hungary is experiencing: Of course there is also speculation against the Hungarian forint. In Iceland, the situation is often home made by the banking system, but there has also been speculation against the Icelandic currency.

Fortunately, ladies and gentlemen, the euro zone has been spared precisely this dramatization, since the euro is one of the most stable world currencies today; a safe haven, so to speak, for all economies belonging to the euro zone.

What problem did you have to solve together? – The banks had to be given additional liquidity, and the aim is to strengthen the banks' equity. Therefore, the member states of the euro zone have agreed on a joint action plan, which essentially provides a "toolbox", whereby the individual member states have to define exactly what and to what extent they implement it.

I think that's a good approach to a coordinated approach, which in the first round also meant that this avalanche could be stopped. It is also gratifying that last week's European Council raised the decisions of the Euro Group to the level of the European Union as a whole, as Europe is showing that it is capable of managing the crisis in this situation.

Ladies and gentlemen! In this context, the question is often asked why the Austrian package is comparatively larger than the German package. Usually the formula is used: Germany is about ten times the size of Austria. But: This formula cannot be applied because Austria has a significantly higher share of banks in its gross national product than Germany. Therefore, in order to provide the same security for our banks as Germany does for its banks, we must provide a higher level of liability and also make greater provisions in terms of – possibly – injecting equity.

I believe that with this Austrian package, which is before the House today and will, I hope, be accepted very consensually, we will be able to stop this avalanche. However, we must all be aware that this is only the first step. Yes, an important step, but only the first! In the long term, there will only be trust in the financial system again if we are able to come to a kind of international financial order, a financial order that ensures more transparency, that ensures that there is more efficient control and monitoring, whereby I say consciously: a more efficient form.

It makes no sense to let the pendulum swing in the completely different direction and think that everything has to be regulated down now. That would be the completely wrong approach. – No, it's about giving the markets the rules that are necessary so that the markets don't destroy themselves. I believe that a distinction must also be made here between large institutions which are now active across borders, which are so large that there would be a risk at each individual institution that if



something went wrong there, the entire system would be affected, so that the rules there have to be tighter, and smaller institutes where, if it is proven that they voluntarily take a greater risk,

In other words, the point is to regulate more strictly where there is a danger to the **entire system, while at the same time giving the smaller institutions more freedom, so that we can provide security and continue to do so**

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such as capital or financial market innovation, so that the financial resources can be allocated efficiently.

Ladies and gentlemen! We won't be able to leave it at that. The House will soon be dealing with other issues as well, because many people asked themselves last week: if all European governments are already putting together such massive packages, why are the markets going down, why are stock exchange prices going down further?

The reason for this is very clear: as a result of this financial market crisis, there is of course a very manifest fear of a recession in Europe and around the world. This risk of recession is not imaginary but real. Even in the past, financial market crises have not left the so-called real economy completely unaffected. So you have to take this fear, you have to take this danger seriously.

In this context, I think it is important that we at the European Council agreed that, in addition to all the measures we are taking to stabilize the financial markets, something must now also be done to promote **growth** and **employment**. Clearly, the very best thing would be for us to act in a coordinated manner at European level to curb this financial market crisis, in order to stimulate the economy and ensure growth and employment.

There are, I think, obvious elements that you always need: one thing is that small and medium-sized enterprises need money in order to be able to invest again. In other words, investment allowances and tax incentives certainly make sense. On the other hand, it certainly makes sense to strengthen the purchasing power of employees through tax relief. It certainly also makes sense to implement infrastructure projects for which the procedures have already been completed earlier in order to give a corresponding boost.

That means that once this avalanche has been stopped, it is now a question of ensuring that there is more confidence in the financial system and at the same time ensuring that the economy is stimulated and that we therefore limit the dangers of a recession.

Ladies and gentlemen! With the package that you have in front of you, we are not giving the banks anything, but we are doing one thing: we provide guarantees and, if necessary, we provide equity capital. The banks have to pay for the guarantees or liabilities. If we go into equity, we can assume that at a later point in time, when these shares are privatized again, the state will probably generate a higher return than the cost of equity is now.

This means that the taxpayers' pockets are **not being reached into, but the state is doing what it can, namely providing securities**. I am very happy that we in Austria can take these measures on the basis of a broad consensus, and I believe that it is important to be able to act in this situation.

I would therefore like to thank all the officials at the Ministry of Finance, the Financial Markets Authority, the Federal Reserve, everyone who helped bring this package forward in such a short time, for their work – they really worked day and night – and I would like to thank the Finance Minister in particular for the good cooperation that made this package, which is a good and sensible one, possible in a short space of time. *(Applause from the SPÖ and ÖVP.)*

13.00

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**President [Mag. Barbara Prammer](#)** : Thank you.

As agreed, we will now adjourn and continue it at 1.15 p.m. with the Vice Chancellor's remarks .

The session is **suspended**.

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*(The sitting adjourned at 1 p.m. and resumed at 1.16 p.m. )*

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**President [Mag. Barbara Prammer](#)** : Ladies and gentlemen, I am **resuming** the interrupted session .

The next person to speak was Vice Chancellor Mag. Molterer with a speaking time of 13 minutes. – Please, Mr. Vice-Chancellor.

13.17

**Federal Minister of Finance Vice Chancellor [Mag. Wilhelm Molterer](#)** : Madam President! High house! Ladies and gentlemen! It is actually the case that we have a critical situation in the international financial markets and this crisis in the international financial markets naturally also has its effects, its critical, its negative effects on the economy as a whole, on the growth prospects and thus also on employment.

It goes without saying that in an unusual, critical situation, politicians are obligated to act quickly, consistently and comprehensively – and it is the duty of politicians in such an unusual situation – because we have two major tasks , ladies and gentlemen: On the one hand, this means giving savers the security and banks the necessary stability – that is the first major objective of this package (*applause from the ÖVP*) – Secondly, I believe that we must, of course, continue to exercise political responsibility for the issues of growth, employment and the economy with the same intensity and with the same consistency in a joint effort, as we are doing today.

When, if not now, ladies and gentlemen, is this political responsibility required? – This federal government perceives them. And I would like to thank all the parliamentary groups, the opposition and the governing parties, that we can actually give the right answers here in a joint effort. (*Applause from the ÖVP and members of the SPÖ.*)

What is the perspective, what is the core content of this package? – First: It is our job to be able to react quickly in this crisis. In a crisis, ladies and gentlemen, the European Union and the European institutions have proven themselves in a very special way. During this crisis, the euro area, for example, sent a very clear signal. The common European currency has actually protected us from more serious effects. The European Central Bank is the European institution that can react really quickly. And the European Central Bank, ladies and gentlemen, and the euro are on an equal footing, yes, I would say clearly on an equal footing with other institutions in the world at large.

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This European perspective is also needed in crisis management. We therefore prepared in the Eurogroup and in Ecofin what was then justified in the meeting of the heads of state and government and in the European Council.

At this point I would also like to thank Chancellor Gusenbauer and the Foreign Minister for the excellent cooperation, whom I would like to congratulate on the Austrian, red-white-red success in

the United Nations on behalf of all of us and on behalf of the Republic. *(Applause from the ÖVP and from MPs from the SPÖ and the Greens.)*

Ladies and gentlemen, in this situation we have based this measure on the European foundation. So what does the package include?

Firstly, we can give people security for their savings with deposit insurance. We also went one step further today in the committee: this deposit insurance does not only apply to natural persons, but also applies to small and medium-sized enterprises up to €50,000, including SMEs - the small and medium-sized enterprises, the pillar of our economy – It is essential to have security, ladies and gentlemen. *(Applause from the ÖVP and members of the SPÖ.)*

Secondly, we have created the legal basis for giving the banks the necessary liquidity. I am often asked these days: What do we mean by that? – You can also express this in a graphic way: In order for the economy and the banks to function, the blood circulation must be kept going, so to speak. If this is interrupted, then we have to make sure that this important basis of the economy, the bloodstream, the financial system, works again. Hence this clearing house and hence the possibility that the federal government will also assume liability for this liquidity. To put it bluntly: **not** for free! Taxpayers need to know that banks pay liability fees for this as a matter of course. The liability is not free, but of course it has to be paid for.

Thirdly, ladies and gentlemen, if necessary, equity and capital resources are secured. This means that the Republic can also take over property rights. This is an ultima ratio, and it means that we are also giving the banks the security they need in international competition. If necessary, the state also provides a protective shield so that there are no competitive disadvantages, so that we can give the banks this stability and security.

Ladies and gentlemen, it is clear that this law also gives us a new instrument. With the temporary ban on short selling, for example, we can put a stop to the speculative elements on the stock exchanges so that there is less speculation and real investments are made.

With this law, we have also made a significant addition today: in addition to the more comprehensive deposit insurance, we can now also have a say in certain rules of the game in an ordinance for the finance minister. People have a right to that too. I'm often asked: What about executive salaries in the future? What about the dividend policy? Or: What about the business policy of the banks? Will it also be ensured in the future that the banks actually invest the liquidity that we ensure for them properly, for example in Austrian small and medium-sized enterprises? – We can now make these conditions and thus have the instrument in our hands to help on the one hand, but on the other hand, if necessary, to exert a certain influence – I would say – *(Applause from the ÖVP.)*

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I would like to end this perspective with a comment, because I am often asked these days: is this direct taxpayer money? – We provide liability, ladies and gentlemen, and our goal is to use this protective shield to avoid using direct flows of funds, taxpayers' money directly. We want to give security **now so that the problem doesn't happen then** arises. Here's another picture: It's roughly the same as when a fire truck is bought in a community for the safety of the people, for example. Nobody wants it to burn, but when there is a fire, this protective screen, this protective shield, has to be in place so that we can really help. Nobody wants those liabilities to hit. It is not our goal to inject equity into the banks - but if it is necessary, then we have the instrument.

Ladies and gentlemen! The second major perspective, in addition to crisis management, is: What's next? What do we learn from this? – I think it is a major task for politicians, also at European level, that we are clear that Europe is dealing with this issue, for example with the new valuation guidelines that have already been decided, with the new equity guidelines, with guidelines for management salaries, with a new Europe-wide guideline for deposit insurance for the security of savers, with the

question of an independent European rating agency for loans or with the gradual Europeanization of the supervisory authorities.

I'll tell you very frankly that I, too, have changed my mind on one question over the past few months and weeks: I was originally of the opinion that it would be enough to network the national supervisory authorities as best as possible. That will **also** be necessary, but the fact that at the end of the process we also have European supervision for those banks that operate across Europe is actually a logical consequence. I expect this ability to learn from others as well. Austria will introduce new initiatives or has already done so on the basis of a house initiative. The speculation tax and the introduction of a financial transaction tax are indispensable, ladies and gentlemen, if we are to lay new foundations in Europe and at global level in the long term. *(Applause from the ÖVP and from the members of the SPÖ. – Interjection from the deputy Dr. Pirkhuber.)*

Hence the third major task, ladies and gentlemen: I am convinced that the global financial architecture will be redesigned, and there is now a very good chance that Europe will actually emerge from this critical situation as a trendsetter, as a real community which determines the rules of the game, can occur. This is a great opportunity for our continent, a great opportunity for our homeland, a great opportunity for our economy. Why? - Because this new European self-confidence must mean that it can no longer happen, as in the past, that the USA, for example, determine the Basel II rules of the game, Europe then applies these Basel II rules of the game, but not the USA. Or: that there are rating agencies that are de facto exclusively based on US law.

Ladies and gentlemen, I think it is a fascinating opportunity for us to set the right European perspective out of this crisis. You see, the US is replicating our European system on their own programming. Yesterday, for example, at the summit with Barroso, Sarkozy and President Bush, a world financial summit was agreed for probably November 21-23, ie after the elections in the United States. There, Europe has the fundamental opportunity to base the social market economy on the financial markets worldwide as well; a market economy, which in my view means: firstly, clear rules of the game, secondly, transparency of the markets - they must be transparent for everyone, including the customers -

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and third, supervision. – That is the task of the state, also in terms of the social market economy, that is the European answer.

Fourth, ladies and gentlemen, the European and Austrian response is also needed from an economic perspective.

Yes, it's true, the financial markets are having their critical impact on the real economy, growth forecasts are going down. It is all the more important that we now set the right perspectives in the economic discussion, for example in the question of financing for small and medium-sized enterprises. In Europe, we have achieved that the European Investment Bank makes EUR 30 billion available for SMEs across Europe, and we want to ensure through Austrian measures that we make the best possible use of this European money in Austria - for Austria's jobs and for Austrian SMEs. It is important that we also focus on the internationalization perspective, that Austria also gives the right answer in export.

This stimulus package is based on a solid and stable foundation of public finances. We have to have this solidity now so that we have the strength when we have to act. That is also my responsibility as Minister of Finance.

I would like to thank my staff, I would like to thank the parliamentary groups in the House and I would like to thank our partner in government for acting in this unusual way in an unusual situation. I invite you to keep it that way in the future when it comes to important fundamental issues. *(Applause from the ÖVP and SPÖ.)*

13.29

**President [Mag. Barbara Prammer](#)** : The speakers in the next round have a speaking time of 14 minutes each.

Club chairman Strache was the first to speak. - You're welcome.

13.30

**Member of Parliament [Heinz-Christian Strache](#)** (FPÖ): Dear Madam President! Mr Chancellor! Mr. Vice-Chancellor! Dear government team! Ladies and gentlemen! The banking package to be decided today, which includes €100 billion and is now available here in a bundle, includes €15 billion that the state is making available directly, so to speak, so that banks can also get in with guarantees, €75 billion will be available for interbank trading and 10 billion will be made available to protect savings deposits. – We have now heard that, fortunately, the area of small and medium-sized companies has also been recorded with up to €50,000, as a sort of readjustment.

In concrete terms, this means that the state guarantees loans that the banks give to each other. That is one side of the coin, which we certainly have to consider critically. It's about relieving the burden on banks with guarantees, but it must also be about relieving the burden on citizens and small and medium-sized entrepreneurs. But today, on this important day, we are missing an economic stimulus package that would be necessary in this context.

We need an economic stimulus package quickly, and as the opposition party we have rightly pointed out in the past that we have called for tax relief measures to support this boom in a positive sense even during the boom period. But that has been neglected in recent years. (*Applause from the FPÖ.*)

In any case, it is sad that a crisis is obviously always needed and that one is only prepared to take sensible and correct measures when the hat is on fire.

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€100 billion – that is an enormous sum that hardly anyone can imagine! Such a sum is beyond our imagination; the citizens can therefore hardly imagine anything underneath. The whole thing is quite a big challenge, and we had to recognize that there was a misjudgment at the beginning of this crisis here in Austria, too, on the part of the governor of the National Bank, Dr. Nowotny, who at the beginning of this crisis was still of the opinion that this crisis would **not happenspread** to Austria. As a result, however, Governor Nowotny had to admit that this was spilling over, and he certainly supported what we Liberals from the opposition have been calling for in recent years, namely that a tax relief package is now urgently needed.

I would like to point out that when we called for rapid tax reform and tax cuts amounting to €6 billion, the federal government constantly prayed to us that this money didn't exist. Now €100 billion in guarantees will indeed be made available and please do not pretend that it is entirely risk-free in its entirety. Of course, this €100 billion guarantee also comes with a risk! It's presented today - at least that's what you can hear between the lines - as if we were to provide 300 billion right away, then we would do an even better deal in the future. So that's not quite the case, of course there is also a risk in this area.

We should, please, not just go back to business as usual and praise the European Union with its current measure, so to speak, over the green clover, because of course there was no early warning system here either, there was no early detection. Of course, that was also a failure of this European Union. And as far as the ECB, the European Central Bank, is concerned, one must also critically note that in the future it would be appropriate not simply to surrender to the Fed by maintaining the connection, but also to have to follow a more independent European economic path in the future.

Now the state is assuming €75 billion in guarantees and setting up €15 billion that are earmarked for the state to go directly to banks. It is hoped that, once the danger has been averted, it may be possible to sell these shares even better, while tax relief and measures to stimulate the economy have been rejected for years.

Today I would like to give an example that a construction manager gave me to take with me in the last few days, a construction manager from Burgenland, who came up to me and said: I have worked hard in my life, I have taken out debts for my house that I built and am now in the process of paying off this loan. I've also saved myself €30,000 through hard work throughout my life; that's a lot of money for me. Back then, the banks also advised me to invest in shares and real estate – and today I stand before the ruins of my life: these shares are worth €3,000 today!

This is exactly what we shouldn't forget: countermeasures must now also be taken for the injured citizens, who abound in this area.

At times one has the impression that there is already a certain Pharisaism in this federal government, because both the SPÖ and the ÖVP have been the blockers in recent years when it came to relief for the people and also to economic measures to strengthening of the middle class. And now we must stand by these citizens who are affected, the injured in our country!

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There are two groups that are massively damaged: There is the group of citizens in Austria who have invested in the second and third pillars of pension provision in order to be able to claim a certain amount of security for their future, which is now just before her retirement and which will be fully hit in this area.

And then there is the second group of Austrian citizens who took out loans for their own home, which of course were then often counter-financed through funds, and some of these people are now faced with the ruins of this financing and are confronted with overpayments.

This means that we have a responsibility here that we must also meet quickly here in this House. And I'll say that the way the SPÖ/ÖVP federal government has acted so far has made it difficult to trust them. However, despite all the criticism and all the shortcomings that we see today in this banking package, we will approve this package because it is a step in the right direction – not yet enough, but it is a real start. Of course, a comprehensive bank protection package is necessary, because the financial system makes a significant contribution to the functioning of the entire economy, and we must also do everything we can to ensure that this system remains functioning. This is of course also our political responsibility.

If the banks no longer trust each other today, as has already been described - and that is also part of the crisis - and the state has to step in for liabilities, including for loans between the banks, if banks no longer trust each other today, then it is not surprising that the citizens often do not necessarily have great trust in the banking sector. This means that we must also strengthen trust **overall**, and this is also the purpose of this correct measure: to strengthen trust in the financial market again.

Of course, it should not be forgotten that a comprehensive package of measures from the government to protect the domestic economy is also necessary, an economic stimulus package. There are plenty of proposals from the opposition! I ask that the SPÖ and ÖVP not proceed according to the principle of discussing and deciding things somewhere in the closet and then presenting them, according to the motto: "Friss, Vogel, oder die!" That cannot and must not be the case in this situation give! It is therefore necessary to conduct serious, detailed talks with the opposition about their often correct suggestions and also to incorporate many of the opposition's suggestions.

Due to a lack of transparency in the financial markets, the risks of the financial business have branched out and passed on to customers all over the world; we know that today. In the end, **no one** knew who ultimately bought the risks. For example, the bankers made the risks from the US real estate transactions divisible and tradable, and in the end neither the authorities nor the buyers knew where the risks were "packaged" and to what extent.

The problem is, you can split risks as many times as you want, but they remain as a sum. And that's exactly what hits us today. Whether the greed of certain bankers is the cause of the crisis is a question frequently asked by the population, and here too we should take the mood of the population very seriously. Because one has the impression that a very few have enriched themselves with speculation on the backs of the people and citizens and peoples of this world and that these debts are now being socialized on the backs of the peoples.

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That's the impression you get here. It is not for nothing that one often hears in the vernacular: the stupid bank robber robs a bank - and the clever one founds a bank! – That is definitely something that is often heard in the vernacular. And that should also stimulate us to think, to think.

Neoliberalism, which has once again failed and turned out to be the scourge of humanity, shows that regulation is needed. This is the need of the hour. (*Applause from the FPÖ.*)

We also need security for the people and the citizens for whom we have to make politics, we must not forget them. And it is precisely in this area that we must finally hold those responsible accountable, which is partly part of this package, thanks to [Dr. Peter Fichtenbauer](#), who negotiated and complained about it for the Freedom Party. But that is only a small segment. We need to be much more active here. But I'll get back to that later.

The financial crisis is likely to hit the real economy with a vengeance – at least that's what financial experts say – in ways not thought possible recently. That means we have to fear going in the direction of a recession. We have to take countermeasures with all the means and opportunities we have to do so. The crisis is eating into the foundations of the financial system at frightening speed, and of course endangering the supply of money to the real economy. It endangers small and medium-sized businesses, it endangers our jobs, and we are therefore called upon to find the right answers as quickly as possible with economic stimulus packages.

Just as little as in the event of war or a natural disaster, every euro must be paid attention to in a spreading economic crisis, no question, but the principle applies: Necessity knows no commandment. So we really have to set all the levers in motion now to take countermeasures. That is why even convinced supporters of the market economy rarely have anything against state intervention in exceptional situations, because if the market no longer exists, it can no longer solve any problems. In such cases, the states are required, as we are now seeing.

However, the federal government's package contains a number of questions, and they are important to me. In the case of a possible nationalization, many questions need to be clarified: Who decides which banks should be rescued? Will it then be divided between red and black as usual and will the proportional system be continued? That can not be. And who will ensure that government measures do not completely distort competition in the banking sector? And what about the exorbitantly high executive salaries in the banks?

And that is particularly important for me at the end: I finally want our bank managers to have an oath of disclosure (*applause from the FPÖ*), an oath of disclosure by our bank managers who bear responsibility and have to assume liability and ultimately also have to **be liable!** And there is also a criminal law relevance. It can't be that there are bank managers here who go home with an annual salary of €7 million, mind you without bonuses - with the bonuses it's over €12 million - almost 25 times what our Federal President earns, collect as a fee and then not be held responsible in such cases of speculation!

I want to have secured the oath of disclosure and, above all, to finally have these bank managers held accountable.

In addition to the financial package that has been put together for the banks, we need immediate economic stimulus measures. Basel II was addressed. Yes, please, one part of Basel II in particular needs to be reconsidered when you know that small and medium-sized entrepreneurs have hardly been able to get any loans in Austria in recent years. We have to

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take measures and take countermeasures for our small and medium-sized companies, plumbers and other commercial enterprises, which often have a low equity base and have been denied access to the capital markets for years. There is a lot to do.

I'm coming to the end. Here's what ex-Treasury Secretary Grasser said, and I quote him: Any bank that takes bailouts should have management go!

I think there is little to add to that. We in this House should finally take our responsibility in this area seriously. *(Applause from the FPÖ and Deputy Broukal.)*

13.45

**President [Mag. Barbara Prammer](#)** : Next comes Mr. Club Chairman Dr. Cap to speak. Also 14 minutes. - You're welcome.

13.45

**MP [Dr. Josef Cap](#)** (SPÖ): On behalf of my group, I would like to start by saying that we are very pleased that there is a broad majority for this package. I would also like to emphasize that today the Federal Government, together with Parliament, is sending out a signal that will create trust and that certainly proves that the response was very swift.

But nevertheless, when I, like many others in this house, studied the reports and read the comments, one comment in particular caught my eye, namely that of Herbert Lackner in the "profil, who wrote that Mr. Ackermann, the chairman of the board of Deutsche Bank, which for many years eloquently opposed state regulation of the financial sector, is now suddenly impatiently demanding state aid. – This Josef Ackermann, head of Deutsche Bank, has an annual salary of €16 million. This will probably not change when the whole crisis is over.

Herbert Lackner continues: "Because the risk that these gentlemen like to talk about - the risk only applies to the others."

And there we are at the point. Because there are very many, hundreds of thousands, even millions of investors who have been informed, also by means of a policy, that a new era is beginning, a new era is beginning, namely: You can now become a co-owner of the shares and then you can have a say and have a say. You can then go to various Meinel European meetings so that you know what co-determination really is – but I only mention that in passing because Karl-Heinz Grasser died here. But he was one of those ideologues who repeatedly propagated that the state should be pushed back and pointed out that a new era was beginning.

Yes, a new epoch is beginning - but exactly in the opposite direction when you see what happened here and emanated from America. There, I think, only a small group is active in the financial market supervision and they relied on, as is so common in Anglo-Saxon countries, that there are self-regulatory forces of the market and that the market itself has something healing, something regulating, something positive is. Yes, today it almost looks as if the state sometimes has to protect the market from itself. He has a really important role and function to play here.

What is so depressing is that many investors have invested their savings here in good faith. They trusted that the famous third pension pillar had a perspective and no longer looked so closely at the first pillar. At that time, the protagonists of this system from city to

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Traveled around town and country and preached, now the age is beginning in which pensions can also be saved by propagating "more private and less state" in this area.

State Secretary Kukacka, I don't know your pension, but I only know one thing, that was a mistake, because the fact is that many paid into the pension fund on the stock exchange and suddenly had to watch their pensions float down the stock exchange stream. And that's something that also needs to be mentioned when discussing these things today, because that was the background back then.



In this context one must also say what the original task of the financial markets was. The financial markets were at best a makeshift for the real economy, a support for the real economy. The crucial thing is the productive capital and not the speculative capital.

Let's remember how this famous epoch of the neoliberals started, the "braces movies", how everyone sat there with braces in front of their monitors and greedily chased a quick buck. It was portrayed as if they were the clever ones - and the one who goes about his normal work, winds down his 40 hours a week, that's actually the stupid one. The clever one is the one who sits down in front of the computer with his suspenders and quickly gets rich there. - Not correct! That too is wrong. That, too, collapsed, with all these chief ideologues who wanted to tell us all this and would have preferred that the Thatcher spirit spread across Europe. It really didn't have any generators, it even went deep into public services.

The result was that there were big problems in the area of infrastructure and in the end the railway stopped working. For example, the operation of the telephone booths was also privatized, which meant that the telephone booths no longer worked - which is perhaps not so serious in the mobile phone age, but at least it was proof at the time that private was not necessarily has to work better and private is not necessarily always the solution to all these problems.

The famous sentence that has often been said, also in discussions here in the House: A state has never been a good entrepreneur! – Well, but I also know private entrepreneurs who have gone bankrupt! (*Deputy Dr. **Stummvoll**: Gusenbauer said that! Good sentence from Gusenbauer!*) I also know private entrepreneurs from private banks who then go to the state and say: Dear state, please help me, because something went wrong on the stock exchange ; I am no longer solvent!, and so on.

We should really take a critical look at what was going on in the background, also due to the fact that when banks get into difficulties, that is of course a very sensitive and dangerous matter.

I therefore welcome what we are going to decide here, also as a signal to the banks; that is actually a very important aspect in this whole economic "blood cycle". And if there are problems in this "bloodstream", then of course you have to help and give support, because the fact is that when the economy collapses, in the end nobody really benefits: the consumers don't benefit, it poses a threat to jobs, depresses the economy - in any case, it has consequences that nobody wants to have. We know historical examples that these consequences ultimately not only led to an economic crisis, but also had repercussions for politics, repercussions for democracy.

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What people really want to know is: To know for sure that if there have been malversations in various banks or on the financial markets, they will be prosecuted with **all severity** by the courts and the judiciary. There can be no winking, this must be pursued with all severity! And I think that will be the case.

It should also be the case – this debate has been going on for a long time – that one looks at the relationship between manager salaries and what their responsibility is and ultimately also their responsibility when something goes wrong. These are things which, I believe, are also a very important aspect in this connection, at least an aspect that needs to be taken into account.

In the past it was always the case when states wanted to get together and implement regulatory measures, when they wanted to make supervisory measures more effective - we will do that now in Austria - that this "famous" argument always came up: capital flight!, after the motto: If you touch us, we will leave this stock exchange, this business location and so on!

But now, in my opinion, there is a real opportunity for the international community, for the individual states - not just an opportunity, but actually a **necessity**, because: the most important thing in the economy, the most important thing for investors, the most important thing for them Investing is not just that there is credit, not just that you incentivize investment, but that there is **confidence** . Trust is also very important!

What we are deciding here today also has the background that trust is to be created, and that is why it is so important that these signals are given - and that this is also used to take steps that lead to this lead to trust and are no longer impressed by this "capital flight argument" with which one has always tried to prevent the necessary steps from being taken.

One more thought on Europe and the European Union, since the previous speaker also addressed this: I think that this banking and economic crisis should have convinced those who previously had doubts about the usefulness of the European Union about this important institution . (*Interjections to the ÖVP.*) – I am now talking about the comments that are still critical and not about the superior smile that you are now putting on, Mr Stummvoll!

I'm talking about the European Union now taking measures, I'm talking about the fact that we now know that we must of course also create something institutionally here - I'm just mentioning, for example, the "rapid reaction force" and so on. That didn't exist before; there was no early warning system. – You surely also want to hear a bit of something critical from me. (*Call to the ÖVP: write a letter to the editor!*)

The fact that the euro zone exists, that there is this strong currency – which of course would have been even worse if it hadn't existed – is a positive and I think it deserves special mention. However, this also shows that the European Union has finally come together to take these steps, which I assume will improve these supervisory structures and supervisory obligations, as will certainly also be the case in individual national countries.

It's just a pity that all this has happened now, because things have improved economically in Europe too, and jobs have been created! It's a shame that this is having a dampening effect now! That is why it is right that economic programs are being considered at national and European level. This is supposed to counteract everything that is happening at the moment: reluctance to invest, short-time work at car factories, reluctance to consume and so on.

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Now it is important that in addition to these measures - that one secures, assumes liability frameworks, if necessary intervenes in banks and companies and thus also gives the taxpayer the feeling that not only money is being made available, but that attention is also paid to what is done with it happens - but on the other hand steps are also taken with regard to consumption in order to boost it. These can be tax incentives to encourage more investment, these can be tax reduction programs and so on. In any case, I think these are aspects that are very important: taking steps to stimulate the ailing economy.

The challenges in this context are no small ones when we think of the global risk of recession, of this financial crisis, of the need to take economic steps. Let's also think about climate change and the associated obligations and requirements, let's think about global inequality, about the increasing imbalances between economies, all things against which the necessary steps must be taken.

The most important thing - besides the economic stimulus programs on the one hand - will be the programs to make European and global control instruments more effective; but above all, that one understands that the financial markets are not a casino. There were some opportunities for speculation, which is otherwise only conceivable in casinos. That represents a downright perversion of the basic idea! And this perversion must be opposed with all vehemence in the international community, because I think it is really harmful.

To conclude, I would like to touch on a few other aspects, because the 1970s were talked about a bit disparagingly here in this House, even before. The times when good old Keynes also played an important role in economic policy, also in budgetary policy, and also in governments, were not such bad times after all. There was also their own school of "Austro-Keynesianism". And I think many of you now see Bruno Kreisky in a completely different light than you did years ago in your neo-liberal

euphoria (*towards the ÖVP*) . I'm not saying this out of nostalgia, I'm just putting it out there. (*Applause from the SPÖ .*)

It will therefore be our task to use state resources to keep the market economy functioning, to oppose cartels and monopolies and to implement an active economic policy. It will be our task to stand up for a fairer distribution of goods in society and the economy, as well as for equal social opportunities. Those will be the most important things; as well as the expansion of public pension, care and health financing systems. We need to focus again on the first pillar of pensions, which is the one we have the greatest confidence in.

This is the new age that is beginning here - and this can only be characterized by the fact that health, the social sector, pensions, education, security and so on are things where the free forces of the market have lost nothing. This is a very important aspect that we note in this context. (*Applause from the SPÖ .*)

So finally: I'm looking forward to the following discussions! (*Applause from the SPÖ.*)

13.59

**President [Mag. Barbara Prammer](#)** : Next comes Mr. Club Chairman Dr. Van der Bellen to speak. Also 14 minutes speaking time. - You're welcome.

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13.59

**MP [Dr. Alexander Van der Bellen](#)** (Greens): Madam President! Ladies and gentlemen! Josef Cap obviously also reads the "Financial Times", because two days ago the article "A prophet reborn" - meaning John Maynard Keynes, the great theorist of economics - was read there, which, as also described in this article ultimately had nothing else in mind than to save capitalism. In German, one would say: the market economy – or, if you like: the social market economy. (*Deputy Dr. **Schüssel**: That's something different! That's a difference!*)

Ladies and gentlemen from the ÖVP (*interjection by the deputy Mag. **Kukacka***), what you mean by Keynesianism I would call "vulgar Keynesianism". This has nothing to do with what Keynes actually said. (*Applause from the Greens and from Dr. **Fichtenbauer**.*)

In terms of content, we have three major packages to vote on today: the reform of deposit insurance, guarantees and liability for credit institutions and insurance companies and, last but not least, the possibility of state holdings right through to expropriation if there is imminent danger in the credit sector. A 100 billion package in total!

€100 billion – in purely mathematical terms, roughly a third of Austria's gross domestic product. That's a gigantic number! And of course each of us understands it when we meet people on the street who say: There you go, 100 billion for the banks, and if I go bankrupt, who will help me? No one! - Of course that's true! It is not at all easy to convey that this is only superficially about a bank rescue program, but about a rescue program for the economy as a whole, for us consumers as a whole, ultimately for us taxpayers as a whole. Because if we had done nothing in this connection, if we had done nothing, catastrophic effects would certainly have occurred, similar to those of the Great Depression of 1929 and the years that followed.

On the other hand, it cannot be overlooked that although one problem is solved, another or several other problems arise. One thing is definitely the old and unsolved question of moral hazard, of moral hazard, in the behavior of credit institutions in particular, because if they have the guarantee that they cannot go under, then of course they take risks that they would not otherwise take would have taken. In any other sector of the economy one would not accept that, only with banks and insurance companies we have not come up with anything else so far.

Of course, there is a virulent, acute danger that profits were privatized here in the past and possible losses are socialized today. Individual bankers – the name of Josef Ackermann has already been

mentioned today – are now really adding fuel to the fire. The comment that he generously donates the bonus to which he is contractually entitled for 2008 for the employees of his company, namely Deutsche Bank, is, in my opinion, not only tasteless, but also a provocation. (*Applause from the Greens and SPÖ.*)

That is a provocation, because to this day we are still waiting in vain for a comprehensive answer from the bankers, the members of the board of directors, the members of the supervisory board in view of the obvious failure of what I would call incentive design, i.e. the correct structuring of managerial contracts so that they take risks enter into that are justifiable, but not those that are not justifiable.

The current crisis has different causes, or at least partially different causes, than the world economic crisis of the time, but it could be of a similar dimension. The consequences that have occurred so far are almost identical, namely, firstly, the **drastic**

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**automatic** loss of assets – tags: market capitalization, value of stocks worldwide fell by about half in 2008; in individual cases, if someone has bad luck with their investments, of course considerably more - and secondly, the crisis of confidence on the financial markets with the effects on the credit markets.

The measures that we are deciding today concern the second part, the crisis of confidence and what the Americans or the English call 'freezing up of capital', 'freezing up of credit', but of course not the first part, because how should one do it get the stock markets going again?

It is perhaps worth taking a quick look at one factor – of course it was not the only one that set this crisis in motion – namely the so-called subprime crisis in the USA. The American government is not to blame for this development. The US government, for example, has confused mortgage lending policy with social policy. For a while, the American government practically forced the relevant banks and savings banks to be very generous with mortgage loans for house construction, according to the motto: Every American his own house or cottage. - Understandable, only: On the credit market one does not practice social policy!

The effect of this is that millions of Americans now live in homes where the mortgage is more important than the home's value. It will take years to clear that up. As far as we can see, that would be "only" – "only" in quotation marks – a problem for the Americans. But the real problem arose from something that the economists consider to be correct in principle - I also have a hard time understanding what happened here - namely the securitization or securitization of these "subprime loans". In other words, new constructs were formed, sold, others bought these constructs, according to the motto: These are real securities, there are real estate assets behind them, they earn good interest, why shouldn't I buy them?

The underlying idea of risk diversification is absolutely correct, but in the end it meant that risks were not so much diversified, but hidden, so that today no one knows what such investments are worth to whom.

This is an amazing phenomenon, for which I think the banking industry still owes an answer, because only if we understand it correctly can we properly reregulate the financial markets in the future, as we all want it.

For the time being, the consequences are irreparable; irreparable in the sense that the American economy has to go down - due to the destruction of assets on the one hand, because consumer demand, especially in the USA, is very dependent on the corresponding debt, which in turn has to be reduced due to falling stock portfolios and so on, not to mention real estate. So that will lead to a drop in consumer demand in the US, of course, to a drop in US import demand, and this will spill over into real markets in Europe. This is inevitable.

Now I haven't said a word about all the other things that I don't think all of us in this House either understand or understand sufficiently: credit default swaps, other swaps, options, which is options on all kinds of derivatives, and so on . This has now become a secret science that apparently backfired, so to speak, to the detriment of the bankers.

Here, too, I think that the financial market regulators in all countries, in the USA and in Europe, have always lagged behind these developments. This is a real problem. The products have been developed faster than they understood, let alone

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unless they have been supervised. If we don't solve this in the future, we will have similar developments again in five or ten years.

Regarding the European Union: After the first steps, which were absolutely not impressive and were again similar to the global economic crisis, it was then possible to take joint actions that are impressive. By the first steps I mean, for example, the Irish, the Danes and then the Germans, who set deposit insurance at unlimited amounts. Of course, this has turned states like Austria into losers. It's not possible to defend yourself against something like that, you have to, we have to follow suit.

That's exactly the same as it was done during the global economic crisis, "beggar thy neighbor" was the motto back then, meaning: only look at yourself and not at the consequences it has for others!

That was the first phase; but in the second phase, at the latest with the European Council, the foreign ministers and so on, it was possible to take concerted measures, which we are showing here today for Austria - with different nuances; in the UK, in England it's not the same as in Germany, it's not the same as in Austria, but essentially very similar.

In the committee, in the main committee, I think we agreed that this development is not only extremely interesting and not only shows that at least the top representatives of the European Union are aware of the problems, but that they also entail a reform of the Treaties will have to.

Finance Minister Molterer rightly pointed out that we need European financial market supervision; and that's not going to be the end of it. We have a strong interdependence of the financial markets, the credit markets, the capital markets in Europe - but national supervisory authorities: That cannot go well.

It is completely unresolved what happens if, say – I don't want to imply anything – an Italian mother has a problem, but the Austrian daughter is absolutely solvent and healthy, or vice versa, and so on.

In other words, Mr Cap, we need an amendment to the treaties that will definitely affect Austrian interests. And earlier you avoided the question of how the SPÖ stands on a change in the treaties in this context, whether they are capricious about a national referendum on this highly complex issue. But I note that the SPÖ does not want to comment on this.

Today's package is, by and large, acceptable, I think. In any case, we will agree to the package at third reading. However, one essential point is missing, which could also be solved as part of an economic stimulus package, and that is above all the question of deposits, the question of the so-called repayment vehicles for foreign currency loans and, more generally, the question of loans that are secured by deposits that are now only are worth half of what they were worth just a short time ago.

Therefore I submit the following request:

### **motion for a resolution**

the deputies Rossmann, Kogler, colleagues regarding protection letter for private (foreign) currency borrowers and SME/EPU security package to bridge the consequences of the financial crisis

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The National Council wants to decide:

"The federal government is being asked to only assume liability or a guarantee for banks as part of the bank rescue package if, in line with the British model, it is ensured that the banks benefiting from it will be able to survive for the next three years

comply with a moratorium on loan prepayments and on requiring additional collateral for loans from SMEs and individuals to finance the purchase of their own apartment or house and

Provide (non-foreign currency) loans on fair terms to SMEs and private individuals to procure housing for their own use."

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The rationale behind this very long sentence – I apologize for that – is that while we take just the private individuals, we don't want to relieve them of the risk they have taken by arranging their mortgage loan in a foreign currency, with low interest, but additional risks, but on the other hand do not want tens of thousands of such loans to be called due now because the repayment vehicle has by far not reached the extent assumed when the loan was granted. A - how shall I put it? – Contributory negligence on the part of the banks and credit institutions in this context cannot be ruled out a priori.

In conclusion: I do not believe that the Great Depression of 1929 will be repeated. In our experience, central banks are generally run by people who are, shall we say, experts. And above all, we have an institution in the European Union that prevents or at least can prevent what happened back then, namely that the individual nation states only look at themselves, neglect the consequences that has for the others, and as a result only bring about the great international crisis. - Thank you. *(Applause from the Greens.)*

14.14

**President Mag. Barbara Prammer** : The motion for a resolution that has just been tabled has received sufficient support and is therefore also being negotiated.

*The application has the following overall wording:*

### ***motion for a resolution***

*the deputies Rossmann, Kogler, colleagues regarding protection letter for private (foreign) currency borrowers and SME/EPU security package to bridge the consequences of the financial crisis*

*introduced in the course of the debate on federal law, with which a federal law to promote the interbank market (Interbank Market Strengthening Act - IBSG) and a federal law on measures to ensure the stability of the financial market (Financial Market Stability Act - FinStaG) and the ÖIAG Act 2000, the Banking Act, the Stock Exchange Act, the Financial Market Authority Act and the Federal Finance Act 2008 are to be amended*

*With the Interbank Market Strengthening Act and the Financial Market Stability Act, a 100 billion protective shield is put up for Austrian banks and insurance companies.*

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*builds. In the event that liquidity assistance and recapitalization are used, the funds required for this must primarily be provided by the taxpayers. So while a broad protective umbrella is being set up at the expense of the taxpayers to save the banks, there are no security measures whatsoever for the many little people who are themselves affected by the financial crisis. In return, we therefore demand from the banks a letter of protection for (foreign currency) borrowers and a security package for micro, small and medium-sized enterprises. Due to the financial crisis, many foreign currency borrowers are now faced with the situation that either additional loans are required or the outstanding loans are even called in.*

*The banks must therefore - if they want to come under the billions of dollars of protection - make their contribution to bridging the crisis in the form of a consumer and SME-friendly credit policy and management based on the British bank rescue model. Despite the global financial crisis, the supply of credit to those looking for accommodation, homeowners and SMEs at fair prices must be maintained. Foreclosures of homes and bankruptcies at private and corporate level must be avoided as far as possible, not least to maintain jobs.*

*Banks must therefore observe a 3-year moratorium on prepaying loans and demanding additional collateral for loans from micro, small and medium-sized enterprises to secure jobs and to finance housing for their own needs.*

*In addition, it must be ensured that loans are made available to micro, small and medium-sized enterprises for investments to secure and create jobs and to private individuals to procure housing for their own needs on fair terms for the next three years.*

*The undersigned deputies therefore make the following*

#### *motion for a resolution*

*The National Council wants to decide:*

*"The federal government is being asked to only assume liability or a guarantee for banks as part of the bank rescue package if, in line with the British model, it is ensured that the banks benefiting from it will be able to survive for the next three years*

*comply with a moratorium on loan prepayments and on requiring additional collateral for loans from SMEs and individuals to finance the purchase of their own apartment or house and*

*Provide (non-foreign currency) loans on fair terms to SMEs and private individuals to procure housing for their own use."*

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**President [Mag. Barbara Prammer](#)** : Herr Klubobmann Dr. Bowl is the next to speak, also with a 14-minute speaking time. - You're welcome.

14.14

**MP [Dr. Wolfgang Bowl](#)** (ÖVP): High House! I'll echo Professor Van der Bellen: Yes, it's true that at the beginning of this crisis, national

Special routes and also bidding were noted. You could also see that this had a chain effect – it wasn't just the Irish. First of all, the USA has started to go its own way. The Icelanders guaranteed everything but shut out the British customers. As a result, the British froze all Icelandic assets using terror legislation – literally, please: terror legislation. Actually crazy that such a national upsurge should have taken place in the 21st century.

Thank God, in the end, as you said, there was an impressive show of strength from Europe. Even the "NZZ" pointed this out and said it with admiration. Incidentally, the Swiss have meanwhile also followed this path.

This crisis has actually burst all quantitative ideas. At the moment, around €2 000 billion is guaranteed at European level alone or made available through direct capital injections. If you add in the US, Russia and Asia, that will probably add up to over €3 trillion in the end.

In Austria - so that the risk can also be mentioned here - it is not just a bogus guarantee that is given, but a real guarantee, which of course also includes risks. Like HC Strache, I therefore think it is right to talk about these risks.

For example, we guarantee all savings until the end of the next year. This means that we are guaranteeing €185 billion and another €90 billion through other guarantees and direct capital injections. In total, this corresponds to a complete Austrian national product.

The Germans will do the same. The Irish even guarantee four times and the Icelanders twelve times.

Ladies and gentlemen, you can see that this cannot go on indefinitely; I agree with Professor Van der Bellen on this. That can't happen without conditions either, that has to be clear. If the state steps in here, it must be handled wisely and with a sense of proportion.

TV viewers and, of course, many other citizens will ask themselves who is going to pay for this. – In democracies it is always the taxpayer who is ultimately responsible. And if we were to ask him whether he is willing

to take on such an enormous burden: I'm not sure how the sovereign, the taxpayer, would turn out in a referendum or poll. This is also the reason why, in this dramatic situation, governments around the world are operating with emergency regulations and with fast-track procedures in parliament. (*Deputy Strache: In Switzerland one would vote for it!*)

This is also the case in Switzerland. There, a provision in the constitution was used that applies in exceptional emergencies. That's how it is in the USA, in Germany, in Austria.

Incidentally, the EU rules of the game in terms of voting are far too cumbersome – incidentally, this is also a topic that still needs to be considered within the European treaties.

The "old" National Council and the "old" government are deliberating here today in the usual composition. At this point I would like to thank Wilhelm Molterer and Alfred Gusenbauer for the excellent cooperation. (*Deputy Strache: That's why there were new elections! That's absurd! - Deputy Öllinger: That's really*

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*surd!*) I would also like to thank the opposition and the governing parties for really taking on the responsibility of helping and providing guarantees in this fast-track process; that is vital in this situation. (*Applause from the ÖVP.*)

However, we must prevent – and I would also like to discuss this point very openly here – that the baby is not thrown out with the bathwater. That is absolutely necessary after Josef Cap's speech, because in reality the protectionists and statistes of all countries have been rubbing their hands for a long time.

I'll say this very frankly: Globalization and international world trade have lifted hundreds of millions of people out of the direst . And I also say – this is my concern in the current situation – that the emerging countries will be the first to pay the hardest price for it.

You can already see it: the most important titles in China, India and Brazil have lost half their value, and in Russia even 60 percent. In the coming year, the fresh capital flowing into these emerging



countries will be significantly reduced, from 900 billion to less than 600 billion.

Therefore: Free world trade, bound by rules, makes sense. He was the driving force behind a development that, looking back, certainly makes the last decade look like a golden decade. Let's not throw away these achievements. Let's not throw the baby out with the bath water here, ladies and gentlemen! (*Applause from the ÖVP.*)

The same applies to the financial sector. I mean, it's very nice that we can get worked up about Mr. Ackermann from Deutsche Bank, but I'll also say one thing clearly: As far as I know, it's not an Austrian system bank, not a major Austrian bank in a similar situation to the Scottish banks, like Fannie and Freddie and many other banks - thank God not! I also hope that the risks are manageable. Therefore: Let's not throw the baby out with the bath water here either, and don't let's not accuse everyone who works in the financial sector of one and the same crime! That is not justified. (*Applause from the ÖVP.*)

Yes, the financial sector needs to be reorganized – there is no question about that – above all in order not to make the mistakes of the 1930s, namely isolation and protectionism. I am also very openly issuing a clear warning to all those who, like Josef Cap, are actually already completely questioning the social market economy. Incidentally, I heard that the communist Berlin publisher Karl Dietz has already noticed a tripling of the demand for Karl Marx's "Das Kapital". (*Laughter from the ÖVP and from Deputy Strache.*)

Except, friends, that can't be the case if you announce the nationalization of the entire health system with one hand, so to speak in passing - the private doctors and private sanatoriums will thank you very much -, the total nationalization of the entire education system, if you announce the entire question the second and third pillars. You may not know it, but the reality is that stocks doubled between 2000 and 2008 if you take the long view; that is an increase of 8 percent per year. Don't question that and don't throw the whole baby out with the bathwater, dear Josef Cap! That was "retro" what you offered here. (*Applause from the ÖVP and members of the BZÖ.*)

Just to remind you: as Professor Van der Bellen mentioned, this whole crisis was triggered by the US mortgage crisis. Now all you have to do is:

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know: The American mortgage market is the most strictly regulated market in America, and Fannie and Freddie, these two mortgage companies, are semi-public banks which, at the request of the Clinton administration - not the "evil" Bush administration - the intrinsically well-intentioned goal had had to provide the poorer sections of the population in particular with cheap access to their own homes on the most favorable terms possible. That was the idea, and Congress supported it with many programs.

That's actually completely wrong - because you can't mortgage a property at twice its value, at two hundred percent. The "New York Times" already issued a massive warning about this development in 1999; due to time constraints I won't read it out, you can read about it in the "Presse" by Christian Ortner. It was said there at the time that the government will probably have to rescue these two banks one day.

market failure? – There was a huge portion of state failure and political failure! Added to this was the American Fed's policy of cheap money, in contrast to the ECB, by the way, which behaved much more cautiously here. There are some Austrian protagonists who have criticized the ECB for not following Alan Greenspan's path – cheap money, unlimited liquidity. (*Deputy Strache: The Fed is private! – Deputy Dr. Graf: The Fed is private!*)

What was the result? – The bankers naturally believed that unlimited liquidity was available everywhere and at all times. Therefore, risks were taken in large numbers, and even the most

serious played along in this area. In addition, there have been modern products – as you pointed out – these famous derivatives in hundreds of formulations. Of course, they were always three steps ahead of the regulators and thus far ahead.

Ladies and gentlemen, what we therefore need is not "more government" but **"better government"**! We need rules, but we need accurate rules that are really capable of addressing the problem intelligently and with a sense of proportion. If this package is handled wisely - and I am very convinced of that after what the two government representatives have said - then the taxpayer can get away with not being a risk guarantor, perhaps even with a small profit; it is not guaranteed, we need to know that today and also tell the people in Austria. If, for example, Europe stands on its hind legs, then perhaps we can really come up with global rules that also apply to tax havens or offshore centers. If the financial sector is better positioned, we will be better prepared for crises in the future.

As I said, the social market economy is different from the American model or the statist model. I value that very much! (*Applause from the ÖVP.*)

We will not feel responsible for the mistakes of American capitalism. But we should stick to our model, because authoritarian China is already boasting that it has the better model and that it actually found this balance between a strong state and the market to work very well.

Ladies and gentlemen, that can't be our model! Because we are different from our neighbors, we know exactly what it is like to have a social market economy. All of our neighbors experienced exactly that in the planned economy: the same starting position – and after four decades their economic output was less than half that of Austria! This means that the social market economy only works if there is a transparent, functioning market with the right framework

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there. That doesn't mean: no rules, but that means: correct rules, accurate rules and, above all, control by the public, by public opinion, which I hope will also take place here.

On the subject of **Europe**: I share the opinion of both Alfred Gusenbauer and Wilhelm Molterer that this crisis has shown very precisely that every country – and the small and medium-sized ones much more so of course – can be overwhelmed by such a crisis. It's no coincidence that the prime ministers of Denmark or Sweden - I'm not even talking about Iceland - are thinking aloud about whether it wouldn't be advantageous in the current situation to consider being part of the euro zone after all .

It is clear that we are in a good position when we have the ECB, when the ECB acts for us, when the European Union and the Commission have a seat and voice in the international financial institutions and also speak for Europe, so to speak. Wouldn't it be great to have the Lisbon Treaty now – also knowing that President Sarkozy is actually leading the presidency excellently? Wouldn't it be smart to have someone who could be a strong voice for Europe for a certain period of time - two and a half years, up to five years? Wouldn't that be much more useful than, for example, having a world financial summit now, which takes place exactly at the interface between two presidencies, with the next one coming in a few months, in two months, which in turn has to get used to it again?

I believe that in the current situation in particular we should recognize that this European Union is actually an absolute advantage for us. We shouldn't weaken them. We also know – and here again I agree completely with Van der Bellen – that there will have to be changes, treaty changes, whether in the direction of European financial supervision, be it in the direction of a unified voice in foreign policy, perhaps also in the Fiscal and economic policy – why not! This requires treaty changes, changes in primary law. To submit each and every one of these questions to a national referendum: friends, then it won't happen! You have to know that.

Therefore: Yes to this package! We agree with some trepidation because we know the risk that is being taken today. But there is no alternative to this. Thanks to everyone who contributed to this - I

hope it turns out well! (*Applause from the ÖVP.*)

14.27

**President [Mag. Barbara Prammer](#)** : Now Mr. Ing. Westenthaler, chairman of the club, has his say. Speaking time: also 14 minutes. - You're welcome.

14.28

**Deputy [Ing. Peter Westenthaler](#)** (BZÖ): Madam President! Mr Chancellor! Dear members of the Federal Government! Ladies and gentlemen! Our federal chairman, ***Dr. In his 15 years of service here in the House, Jörg Haider*** has often spoken from this lectern, as club chairman, as a simple member of parliament. He was a passionate, enthusiastic parliamentarian, and he not only understood parliamentarianism as an empty phrase and word, he lived it.

I would therefore like to take this opportunity on behalf of my parliamentary group, the BZÖ, to you, Madam President, dear fellow club chairmen, dear colleagues in the House of Representatives, and the Austrian Federal Government, above all Federal Chancellor [Dr. Alfred Gusenbauer](#) , thank you very much for the words and gestures of recognition, respect and sympathy. God bless you, thank you very much! (*Applause from the BZÖ, SPÖ, ÖVP and FPÖ as well as from Dr. **Van der Bellen.*** )

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Ladies and gentlemen! This €100 billion package – the equivalent of 1.4 trillion Austrian schillings – has a dimension that is incomprehensible to everyone. Experts of our club have calculated that if you put five hundred euro bills on top of each other, this amount would make a tower 21 kilometers high – only everyone can roughly imagine how much that is. It is therefore also quite relevant to ask why these 100 billion euros came about in such a dimension for Austria. We've looked at that now.

Mr. Chancellor, you justified this by saying that the financial sector in Austria has a significantly higher value-added share of gross domestic product than is the case in other countries. - Unfortunately, that's not true. We looked at it: the latest data from Eurostat are available and they say that the share in Germany, Austria, Spain, France, Italy, Norway and Sweden is practically identical at around 4 percent; Interestingly, it is only higher in Luxembourg, as we know, and in Switzerland. - That means that can't have been the reason.

It is of course permissible to ask why Austria is actually on par with Spain with this package of €100 billion, which we will also approve today because there is no alternative. In comparison, it is only lower than in Germany with 400 billion, and even if you compare it with America - 700 billion - then the dimension is of course to be questioned.

It's a guarantee package, it's a money market stabilization package and most of all it restores confidence, and I think that's the most important thing. In our opinion, however, trust can only develop if there is strong control in this package, very strict framework conditions and complete transparency, openness and honesty. Some things have already been implemented, but I think some things still need to be added and changed. People – Mr.Schuessel, the chairman of the club, also mentioned this – are rightly asking: Who is paying for it now? Who pays it, and who will pay it, for example, if perhaps “only” – in quotation marks – the 15 billion equity injection has to be paid?

Why are people asking this? – You have to question that too. They are asking because we in the House and above all the Austrian Federal Government have been telling them for months and years that there is no money. There is no money for higher wages, there is no money for significantly higher pensions, there is no money for a tax cut and for more social benefits. That's why people are actually amazed at how suddenly billions are just being juggled around and billions are being lifted. That's what people question and they don't understand.

That is why the answer to these questions, which we are constantly being asked about this package, must also come today: Where is the government going to get this €15 billion for the capital

strengthening from, if it comes to fruition? – I know, it's a lot of placebo, there's a lot of talk about it not coming anyway.

But who has the guarantee? Who can guarantee that billions in liabilities will not be to the detriment of taxpayers? Who tells us that, based on this package, we might not be laying the foundation for new debts for the next generations? What happens when this package takes effect, actually with the urgent relief measures that we all demand - tax cuts et cetera? And what about the controls that are sorely needed for this package?

Not only the Court of Auditors, but also we, the Parliament, we all have a responsibility in our opinion, because the Parliament, all of us, are trustees of the tax money

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that of the Austrians. Therefore, we cannot simply issue a blank check here, but we in Parliament are required - and that is also the demand of the BZÖ! – to decide on a participation committee, as the German Bundestag has done, so that this House also has complete control over future regulations. I think it is necessary that we do that. *(Applause from the BZÖ and members of the FPÖ.)*

Of course, there is also the question of consideration. What is actually paid for in return for this package? – After all, it cannot be the case that the taxpayer now ultimately takes on the bill for the gearbox damage of the so-called and much-cited turbo-capitalism. That can not be! Nor can it be that the taxpayer pays for the boundless greed of ruthless bank managers and unrestrained financial sharks. I say here consciously: one shouldn't generalize, that doesn't happen in Austria, mainly in the USA, also in Europe; one must not generalize. In Austria, thank God, we don't have a situation like this **yet**. But it also cannot be the case that profits continue to be **privatized** and losses in the billions **be socialized**.

We have therefore made a very constructive contribution to this package. We also have other ideas for how we can make this package even more secure: for example with comprehensive disclosure and transparency, as we saw for example with BAWAG during the time of the previous government. Something happened there, yes, and BAWAG was also required to open its books, allow insight and see what happened there. I am of the opinion that the Austrian taxpayer – and I shall come back to this participation committee – should always have the right of inspection of his elected representatives of the people, with his elected representatives of the people, whenever something happens, so that there can also be a thorough right of control.

From an international perspective, we also need new accounting regulations. We now know from events in the US that the system has failed. Which system failed? – A system of a so-called shadow banking system, a shadow banking system in which trades were actually made outside of any accounting regulations. Ultimately, this is how the crisis came about - from the real estate crisis to the financial crisis to the financial market product crisis to the liquidity crisis, so that artificial liquidity has to be created in order to avoid inflation, which is rising worldwide, although experts are now no longer talking about inflation but about **deflationary** developments, of a worldwide devaluation of money, which can ultimately be in store for us.

Ultimately, it is also a question of personnel mixing in the US banking industry, so that there are finance ministers such as the current one, who comes directly from Goldman Sachs. Well, he **has** no interest in there being better, stricter banking rules. – Certainly not, because it was ultimately also provided by the banking world.

This means that this mismanagement must be combated, also with more say for taxpayers, but also with something like a so-called **Code of Conduct**, i.e. a code of conduct for managers - a code that not only covers income, repayment options, in terms of liabilities, but also in the **behavior** of managers. I'll say it again: no blanket condemnation! It has to be said that striving for profit is of course part of human nature, including that of bank managers. What must not happen, however, is

that there should be an unrestrained cash-flow mentality, ultimately piling up money that the taxpayer then has to be held liable for.

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Regarding European banking supervision, which Finance Minister Molterer addressed: yes, we agree and see this as necessary because the individual national banking regulators are obviously not in a position to curb and prevent such developments. But we also need to control individual financial market **products**. Hardly anyone knows their way around in this jumble of thousands of funds and investment opportunities that are often talked into being talked into people who are hardly familiar with them. This means that ultimately individual financial market products must be controlled, not according to the motto **more** regulation, but according to the motto **better** Regulation. I think that's the point and also the slogan of today.

Ladies and gentlemen! This 100 billion package alone would not be enough. We have also heard today - and this is said again and again - that this casino mentality that exists must of course be put to an end. But that is only possible if there is really 100% transparency and openness. As far as the subject of oaths of disclosure is concerned, I agree with you, Herr Club Chairman Strache: these oaths of disclosure must also be taken. They are necessary, because otherwise this huge package, which is intended as a big tranquilizer pill, could ultimately mutate into the next big casino chip. – I guess we all don't want that; that must be prevented.

Two more sentences on this somewhat left-wing romanticism that is now reappearing, Mr. Club Chairman Cap, on the romanticism of nationalisation, perhaps from the 1970s; You called it yourself. We're sticking to the principle of the social market economy, and I'll tell you: The state isn't the better banker, it just has more money - money from the taxpayers, which it ultimately takes from time to time and uses it again to the detriment of the taxpayers can be. (*Applause from the BZÖ and the deputy Dr. Schüssel. – Interjections from the SPÖ.*)

Therefore, we warn against such ideologies that are now emerging again. There is perhaps a bit of reminiscence in these new waves of nationalization that may break out, according to the motto: today the banking and insurance sector, tomorrow the housing cooperatives, then the pension funds and finally the health system, social insurance and health insurance companies; everything goes "cracking", so we have to nationalize now and use the taxpayer everywhere as a guarantor, so all the best from the state! – That cannot be the case, as we have already seen in the past, ladies and gentlemen. We reject that. (*Applause from BZÖ, ÖVP and FPÖ.*)

DDSG, Semperit, BAWAG, nationalized bankruptcy - if you list all of them, then we're actually already cured of it. (*Deputy Krainer: BAWAG was not a state-owned bank!*) We say in no uncertain terms: Yes, the state should perform its core tasks of protection and security. I believe that is also correct. However, we say no to a new state *dirigisme* (*Deputy Krainer: BAWAG was not state-owned for a minute!*) and a bit of social-democratic romanticism that arises there. (*Deputy Krainer: BAWAG was a private bank!*)

Ladies and gentlemen, the impact on the real economy was also addressed. These are already noticeable: we are noticing short-time work, we are noticing major problems in the individual companies that are heading towards recession. Those who now turn a blind eye to the effects that are affecting the real economy ultimately bear the responsibility for unemployment. That's the great danger we're all seeing right now.

**Therefore, a system of relief** is now also needed. Nevertheless, we need relief measures – I say: **nevertheless** – we still need early tax reform. 2010, Minister of Finance, is too late! We need purchasing power **now**, we

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need something to get the engine going, we need a tax cut for the people in Austria now and quickly, so that we can also create more purchasing power. (*Applause from the BZÖ.*)

But we also need this often-cited economic stimulus package with a medium-sized business fund - a central idea of the BZÖ - and with subsidies, with a special subsidy - that's an interesting variant; look at that, Minister of Finance! – the approximately 70,000, 80,000 or more one-man businesses in Austria. If, for example, we spare them the non-wage labor costs for two years, if they hire someone into their company, we could preventively create tens of thousands of jobs in this country in one fell swoop. - That's a good idea! Let's take a look together to see if something like this can work, if that wouldn't be the right way. (*Applause from the BZÖ.*)

That means, despite all the difficulties on the financial market, despite all the bad prospects, we should take optimistic measures for the future, measures that are already having an **effect**. It is therefore also necessary for you to present us with an appropriate economic stimulus package **before** the government is formed – after all, there is still an incumbent government – perhaps by the next meeting.

We put our ideas on the table. I think they are good. It would be good if this economic stimulus package were also broadly supported, just like the package to be decided today, which is important in order to strengthen the financial markets and which we are also happy to support today. (*Applause from the BZÖ.*)

14.41

**President [Mag. Barbara Prammer](#)** : Federal Minister Faymann now has his say. 8 minutes speaking time. – Please, Minister.

14.41

**Federal Minister for Transport, Innovation and Technology [Werner Faymann](#)** : Madam President! Dear Madam or Sir! First of all, I would like to say something about Josef Cap's speech, which has now been mentioned several times. I think I understood Josef Cap correctly, as probably most of them did: He neither wants to nationalize a private sanatorium nor has he suggested nationalizing a private school. Nor did he want to submit an application to ban private supplementary pensions (*interjections to the ÖVP*), but rather, Mr Kukacka, it is now a matter of being able to live on a state pension. – One should not have to rely on the supplementary pension. (*Applause from the SPÖ and members of the FPÖ.*)

The financing of the health insurance companies must be secured in such a way that everyone is free to take out additional private insurance for special services, but that every citizen receives optimal health care even without additional private insurance. (*Applause from the SPÖ and members of the FPÖ.*)

Equally, when it comes to education, everyone is free to take up the offer of private schools—many have done so by sending their children to private schools—but the public school system should be so good that no one comes up relies on private schools because he knows public schools are good enough. (*Applause from the SPÖ. – Deputy **Strache**: Unfortunately, that no longer applies in Vienna because your politics failed there! – Deputy Dr. **Graf**: And why doesn't Cap himself say it that way?*)

It is a political implication of the discussion over the last few weeks that we need to be clear that equity markets are not something that will improve additional pensions from year to year, that they are not - as some might even have believed

have - are just as safe as a savings account, just bring a little more. All the mistakes that have been made have the effect that some people who are looking at how much additional pension is really left and what the financial status of the additional pension looks like are actually very shocked because they did not expect the stock markets to be so rapid can crash.

It's about money that families have counted on, with which people may have coordinated their loans, their purchases according to the expectations that they have had confirmed in many places. These people are now faced with the ruins of their reflections.

Therefore, it will of course also be important for us in the future never to promise the population security where we cannot ultimately guarantee it - and as we have seen, this also includes stock markets and some financial products.

Thanks have already been given today to all those who have helped to prepare this package of measures – a €100 billion safety package, a protective shield, a safety shield, as it was also called. I would like to add my thanks to the Federal Chancellor, the Vice-Chancellor, the many experts in the Ministry of Finance and the Governor of the National Bank, who has already been mentioned.

I, too, think it is very gratifying that there is such broad approval in Parliament, because the psychology of trust also has economic value. **And trust also comes from the fact that we bring about a joint** decision here in the House .

I would like to add a few comments as a consequence for the further discussion: I think that we must pause to realize that what we call prevention in health has failed internationally. We will therefore have to talk about a European and international **reorganization** of rules, but also about European **supervision** , with the same determination with which we have now built this safety net . If the citizens were to get the impression that our determination and speed to convene parliamentary sessions and pass resolutions was now at an end, then we would stop halfway.

I am convinced that the population expects that we will also take the second path just as resolutely and quickly, namely the path of **consequences**. We must take precautions to ensure that things do not go back to business as usual in the future, but that more transparency, more control and new rules are created both in the country and in Europe and also in those places where we can speak out internationally.

Furthermore, the population expects - I am also convinced - that we will **not** use this discussion to explain why we can no longer do anything for the economy because we have already decided something - so use it as an excuse, so to speak – but that we bring about the same determination, the same courage and the same speed for urgently needed measures to counteract the threat of unemployment.

Many citizens know very well that financial markets and lending have something to do with order books, that order books in many companies are only filling up worryingly slowly, but that this will not yet be noticeable in the construction industry in the next few months, because orders for the construction industry and measures in the economy have a longer lead time.

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However, we know that delayed effects must be expected, which will of course also have an impact on growth and thus also on employment in our country. We are therefore called upon to introduce countermeasures as quickly as possible so that all those predictions that speak of a sharp increase in unemployment and a radical drop in growth do not come true, so that all these effects do not materialize.

I therefore believe that the citizens expect us to proceed with the same unity and perhaps also with the same unity, especially in the area of the consequences for the labor market. (*Applause from the SPÖ and from members of the ÖVP.*)

14.48

**President [Mag. Barbara Prammer](#)** : Now Federal Minister Dipl.-Ing. Proll to speak. 8 minutes speaking time. - You're welcome.

14.49



**Federal Minister for Agriculture, Forestry, Environment and Water Management [Dipl.-Ing. Josef Proell](#)** : Dear President! Ladies and gentlemen, colleagues on the government bench! High house! Ladies and gentlemen! It's a bit easier for me: I don't have to interpret any of the previous speakers from our group, but the statements that have been made over the past few hours have left nothing to be desired in terms of clarity and future prospects. *(Applause from the ÖVP. - Dep. Dr. Stummvoll: That's the difference!)*

That's why I can go right into the middle of the topic, which was already discussed extensively today and which of course also moves the viewers, the people in Austria in particular. In the last few days and weeks we have certainly faced the greatest economic and financial test on the international world markets since the 1920s.

The following should also be said clearly and unequivocally at this special meeting with this resolution for a €100 billion protective shield package for the Austrian banks and the political necessities for the future should also be derived from this: After initial difficulties, a common approach in the European Union to fight the financial crisis and also to decide on the corresponding instruments, it is ultimately due to the power of consensus, to the ECB, to the bodies of the European Union that a joint, powerful response could now be coordinated and that it is now in the national parliaments the corresponding national implementation can take place.

This implementation not only serves to ensure liquidity and to maintain financial flows between the banks, so that the economic cycle can be maintained in the future, but of course also to ensure the security of savers, the people in our country who, quite essentially, use their savings are dependent on their loans that the banking system in Austria and the European Union will continue to have room for maneuver in the future.

It is also important to state and note that the EUR 100 billion - and there are obviously many difficulties in interpreting this out there at the regulars' tables and everywhere where it is discussed - is not about **liquid funds**, but about **liabilities**, of which we everyone hopes and also assumes that they will not **come to fruition and that they will not** restrict our leeway in budgeting for measures that will be necessary in the future in the economic sector and in the public budgets .

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Ladies and gentlemen, I also think that this financial crisis is not designed to bring a re-nationalization debate of the old type – a retro model – back to the fore, but that we can get out of the mistakes that certainly originally came from America have come to our right conclusions. I am firmly convinced that our economic model of the future must also be the **social free** market economy.

The free market made Europe and Austria strong. Much of what we have established today in the sustainable systems of pension and social security was generated in a free market economy. - On the contrary: Many, almost all state systems - you know this better than many others - have gone down the drain in the last few years and decades, and last but not least we are still paying today for the rehabilitation of the nationalized crisis of the 70s and 80s. years and thereby still narrow the scope for future investments. *(Applause from the ÖVP.)*

That's why we shouldn't use this financial crisis lightly to make political capital, but simply look at what needs to be done. *(Deputy **Strache**: Now the opposite way has also failed! Both models have failed!)*

No question! We need new cornerstones for the socially free market economy. Willi Molterer, whom I would like to expressly thank – together with Alfred Gusenbauer, but above all the Minister of Finance – explained today what we believe the guard rails for the free market economy should be in the future. It is a question of the **international regulation** of the financial markets to avoid such developments in the future; it is also a question of improved and also more centralized **supervision** of the financial markets; and thirdly, it is undoubtedly a question of more **transparency** right down to



customer level for those who invest their money in the financial system or use the system to finance private households, but also small and medium-sized enterprises.

At this point I would like to move on to a challenge that now arises as a second step in overcoming the financial crisis. No one or few will be affected as much as our small and medium-sized companies, which are the driving force behind the job situation and the economy in Austria. That is why we will and must ensure access to financing for our companies with an economic stimulus package, which will certainly not become any easier as a result of the financial crisis, so that they can remain competitive, so that they can secure jobs.

We should help the companies with liabilities, support them with all possibilities of exhausting credit lines and also discuss whether we can bring forward individual investments that are job-intensive so that we can now launch a clever economic stimulus package as first aid. We want to do that immediately - if possible this Wednesday in the Council of Ministers. It is also about giving a future government – whatever it is composed of – enough leeway and freedom to be able to react when crises like the current one arise.

Ladies and gentlemen! That too is a lesson from the financial crisis, from what we want to launch as a package today: despite all the “crisis moods” (quoted in quotation marks) we must not forget to carefully pursue the objective of having our finances properly balanced to be able to react when it is necessary to maintain the economic and financial circuits, to support small and medium-sized enterprises and to combat unemployment in the future.

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With this in mind, I would like to thank everyone involved, led by the Minister of Finance, for putting together this package. It's also nice that it can obviously go unanimously today. It is an encouraging sign for the future, and it came at the right time, was professionally prepared and will not fail to have an impact. *(Applause from the ÖVP and SPÖ.)*

14.55

**President [Mag. Barbara Prammer](#)** : The speaking time of the next five speakers is also 8 minutes each.

Mr. Mag. Kogler will be the next to speak. - You're welcome.

14.55

**Deputy [Mag. Werner Kogler](#)** (Greens): Madam President! Mr Chancellor! Mr Finance Minister! Before the debate now descends too much into a coffee-chat atmosphere, I would like to point out a few points on which I can claim, at least for our group, that we **did not** take the decision lightly. The way the debate is going, a few things need to be put on their feet again slowly.

Finance Minister Molterer, it is correct – I would like to refer to the images you used – that it is a fire. A few months ago one could perhaps still say that the fuse is burning – beginning of course in the USA and perhaps a year ago with the subprime crisis – but in the meantime it has long been about much more. The building has long been on fire – the building of the financial institutions and the financial organization in general. And that's why - and **only because of that** - the Greens are in favor of fire protection measures or first of all extinguishing measures being taken. It must be deleted. With such an action, water should not be saved. That's how I see it, but that shouldn't block our view of where it all comes from, where the arsonists are located and how fire protection can be organized in the future. - That's important. *(Applause from the Greens.)*

Mr. club chairman bowl looks so skeptical. – I can reassure you: We still prefer a fire engine in need of repairs to none at all. Professor Van der Bellen announced approval at the third reading. I am now announcing that we will **not agree** to individual points at second reading . Perhaps the followers from my group will have time to justify this in more detail.

First of all, I would like to mention a few basic things: The question of mortgage loans in the USA has already been relevant and raised. But as far as this philosophy and this tradition is concerned, which you, Federal Minister Proell, are reviving or simply want to see continued, namely this whole ideology of “more private, less state”, I would like to draw your attention to the fact that in certain areas was correct from a green point of view, but in the meantime the arch has long since been overstepped. The neoliberal battle jargon that you were all instructed in has long since disappeared, and the lead finance minister, who was particularly vulnerable to it, is no longer there. (*Vice Chancellor Mag. **Molterer** – standing by the club staff –: I am very well here!*) – Not you! Her predecessor at that time; we don't want to mention him here. (*Deputy Dr. **Schüssel**: A very good finance minister!*)

Minister Proell, from your statements I got the impression that you too have been infected by this virus. What is going on in the financial sector? – It is obviously now undisputed that regulations

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tion requirement exists. I agree. Better regulation is better than overdoing it – fine with me, but then we have to create appropriately targeted instruments for it.

I would also like to draw the plenum's attention to the fact that a motion to this effect by the Greens in the last main committee, which would have bound the government to the main committee position when it spoke at the Council or EU Council level, was **not** accepted, neither by the SPÖ nor by the ÖVP. It was about the direction. (*Deputy Dr. **Schüssel**: Because she did it anyway!*)

Where exactly is the cause of this derailment of the financial markets to be found? – It's not a problem that we have a banking system. We need it, for God's sake; of course we need financial circuits. However, the primary function of banking and credit is to pool savings deposits so that loans can be granted, and macropolitics to be managed by a central bank. This is all very plain and simple and thus supports the real economy. In any case, it is **not** the job of the financial markets to engage in pyramid schemes.

None of this could matter to us if the building of the pyramid and its collapse did not affect the real economy, the so-called real economy – probably a nonsense of the year 2008. That's the problem: that when the pyramid builds up, individuals very well make money from it, they are very well able to put real assets aside, and if the whole game collapses, all citizens of the world will foot the bill numbers. It

's the asymmetry that's in it that's the big problem! (*President Dr. **Spindelegger** takes the chair.*)

We also feel it in Austria when, for example, small and medium-sized enterprises are already complaining that they can no longer get loans on the old terms, that significantly more security is being demanded, even higher interest rates, etc. Where is that supposed to lead?!

This is the effect not only of the economic downturn that would have happened anyway, but of this financial crisis. That's where the problem lies, and that's why it's so important not to just look on, but to get involved. This does not have to lead to **overregulation**, but at least to regulatory **measures**.

At the moment, the impression is – and not only in the USA or in the rest of Europe, we in Austria also had this impression – that the financial institutions are not regulated by politics and thus by social interests, but that the financial institutions maintain a policy that regulates them. That's how it is! We had that with the findings of the Banking Committee, we have that when we look at European financial policy to date. No moves were made at all to introduce a pan-European financial market regulator. (*Applause from the Greens.*)

Now there is lip service, yes, now a historical window is open! Now we **could** and **should** strive for EU-wide financial market supervision. This will of course take some time. It will initially be a financial

interpol, so to speak, a cooperation between the national supervisors, but still. – I hope that something goes on there; You gave your word.

But instruments are also needed, because ultimately it's about not doing everything just because it can be **done**. In the Federal Republic of Germany there are 53,000 different derivatives institutes, i.e. individual contract provisions. The authority there, **BaFin**, says itself that it no longer accepts them

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understand, but they approve of them. So it must also happen that there are approval procedures for these instruments that at least those who approve them understand. Where else is this supposed to lead? – You have to look at it in this context.

Their credibility will also be put to the test when it comes to finally introducing a financial transaction tax or a framework for the rating agencies. Right up to the last minute, they rated institutes and financial products with triple A ratings that were packed to the rafters with bad loans. That's the system I got the feeling Minister Proell wanted to continue defending. It can't work like that! We will keep an eye on it - and not only with regard to your initiatives in Europe, but also those here in Austria.

When I read that the five largest banks are already starting to line up for state holdings - the message is half an hour old - then we will see under what conditions, Mr Finance Minister, you can give guarantees of liquidity or the use of equity, because the fact that they are still using this opportunity and the interests of the taxpayers are not protected is going too far.

This is happening against the background – and that is the downside of your law – that no four-eyes principle is being introduced, that auditing by the Court of Auditors is not guaranteed and that we are giving the ministry certain freedoms in advance that we do not like. Nonetheless, a rickety fire engine is better than no fire engine at all, hence our approval, but we will see to it that taxpayers' interests are safeguarded.

I guarantee you that from the day after tomorrow - because this law is in the Bundesrat tomorrow - we will read in the media which banks are now being merciful to the state: those banks that wanted to sue the parliamentarians when we set up the bank inquiry committee. (*Applause from the Greens.*)

That's incredible! Now the tables are suddenly turning. Society and politics have to set the framework for the economy, and not the other way around. If we do n't get it **now**, we probably never will. (*Applause from the Greens.*)

04/15

**president [dr Michael Spindelegger](#)** : The next speaker is Mr. Dr. mute. Maximum speaking time: 8 minutes. - You're welcome.

04/15

**Deputy [Dkfm. dr Günter Stummvoll](#)** (ÖVP): Mr President! Mr Chancellor! Mr. Vice-Chancellor! Ladies and gentlemen! With some of the speakers here, I almost had the impression that the debate was not taking place in Parliament in Vienna but in the USA, because, as previous speakers have pointed out, the whole malaise originated in the USA: **we do n't** have bad mortgage loans packaged in securities, they have been stamped with the seal of approval from rating agencies and with the beautiful name **Asset Backed Securities** mistake, but the US did all of that. And besides, all of this was not caused by our politics, but by the excessive private and public debt of the USA, the imbalance between the USA and China, for example. Mr Cap! Social market economy is a bit different than what is happening in the US. Can we agree on that? - OK. (*Applause from the deputy Dr. **Schüssel**. Interjection from the deputy Dr. **Haimbuchner**.*)

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I have to say one thing, ladies and gentlemen: I am absolutely convinced that what is now happening worldwide is the greatest financial and economic policy challenge of the last few decades. When Alan Greenspan, the former head of the US Federal Reserve – not entirely innocent himself with his policy of easy money – said something like this happens every 80 to 100 years, and when British Prime Minister Gordon Brown said he was demanding a new one Bretton Woods, then this shows the downright historic dimension of the whole malaise. Because it was in Bretton Woods in 1944 that the course was set for the world financial system after the Second World War. And even if only yesterday again, as has already been mentioned, world financial summit - not just one, but several! – were announced

But, ladies and gentlemen, every crisis is also an opportunity, an opportunity above all for politics, and I must honestly say that I would like to thank the Federal Chancellor and the Vice Chancellor. If, allow me to say this, this government had functioned for the last two years as it has for the last two weeks, we could probably have saved ourselves quite a bit.

It is an opportunity for politics, because the ability to act was demonstrated, also at European level. I'll admit it: at the very beginning it was a, let's say very posh, late start (*interjection by Deputy Scheibner*) - there were moments of shock that lasted a very long time - but in the end the EU got its full demonstrated ability to act.

I am with Chancellor Gusenbauer when he says, as I recently read in the newspaper, that Austria cannot detach itself from Europe, that we should be happy that we have ECOFIN, the euro and the European Union and that none of us can imagine what it would have been like if we didn't have the EU, ECOFIN and the euro.

I agree with Hannes Androsch, who recently said that we need more Europe and not less Europe. – This global financial crisis has also proven that, ladies and gentlemen!

A crisis is always an opportunity, and that's when I look at Mr Cap again, because I have to be honest, I had the impression that the following thread ran through your whole speech: Forward comrades, we have to go back! (*Interjections to the FPÖ.*) – It was a “retro speech” that you gave here, despite Minister Faymann's interpretation; but Faymann's statement alone showed that an interpretation was necessary. (*Renewed heckling from the FPÖ.*) Nevertheless: Forward comrades, we have to go back! is not the future concept on which we can agree, Mr. Cap!

I would like to say one more thing, and the Vice-Chancellor and Finance Minister also emphasized this very strongly, and we have always known that as supporters of the social market economy - a market economy with social responsibility, or an eco-social market economy, i.e. one with ecological **and** social responsibility (*Dr. Cap: But you need the state for that!*) – : Firstly, a market economy needs rules, secondly, transparency ... (*Dr. Cap: That's what I said!*) – Then we'll agree again, but large parts of your speech, Mr Cap, were a bit ... – Well, yes.

So we need rules of the game, we need transparency and we need supervision, no question about it. That's the concept we take as a lesson from this. (*Deputy Dr. Haimbuchner: The word "sustainability" was not mentioned!*)

Every crisis is an opportunity, as the Vice-Chancellor has already mentioned. (*Deputy Mag. Wurm: ... a crisis to make you smarter?!*) - It was a month ago

still completely unrealistic to think of a European financial market supervision; today this is the final status of the deliberations. (*Deputy Dr. Cap: But is that also possible without a crisis?!*)

The next topic, Mrs Lunacek, concerns one of your “real” hobbies, the financial transaction tax: it is certainly no longer as unrealistic as it was a year or two ago. (*Deputy Mag. Lunacek: And why did you... lift?!*)

Of course, a crisis is also an opportunity to rethink. (*Deputy Dr. Cap: Can this also be done without a crisis, without destroying assets?!*) – I don't know whether Mr Haberzettl is in the room. I read with great approval that he said that a financial transaction tax would be much smarter than a capital gains tax. – I can only say: Absolutely right! We shouldn't tax property, we should tax speculation! Absolutely right, colleague Haberzettl! My compliments on this rethinking process, which was also triggered by this crisis. (*Applause from the ÖVP. Interjections from the SPÖ.*)

I know the statements from the SPÖ sector, which affected the capital gains tax, before this crisis - anti-property, anti-family, anti-SMEs - and now those about the financial transaction tax. We can certainly continue to talk about this in the future, Mr Cap.

One more thing, ladies and gentlemen: Of course, this crisis - again: not triggered here, but in the USA, and in fact by these bad mortgage loans in a regulated market of mortgages, which were then sent worldwide - is quite scary, because you can see how small the world has become and how interconnected the whole world is, and that of course requires new answers.

When I spoke of a European financial market supervisory authority, then of course a solidarity with the USA is also necessary, but a solidarity not in the sense that we do what the Americans do in the past, but that – rather the other way around – we do show the Americans how to do it. The examples have been given: we have to revise Basel II, we have to revise the accounting guidelines - all things where we believed that what the USA was doing was sensible and right, and now we realize that that is actually exactly what it is. The opposite is the case and today the USA is looking towards Europe, which is what we are doing here.

So all in all, I think we can definitely say that every crisis is also an opportunity – an opportunity above all for politics, an opportunity for every government, including parliament. As Chairman of the Finance Committee, I would also like to thank you for the really constructive talks: over the weekend we incorporated many of the suggestions that we received from the opposition during an informal talk on Friday.

I agree with the finance minister: as chairman of the finance committee, I will continue these informal talks that have taken place over the past few years, because they show that you can work very constructively here. - In this sense: Here's to continued good cooperation! (*Applause from the ÖVP.*)  
11/15

**president [dr Michael Spindelegger](#)** : The next to arrive is Mr. Dr. Fichtenbauer to speak. 8 minutes maximum speaking time. - You're welcome.

11/15

**MP [Dr. Peter Fichtenbauer](#)** (FPÖ): Dear Mr. President! Mr Chancellor! Mr. Vice-Chancellor! Esteemed Government Members on the Re-

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government bank! High house! I come first to the duty, which is to table motions for resolutions, and then to the freestyle.

So I bring the following motion regarding cross border leasing, because it is obvious that the cross border leasing relationships, which have been entered into en masse, can also possibly lead to a problem:

### **motion for a resolution**

the MP Dr. Fichtenbauer, Ing. Hofer, colleagues regarding cross-border leasing

"The federal government is requested to work with the states, cities and municipalities, as well as all companies that are subject to an audit by the Court of Auditors, to draw up a comprehensive report

on the "cross-border leasing" transactions carried out in recent years and decades. In particular, the report is intended to provide information on the legal uncertainties caused by the international financial crisis and their impact on the Austrian economy and infrastructure."

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The second motion for a resolution that our club chairman Strache wanted to introduce, regarding the criminal liability of criminal bank and financial services managers, reads as follows:

### **motion for a resolution**

The National Council wants to decide:

"The Federal Government, in particular the Federal Minister of Justice, is called upon to take all appropriate measures to ensure the criminal liability of criminal banking and financial services managers. A government bill that provides for an intervention and recourse in the income already paid out to such persons must be forwarded to the National Council immediately."

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Now to the freestyle: It is of course the case that – this has already been emphasized several times – the inevitable necessity of the state prompted us to do our best to help, and so we support this protection package. Some points did not come into full effect, but at least it was discussed and driven so far through the effort of all those involved that we as the Freedom Party fully stand by the package - voluntarily, even if the corresponding points of criticism were justified.

Colleague Cap, allow me to say that you addressed the famous "red cat" very strongly here and let it trot across the government bench, so to speak. This cannot go unchallenged! (*Interjections to the SPÖ.*) - According to our conviction, it is still "as much private as possible and as much state as necessary" (*Deputy Dr. Stummvoll: Yes!*) as the right model to introduce and maintain, but because more state is necessary in this situation, we support this model, which we want to adopt today. It's not about a socialist retro perspective, that "state" is beautiful and "private" is insane

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leads to misery, but about the exact balancing of both elements, and that the privately controlled economy is provided with those regulations that prevent abuse and consumption at the expense of others is the order of the day. (*Applause from the FPÖ.*)

A little excursion into history: Maggie Thatcher has often been scolded, but on your part probably because she has a truly historic merit: namely she broke the abuse of power by the trade unions in England - I might remind you that it was coloring or wallpapering a room, a wallpaper hanger was not allowed to nail on three meters of floor battens for union protection reasons, so the floor batten nailing union stood by; Apart from that, it was like that in England at the time, we know it all too well, that political strikes, especially by coal workers, led the state to the brink of governability - otherwise their success would not have been possible. However, it is not a guideline for what we intend to do, the systems are too different for that.

This also does not disprove the fact that the third pillar is not a sensible approach. (*Interruption from Deputy Dr. Niederwieser.*) - Of course, what Minister Faymann said is correct, that one should be able to make ends meet with the state pension, no question. The third pillar is a supplementary model! The first pillar, the state pension, is based on the pay-as-you-go system, while the third pillar

is actually a savings model. It is sad enough that many probably have to suffer a slump in the success of their investment product.

Of course, it is currently also very *comme il faut* to have a “weapon set” in term arithmetic. Well-established terminology is scolded or described as objectionable, which is why an article by Mr. Sloterdijk, which can be read in the current “profil”, caught my eye. He explains that so-called capitalism is the indispensable partner of the tax state, because it requires a flourishing property economy. – And this is the central truth: It needs a thriving property economy. It's about this “circulatory system” – a term, by the way, coined by the French economist Quesnay in the 18th century – and we have to protect this circuit.

And for all viewers at home: We don't “push the money” into the banks, but we provide a liability framework to protect private deposits - that's the big difference! We protect the private deposits of the citizens of this country by providing this level of liability, and that is what matters. - Thank you for your attention. (*Applause from the FPÖ.*)

15.18

**president [dr Michael Spindelegger](#)** : The two motions for resolutions that the honorable Member Dr. Fichtenbauer brought in are adequately supported and are involved in negotiations.

*The motions have the following overall wording:*

### ***motion for a resolution***

*the MP Dr. Fichtenbauer, Ing. Hofer, colleagues regarding cross-border leasing*

*introduced in the course of the debate on the government bill ( [682 dB](#) ): Federal law, with which a federal law to strengthen the interbank market (Interbank Market Strengthening Act - IBSG) and a federal law on measures to secure the*

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*Stability of the financial market (Financial Market Stability Act – FinStaG) and the ÖIAG Act 2000, the Banking Act, the Stock Exchange Act, the Financial Market Authority Act and the Federal Finance Act 2008 are amended at the 75th session of the National Council on October 20, 2008*

*Sale and lease back and lease back are synonyms for a special form of leasing in which an organization sells real estate or chattels to a leasing company and at the same time leases them back for further use. If such transactions are concluded across national borders, mostly to gain tax advantages, this is referred to as cross-border leasing. The alleged advantage of these business forms for the company is the disclosure of so-called hidden reserves in fixed assets. The purchase price allows the company to free up capital and increase its liquidity in the short term, while still being able to use the property. The ongoing payments of the leasing installments can subsequently have a disadvantageous effect.*

*Essentially, infrastructure, such as gas, electricity or rail networks, power plants, sewage treatment plants, sewage networks, hospitals or movable assets such as rail vehicles, is leased back by an Austrian corporation ( lessee).leased or sold by a US corporation and at the same time (sub)leased back by it. According to Austrian law, ownership remains with the Austrian lessee. According to American law, this can also be transferred to the lessor. According to US tax law, such transactions lead to depreciation in the USA and thus a tax advantage that is shared with the Austrian lessee and accrues to them as soon as the transaction is completed.*

*All of these deals, with contracts often spanning up to 2,000 pages, are completely watertight for the US side of the contract. The place of jurisdiction is New York, or sometimes London (enforceability). Experts estimate that there will be around 20 experts in the Federal Republic of Germany who can grasp the scope of these contracts (all in English). Accordingly, there should be about two such*



experts in Austria, which is 10 times smaller. In some cases, ownership is transferred with such contracts, although legally it is only a question of servitudes, i.e. registered easements and rights of use. In connection with the prevailing crisis in the financial services sector, there are questions that need to be discussed.

dr Werner Rügemer from the University of Cologne, author of the book "Locusts" in Public Space", Public Private Partnership - Anatomy of a Global Financial Instrument, March 2008, assessed Cross Border Leasing on September 30, 2008 as follows:

*"In the public fairy tale version, cross border leasing (CBL) is as follows: Cities sell their valuable infrastructure such as sewers, rail networks, waterworks, waste incineration plants, exhibition halls, trams, etc. to US investors for at least 30 years and rent the facilities back. Investors receive a 30-year US tax benefit for this government-sponsored foreign investment. On the first day, the cities receive a cash one-time payment («cash value benefit») of four to five percent of the purchase price; with this simple trick you can reduce your debt in a weightless way.*

*In reality, CBL is a typical product of the neoliberal unleashed financial players, namely a highly complicated "structured financing" with hidden accomplices and incalculable risks. The members of Parliament*

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*mente and city councilors, however, only the fairy tale version was presented. The 1,000-page contracts, which are only available in English, contain confidentiality clauses that are punishable by law. Only mayors and chamberlains were allowed to look in, but they understood very little and were dependent on the interpretation given by the pinstripe lawyers at major US law firms. In many cases, even the names of the investors are strictly confidential. From 1994 to 2004, around 700 municipalities and state-owned companies in Western Europe concluded such contracts, and there are around 200 in Germany.*

*Numerous municipalities in Germany, such as Wuppertal, Recklinghausen, Gelsenkirchen and Bochum, and municipal associations such as the Bodensee and Landeswasserversorgung Baden-Württemberg are currently negotiating the change of the banks involved. Banks play a crucial role in the behind-the-scenes business. This was not publicly announced. The purchase price paid by the investors - it was between 80 million and two billion euros, depending on the value of the system - was not paid out to the cities, which only received the "cash value advantage" as a small participation bonus. For 95 percent of the purchase price, the cities were just a through station. 80 percent went to two debt -assurance banks, which, on behalf of the cities, to pay the lease payments. 15 percent went to a custodian bank, which is supposed to generate the buy-back price to the investor for the cities during the same term. However, the contracts state that the trustee banks receive these funds as irrevocable property. If they go broke, the cities ultimately remain liable. ( )*

*However, the problems with CBL are not as new as they currently appear. Initially it was claimed that the contracts were "only on paper". But right from the start, the cities are restricted in their power of disposal. In the case of sewers, for example, investors insist that the properties overlying the sewers remain accessible. As a result, Cologne, Recklinghausen and Stuttgart, for example, could not carry out construction as planned. In Stuttgart, a Neckar bridge between the districts of Mühlhausen and Aldingen, which had already been approved by the city council, had to be stopped. The route would have run a few meters across the site of the sold Stuttgart-Mühlhausen sewage treatment plant, which the investor regarded as a serious encroachment on his property and did not agree. If Stuttgart had built the bridge anyway, the city would have had to pay a multiple of the construction costs as compensation to the investor. The bridge had to be relocated and now costs considerably more. However, some public transport companies are now unable to sell trains and trams that they no longer need due to lower passenger numbers as planned, but have to keep them operational in the depot."*



*In its 2004/7 federal report, the Court of Auditors also took a critical look at the excesses of "cross-border leasing" in Austria and came to the following conclusions:*

**"Contract risks**

*As mentioned, CBL transactions directly provide the domestic contract partner with additional liquidity (cash value benefit). It is currently not possible to assess whether this cash value advantage will still be in the original amount at the end of the contract period, because the contracts contain numerous risks, excerpts of which are presented below.*

**Taxes and Fees**

*(1) The risk of adverse changes in tax law or a change in jurisdiction is borne by the contractual partner from whose sphere they originate, according to the usual risk distribution for CBL contracts.*

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*(2) With regard to sales tax, a final check by the tax authorities has not yet been carried out. It is therefore unclear whether the contract has to be brought into Germany for a possible check by the tax authorities. The Court of Appeal points out that CBL transactions are subject to VAT in Germany. This is mainly because the cash value advantage is seen as a reward for the fact that the domestic company gives the foreign investor the opportunity to obtain a tax advantage.*

*In the case of companies subject to income tax, the present value benefit is subject to income tax in any case; The only open question is whether the cash value advantage can be distributed over the entire term or whether it has to be taxed immediately. There is also the risk of future taxation of the interest income from the capital held by the custodian banks.*

*(3) Leasing contracts are existing contracts and therefore chargeable. In order to avoid this fee, trust structures were created in some cases, with the trustees having their headquarters abroad. The final assessment by the tax authorities is still pending. In the case of charging, however, all CBL transactions would be uneconomical.*

*(1) In its statement on the tax assessment, the BMF stated that such contracts had not yet been submitted to it for assessment. Without the existence of concrete contracts, a final assessment is therefore not possible, especially because - as the Court of Appeal explains - different contract variants are possible or are only being considered by the legal entities concerned (municipalities, etc.) in the first place.*

*In general, it can be said that, from an economic point of view, the construction in question represents a loan granted by the foreign investor. The benefit for the domestic legal entity lies primarily in the procurement of funds and in the financing function.*

*(2) A sales tax and income tax liability would only exist if the assets were not pre-financed or secured by amounts transmitted in advance. The taxable service would consist in the fact that the domestic legal entity provides another service to the foreign investor by giving the foreign investor the opportunity to obtain tax advantages abroad.*

*However, only the actual positive cash value advantage (positive balance of amounts received and paid) would have to be used as the basis of taxation for the domestic legal entity. In terms of income tax, the cash value advantage should be attributable to the operational area and could be distributed over the term of the contract.*

*(3) From the point of view of fee law, CBL contracts are two existing contracts in accordance with the document principle. According to § 16 of the Fees Act 1957, a fee is only payable if a document is drawn up for this legal transaction either in Germany or abroad and both parties to the legal transaction have a place of residence, their management or a domestic permanent establishment in Germany.*

*Furthermore, the legal transaction must either relate to an item located in Germany or a party in Germany must be entitled or obliged to perform on the basis of the legal transaction.*

#### *Bankruptcy of the custodian banks*

*The possibility of insolvency of the credit institutions or insurance companies (custodian banks) taking on the obligation to pay represents an additional risk. This risk*

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*is borne exclusively by the domestic contractual partner. In the event of the insolvency of the custodian banks, the foreign investor can usually claim a part of the cash value advantage provided in advance, because this was only allocated under the assumption that the entire contract period would be fulfilled.*

#### *Sale of the asset*

*If a company that has entered into CBL agreements is to be sold, the question arises as to the amount of the proceeds from the sale. As a rule, an appraiser will have to be involved in determining the value of the company. This has to assess the reduced rights of disposal and the risks arising from the CBL contracts. It cannot be ruled out that the enterprise value will have to be significantly reduced with regard to the CBL contract, which will result in lower sales proceeds; this may be to an extent that may exceed the amount of the cash value received.*

*Various factors come into consideration for this. Apart from the contractual risks, caused by different legal systems with place of jurisdiction outside Austria, the value of the company is reduced simply because a company that owns operating facilities is usually valued higher than a company with leased assets.*

#### *structural changes*

*Also of particular importance is the fact that the democratically elected bodies of the regional authorities are partially losing their influence on an economically important sector of the public sector, namely the investment sector; this above all insofar as future organizational changes (e.g. privatizations) are only made more difficult or no longer possible at all.*

#### *exit costs*

*If the contract is terminated prematurely due to the fault of the domestic contractual partner, there are usually exit costs that can amount to up to five times the present value advantage.*

#### *Summary assessment*

*From a business point of view, CBL transactions provide the domestic company with additional liquidity (cash value advantage). It is currently not possible to assess whether this cash value advantage will still be present in the original amount at the end of the contract period; the contracts contain numerous risks.*

*Furthermore, future changes to the legal regulations on which the contracts are based are imponderable. The same applies to questions about the tax treatment of CBL contracts that have not yet been clarified. From an economic point of view, there are considerable transaction costs without achieving any economic added value."*

*According to Wikipedia, the following Austrian facilities and chattels are included in cross-border leasing transactions:*

*Austro Control: air traffic control systems*

*BEWAG: Power grid*

*BEGAS: gas network*

*Connect Austria: transmission systems*

*Energie AG Oberösterreich: power grid, hydroelectric power plants*

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*Immofinanz: Wienerberg office building*

*Innsbruck municipal services: sewage treatment plants and canals*

*Linz AG: district heating plant, district heating and electricity network*

*Austrian Federal Railways: stations, locomotives, wagons, signaling systems*

*Post AG: mail sorting systems in Vienna, Inzersdorf, Graz, Salzburg and Innsbruck (CBL over 119 million euros)*

*Telekom and Mobilkom Austria - various transmission facilities (1998: \$200m, 1999: \$400m, 1999: \$200m, 1999: \$190m)*

*TIWAG: hydroelectric power plants*

*Network: 8 Austrian Danube power plants (without transfer of ownership, lease-and-lease-back)*

*Wiener Linien: underground and tram network*

*City of Vienna: Sewerage in the 21st and 22nd districts (CLB over 500 million euros and 35 years until 2037)*

*The undersigned deputies make the following in this context*

*motion for a resolution*

*The National Council may decide:*

*"The federal government is requested to work with the states, cities and municipalities, as well as all companies that are subject to an audit by the Court of Auditors, to draw up a comprehensive report on the "cross-border leasing" transactions carried out in recent years and decades. In particular, the report is intended to provide information on the legal uncertainties caused by the international financial crisis and their impact on the Austrian economy and infrastructure."*

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**motion for a resolution**

*by MP Strache and colleagues on the criminal liability of criminal bank and financial services managers*

*introduced in the course of the debate on agenda item 1 regarding the report of the finance committee on the government bill ( [682](#) of the draft ): federal law, with which a federal law to strengthen the interbank market (Interbank Market Strengthening Act - IBSG) and a federal law on measures to ensure the stability of the financial market (Financial Market Stability Act - FinStaG) and the ÖIAG Act 2000 , the Banking Act, the Stock Exchange Act, the Financial Market Authority Act and the Federal Finance Act 2008 are amended at the 75th session of the National Council on October 20, 2008.*

*In connection with the federal government's package of measures to stabilize the domestic financial market, there must be a possibility as an accompanying measure to ensure the criminal liability of criminal bank and financial services managers.*

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*In order to ensure the stability of the financial market, it is essential in future to take measures to recapitalize affected legal entities in order to remedy a significant disruption in economic life in Austria, to ensure macroeconomic equilibrium and to protect the Austrian economy.*

*In this regard, a government bill is to be drawn up which provides for the possibility of intervention and recourse in the income already paid out to bank and financial service managers as well as board members and managers of the affected business partners who have become criminals.*

*The extremely important package of measures, which is intended to ensure the stability of the money and credit markets and to secure the existence of endangered institutions by providing public funds in individual cases, also requires suitable measures in the form mentioned.*

*The undersigned deputies therefore make the following*

*motion for a resolution*

*The National Council wants to decide:*

*"The Federal Government, in particular the Federal Minister of Justice, is called upon to take all appropriate measures to ensure the criminal liability of criminal banking and financial services managers. A government bill that provides for an intervention and recourse in the income already paid out to such persons must be forwarded to the National Council immediately."*

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**president [dr Michael Spindelegger](#)** : The next speaker is Deputy Krainer. 8 minutes maximum speaking time. - Please, it's your turn. (*Deputy Dr. **Graf** – in the direction of Deputy Krainer, who is going to the lectern –: Freie Marx-Wirtschaft!*)

15.19

**Deputy [Kai Jan Krainer](#)** (SPÖ): Mr. President! When a house is on fire there are a few things you have to do. First you have to go there and put it out, you have to make sure that there is no panic, you have to make sure that the fire doesn't spread to other neighboring houses, and finally, after the fire has been extinguished, you have to evaluate the damage and yourself ask: What can we do better in the future so that a fire like this doesn't start in the first place, and if it has already started, so that it doesn't get so big? – And that is exactly what we should be doing here, and that is what we are doing.

The first thing we do is prevent panic by making it clear: deposits in the banks are safe; deposit protection, regardless of the amount, is provided by the existing security systems or by the Republic of Austria. That means you don't need to panic.

The second thing is that we put out fires and make fire-fighting water available by making sure that the fire-fighting water can flow again, so to speak, and that the banking system works.

It's important that we say: if a bank is in trouble, then there is money to be rescued. But none of that comes for free; if banks call on liabilities or guarantees, they have to pay for it.

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We must also say that when a bank is in trouble and needs money, there are clear taxpayer requirements and property rights. This means that the state can have a say on business policy, dividend payments and management remuneration. This also means that the state can demand interest when it comes to equity loans. This is the first step. It has to be done and we are doing it today. And that's good.

Furthermore: You have to prevent the flames from spreading to other areas, in this case the real economy. It's something we're not doing today, but something we **need** to do and will probably do on Tuesday next week because it's just as crucial and just as important as what we're doing today.

We need to look at two key things in a stimulus package. First of all, we have to make sure that business continues to invest and create jobs. We have to create incentives, although it is a question of which tool to use. There must be funding for companies to invest in Austria; However, not when they invest **abroad**, but when they invest **domestically** and create and secure jobs **domestically**. You have to agree on what form of support you choose - whether it's a degressive depreciation model or whatever - you have to agree on a model, but that has to be supported.

The second, namely the big problem child of our economic development - and not just since today or a few days ago, but for a few years - is domestic consumption. That means we need to boost domestic demand, and our stimulus package will boost mass purchasing power, so people on low and middle incomes will have more money in their pockets, so we can keep this cycle in the economy, too.

Preventing it from spreading to the real economy is just as important as erasing it today. This means that we should also protect the real economy, the people and jobs in this country through an economic stimulus package – and perhaps not just **one**, but **several economic stimulus packages – and not just ensure that the banks do not collapse**.

The third thing we need to do is learn from what happened. The answers are pretty clear:

First, the problem is a lack of regulation. The real estate market in the US may be regulated, but the credit market is not regulated. And that's what happened: loans were made, this market is completely unregulated, and that's where this crisis started. Where there was **no** regulation was the beginning of the crisis.

The second was the investment banks. This market is **hardly** regulated (*Dr. Stummvoll: In the USA!*), and the second stage in the entire crisis – after the subprime crisis – were the investment banks.

The third area, which is also hardly regulated in the USA, is that of the rating agencies. This is the third step in this entire crisis.

The answer can therefore only be: regulation, regulation, regulation - where it is missing and where it is necessary. The second is of course supervision and the third is of course control, these are the guidelines we need. The answer is not deregulation, as was heard just a few days and weeks ago, but

regulation, supervision and control. Not self-commitment, but state supervision, state and legal regulation, these are in fact the steps we have to learn from this.

The next point – because this topic has already been touched upon briefly today – is capital gains taxation. What is this about anyway? The point here is that there are different ways to make money.

On the one hand, one can earn money by speculating on stocks and in this way obtain an income. For example, if you earn €50,000 a year as a house number, then after one year – namely after the speculation period – you pay zero euros in taxes.

You can make \$50,000 if you have a lot of money and have dividends or interest income. Then today you pay €12,500 in taxes for an annual income of €50,000.

If you own an apartment building, rent it out and earn €50,000 as a result, you also pay taxes, namely around €18,000 to €21,000 – depending on the tax framework.

You can also earn this money by going to work. However, this €50,000 is then subject to **€33,000** in taxes and duties! In our entire tax system, it can only be about reducing taxes on work on the one hand and, on the other hand, making sure that these people make their fair contribution where there are no or hardly any taxes. **That** 's what this question is about! (*Applause from the SPÖ.*)

It's about fairness in the tax system and not about anything anti-meritocratic because, excuse me, what is the highest achievement? – That's when someone goes to work for money, and not when someone receives an unemployed income! The truth is that the tax system as it is **now** is anti-merciful - hostile to those who earn their money through work and not through pensions or the like. It's about making our tax system more performance-based and about making it fair. We will do our best to make sure of that !

On the second question, namely how an economic stimulus package **doesn't** work : I was shocked when I read that the Freedom Party was demanding a one-off payment instead of a percentage increase in wage negotiations. It can't be that we only have one-off payments and no permanent percentage wage increases! I would request that the Freedom Party take a position on this and clarify these things. (*Dr. Graf: Additionally!*)

A final word on pension provision. Yes, the new provision for the future is now obsolete, but it is in **dire** need of repair. Very, very serious mistakes were made when that was conceived by Schüssel and Grasser. This is a system that cannot function and needs to be fixed. It is also clear: the state pension is **safe** . The new provision for the future is a **very uncertain** instrument. Our task is to secure the state pension because it is sustainable. (*Applause from the SPÖ.*)

15.27

**president [dr Michael Spindelegger](#)** : Deputy Bucher has the floor. 8 minutes speaking time. - You're welcome.

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15.27

**Deputy Josef Bucher** (BZÖ): Mr. President! Representatives of the federal government! Ladies and gentlemen! The analysis of the banking and financial market crisis is, I think, fairly clear and unanimous. However, there are different approaches to the question of what caused this crisis.

If, for example, the SPÖ or the ÖVP say today that thank God we have the European Union and thank God we have the mechanisms of the European Union to get this financial crisis under control, then I would remind you that in 2005 we introduction of Basel II had completely different assumptions and were undoubtedly taken in by the USA – I say that casually.

What happened? The US imposed stricter credit protection guidelines on Europeans – recommended, however – and the Europeans, in their overzealousness, immediately implemented them. The consequence of this was that a great deal of capital, excess liquidity, was withdrawn from the real economy and invested in the international financial and speculative markets. As a result, small and medium-sized businesses in particular have much, much worse access to credit.

This also meant that the banks had to withdraw a lot of money because the US rating agencies recommended this to these banks. I think it is very questionable if we put too much trust in these American financial dogmas à la Greenspan, Paulson et cetera.

That cost us a lot of money. To a certain extent, ladies and gentlemen, we have helped finance economic growth in the USA – namely European countries, European financial institutions and investors from the European Union.

I think that's worth mentioning too. We should also criticize this in a European way, namely that we did far too little to properly recognize and analyze the overall context. (*Applause from the BZÖ.*)

Since we were talking about the "social market economy" here today, we honestly have to admit that in many respects that is no longer the case and that the social market economy has gotten out of joint in one case or another. I'm only thinking about interest rates: if the European Central Bank lowers interest rates, you will notice when you have loans to service and when you will then be passed on these decreasing loans - namely much, much later, often days, even weeks later. And of course the banking institutions use these "gaps" to improve their liquidity.

The same thing happens in the fuel and crude oil sector: when oil prices drop in Rotterdam, it takes a while before we notice it at the pumps. – That is not a self-understanding of the social market economy, ladies and gentlemen, and we should also question whether there is a need for regulations and mechanisms on the part of the state so that this development is not allowed to slide so much, but rather to point it out and to apply the lever so that the population, the citizens of our country, can feel these advantages. (*Applause from the BZÖ.*)

We have tabled an **amendment** to the Finance Committee's report by MEPs Bucher and colleagues; this motion has been distributed and I hope that all groups have already received it.

It is a motion to empower the finance minister to deal with the banking and financial crisis. With this application we have a number

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made proposals, some of which have also been included in the government bill, namely with regard to the transparency of managers' salaries, bonuses, dividend payments, anticipation of profits, et cetera.

We are, I believe, accountable to the citizens, to the taxpayers, for the provision of the enormous capital of EUR 100 billion, and we must ensure that these funds are used in a targeted, transparent and fair manner. (*Applause from the BZÖ.*)

That is why we also called for in this amendment that there must be a participation committee, a participation committee that ensures that these funds go where they are needed and that, for example, financial market supervision is strengthened. We learned from the bank investigation committee that we in Austria have some catching up to do, that the rules of financial supervision in Austria **do not** work 100%. There is still a red-black mentality: the red central bank and the black financial market supervisory authority.

I believe that if there is already a five-party consensus that we want to have better structured financial supervision in Austria in the future, we should move on to installing a **red-white-red** financial market supervisory authority in Austria - and not one that is determined by parties. (*Applause from the BZÖ.*)

In the bank investigation committee, we stated, namely in the reports that we submitted on behalf of the BZÖ, that it is important that we have a networked all-financial market supervisory authority in Europe, because the financial conglomerates and the different securities themselves are for banks and for the individual portfolio managers can no longer be analyzed and it is therefore no longer clear what is actually in these financial products.

We also want to register our protest as far as this clearing house is concerned. We have made the following proposal: we would like these €75 billion not to be put under the umbrella of the

Österreichische Kontrollbank, so to speak, but we would have liked to set up a state fund in this context, which would distribute these €75 billion – and not in the Throat of banks pushes. – Ladies and gentlemen, you know that the Austrian system banks hold shares in the Austrian Control Bank. – So that would be fair, transparent and responsible use of tax funds, as we have proposed, ladies and gentlemen. (*Applause from the BZÖ.*)

This bank bailout package is undoubtedly important, but we must not forget that we are not just dealing with a financial market crisis and a crisis of confidence, but that we are moving towards a recession. In order to avoid an economic slump, we urgently need an economic stimulus package, a fund for small and medium-sized businesses, or at least a tax cut, so that the citizens have more income again, which goes into consumption, which stimulates the economy and thus generally ensures more income and growth.

I ask the federal government to present us with such a package as soon as possible, at least by October 28, so that a recession can be averted. - Thank you. (*Applause from the BZÖ.*)

15.35

**president [dr Michael Spindelegger](#)** : The amendment tabled by Mr Bucher has received sufficient support; it was explained in the main points and is distributed due to its scope according to § 53 paragraph 4 of the rules of procedure. The application is therefore under negotiation.

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*The application has the following overall wording:*

### **amendment**

*of the delegates Bucher, colleagues*

*on the report of the finance committee ( [683 of the enclosures](#) ) on the government bill regarding a federal law to strengthen the interbank market (Interbank Market Strengthening Act - IBSG) and a federal law on measures to ensure the stability of the financial market (Financial Market Stability Act - FinStaG) and the ÖIAG Act 2000, the Banking Act , the Stock Exchange Act, the Financial Market Authority Act and the Federal Finance Act 2008 are amended ( [682 of the enclosures](#) )*

*The National Council wants to decide:*

*The government bill mentioned in the title in the version of the committee report is changed as follows:*

*The National Council has decided:*

**1. In Art. 1 (Interbank Market Strengthening Act - IBSG), Section 1 (4) reads:**

*"(4) The Federal Minister of Finance is also authorized, on behalf of the federal government pursuant to Article 66 of the Federal Budget Act (BHG), Federal Law Gazette No. 213/1986, to accept liability as a guarantor or as a guarantor and payer or in the form of guarantees for items issued by other credit institutions to take over securities issues in accordance with § 1 para. 1 no. 10 BWG. The provisions for the assumption of liability according to Section 2 (5) of the Financial Market Stability Act (FinStaG) and the provisions for a participation committee according to Section 2 (6) of the Financial Market Stability Act (FinStaG), Federal Law Gazette No. I xXXX/2008 shall apply .*

**2. In Art. 2 (Financial Market Stability Act - FinStaG), Section 2 (5) reads:**

*"(5) The Federal Minister of Finance is authorized, in agreement with the Federal Chancellor, to issue ordinances specifying more detailed provisions on the conditions and requirements for measures under this Federal Act. In particular, regulations can be provided that*

**1. The business policy orientation - in the case of credit institutions, in particular the provision of small and medium-sized companies with loans and protection against interest rate increases in the area of**



*loans that are used to finance private house construction - and the sustainability of the business model pursued;*

*2. the use of the funds provided;*

*3. the remuneration of its organs, employees and essential vicarious agents;*

*4. the equity base;*

*5. the distribution of dividends;*

*6. Measures that serve to preserve the jobs of the employees of the beneficiary legal entity;*

*7. the period within which these requirements are to be met;*

*8. Measures to avoid distortions of competition;*

*9. the way in which the beneficiary legal entity is to be held accountable, whereby the rights must be regulated in each case,*

*a) to require the credit institution, companies in the credit institution group and all subsidiaries to submit interim financial statements, certificates in a specific form and structure and audit reports,*

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*b) to request information on all business matters from companies and their bodies pursuant to no. 1, to inspect the books, documents and data carriers;*

*c) obtain all necessary information from the bank auditors of the credit institutions and groups of credit institutions, from the responsible auditing and auditing associations, the guarantee schemes (section 93 BWG) and a government commissioner appointed in accordance with section 70 para. 2 no. 2 BWG;*

*d) to have all necessary audits carried out by the bank auditors of the credit institutions and groups of credit institutions, other auditors and auditing firms, the responsible auditing and auditing associations and other experts;*

*10. The content and scope of the declaration to be published, which is to be submitted by the bodies authorized to represent and the supervisory board and which must contain the obligation to comply with specified conditions. Furthermore, legal consequences in the event of non-compliance with conditions and requirements can also be stipulated in this regulation.*

*3. In Art. 2 (Financial Market Stability Act - FinStaG) the following paragraph 6 is inserted after § 2 paragraph 5:*

*"(6) A measure within the meaning of this Act must first be approved by a participation committee. The appointment, the tasks and the decision-making powers are to be regulated in the regulation to be issued in accordance with paragraph 5 sentence 1.*

#### *Reason:*

*The report contains regulations on conditions and requirements that must be observed by the beneficiary in the event that all preferential treatment is granted under the Interbank Market Strengthening Act and the Financial Market Stability Act. These regulations are very welcome, as they serve to protect and benefit citizens. In the view of the applicants, however, it seems justified to further supplement these planned rules. In this respect, it should be borne in mind that the aid measures are ultimately carried out by the citizens, so that far-reaching "quid pro quo" are justified in return.*

*The addition of protection against interest rate increases in the area of loans that are used to finance private house construction in the area of requirements for the business policy orientation of the beneficiary companies is a suitable means of securing direct benefits for the citizens.*

*Furthermore, in order to ensure public acceptance, it is necessary to ensure that there is sufficient transparency with regard to the aid measures. The involvement of the additional control body "Participation Committee", which is to be filled with the financial spokespersons of the parliamentary groups, is used for this purpose.*

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**president [dr Michael Spindelegger](#)** : The next speaker is Mrs. Csörgits. Maximum speaking time: 6 minutes. - Please, it's your turn.

15.35

**MP [Renate Csörgits](#)** (SPÖ): Mr. President! Dear ladies and gentlemen! The last few weeks have clearly shown us what happens to markets that act completely unleashed: They don't regulate themselves, they destroy themselves

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itself - and it is therefore perfectly clear that this turbulence can also affect healthy economies.

The banks, no matter how strong and solid they are - such as Austrian banks - naturally also suffer from the mutual distrust that has now arisen. What does this mean for the economy? What does that mean for people? – For small and medium-sized enterprises, this means that it is becoming increasingly difficult and increasingly difficult to obtain credit and that they cannot invest in future jobs. For those people who have always worked hard and, for example, build a house, this means that they need credit but are now even less able to get it.

All of this means that future economic growth will be weaker and the situation on the labor market more tense. Politicians are therefore called upon to take countermeasures with all the forces at their disposal, and to do so in the short term. And: medium and long-term measures are necessary.

The present draft law is intended to protect Austrian savers and the hard-earned prosperity in Austria. As you all know, this bill was preceded by a resolution, an action plan, at the summit of the heads of state and government of the euro countries in Paris. This action plan is a strong signal in the direction of **solidarity**.

In this crisis, ladies and gentlemen, the countries of Europe are united and they have committed themselves to jointly and coordinatedly implementing actions to contain the financial crisis.

Ladies and gentlemen, it is to be feared, however, that the Austrian economy will grow less than 1 percent in the next few years - and that means that the number of unemployed will rise. The AMS expects the number of unemployed to rise by 11,000 throughout Austria. It is now the responsibility of all of us to contain this threat. These challenges **have to be** overcome, which requires a great deal of knowledge, commitment and experience from all of us.

In this context, I would like to remind you positively that the social partners recently decided at a conference in Ischl to draw up a joint economic paper in the next few weeks and to make it available to the federal government.

Because rapid action is so important now, **all** constructive forces must stick together and put the common good of Austria above what separates, ladies and gentlemen. We owe it to the people of Austria to pull together to cushion the effects of the financial crisis.

Planned infrastructure packages, for example, could be brought forward as a first measure. That would create or maintain jobs, but at the same time would mean a sensible investment in Austria as a business location.

However, measures that are aimed specifically at women's jobs are also very important. It must not be the case that women are again used as "economic reserves" and sent home. (*Applause from the SPÖ.*)

However, one reason for the financial crisis is that the incomes of employees have not kept pace with profits - and purchasing power has been lost or decreased as a result. It is now all the more important for us to bring about a wage tax cut as soon as possible in order to boost demand again.

But the financial crisis is above all a crisis that extends beyond national borders. Additional measures must therefore be taken in Austria, but also in the area of

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European Union and an economic stimulus package must be put together. However, stricter regulations must also be created in Europe in connection with the financial markets, and these stricter regulations must be applied globally. The people's savings, ladies and gentlemen, must not fall victim to the speculative frenzy of some bank managers! However, tax competition between countries must finally end at European level.

Ladies and gentlemen, this package of measures in connection with the financial crisis is an important first step in the right direction. However, it is necessary to put together appropriate economic stimulus packages and also to learn from the past and to take so-called preventive measures in Austria, but also in the area of the European Union. - Thank you very much. (*Applause from the SPÖ.*)

15.40

**president [dr Michael Spindelegger](#)** : The next speaker is Deputy [Jakob Auer](#) . 6 minutes maximum speaking time. - Please, it's your turn.

15.40

**Deputy [Jakob Auer](#)** (ÖVP): Dear Mr. President! Gentlemen on the government bench! Mr. Vice-Chancellor! Mr Federal Minister! Mrs. Csörgits said that one should learn from the mistakes of the past. – Yes, I agree with her completely. If only you had done it!, I say. (*Applause from the ÖVP.*)

Ladies and gentlemen, I'm a bit surprised. One only had to read the newspapers. January 31 of this year: German "Handelsblatt", bought by me personally in Berlin: "UBS is sinking into the subprime maelstrom". Or in July of this year: "90 US banks are threatened with bankruptcy".

Or, ladies and gentlemen, have we already forgotten that in America in 1988 375 billion dollars were spent on reorganizing the savings banks or that in Finland in 1991 12.8 percent of the gross national product was needed to reorganize the financial agencies? Or has it already been forgotten that Mexico was on the brink of bankruptcy in 1994 or South Korea in 1997?

Sometimes I ask myself: have we forgotten all this, or what actually happened? – Unfortunately, nothing, because there was no international agreement, and that is the fundamental problem we have. Dramatic measures in a dramatic time, global stabilization measures are necessary, and despite all the critical remarks, we should expressly state that Austria's banks and Austria's economy are in better shape and that we should be a little happy about that, ladies and gentlemen! (*Applause from the ÖVP.*)

Overall, however, the question arises: What lessons can be learned from this crisis? And if it is true that every crisis is also an opportunity, then we should seize the opportunity to prevent such financial earthquakes in the future, every opportunity!

We have an Americanization of the accounting rules, we or very many bank managers have been proud and have preached that as the ultimate, the assessment by a rating agency. American ratings were excellent, when I imagine that just a few days before Lehman Brothers went bankrupt, they still had double A, the second-highest credit rating.

Ladies and gentlemen! As has already been said, the Americans pushed Basel II in our faces. Europe loved it. None of the warnings from the bank managers in this House have been of any use. In fact, it was almost as if Austria fell on its knees when it came to Basel II, because it is very important to implement it.

Ladies and gentlemen! What other option is there? Recently there was a great advert in Der Standard newspaper, I don't advertise it, Icelandic Kaupthing Bank, full page percentage, percentage, percentage. And at the back it said, this is just the beginning. – Yes, the beginning of the end, you should advertise today, ladies and gentlemen. A savings book is something of the day before yesterday, an examination is not enough throughout Austria, rating was important. And what came out? – You can see that.

Ladies and gentlemen, what is the possibility of preventing short selling permanently, not just temporarily? That would also be interesting for once, interesting also in the context of this global network. Today one hears nothing more of national measures. Today everyone is calling for international help. Yes, we need it too, it is also necessary, especially for a certain faction.

When my colleague Bucher – I respect him very much – said there was a red-black banking supervisory authority, the National Bank, the FMA and so on, I would like to ask him: what about the blue Hypo Alpe Adria, which is not exactly uninvolved in Carinthia? That would also be interesting. How much did you have to correct today? That too should definitely be questioned, ladies and gentlemen!

One thing will be necessary in the future: more transparency and as much control as necessary and as much responsibility as possible. If today, and rightly so these days, the disproportionately high fees of bank managers are critically examined, then I have to say: Yes, that's an impertinence, but there are also supervisory boards who are responsible for it. They make the contracts with these gentlemen, ladies and gentlemen!

This aftershock of the financial world will shake us for a long time. This can not be! Where has the German banking supervisory authority been in recent years? German banks have declared to the astonished world in Europe that they would give small and medium-sized businesses back to the market because one could present oneself much better in America.

What's left, ladies and gentlemen? – Ultimately a huge problem, indeed a mass grave in terms of financial policy, one would regrettably have to say.

We really have to thank the Federal Minister, the Federal Chancellor, the Vice-Chancellor and, above all, the Governor of the National Bank, who have done an excellent job with their staff and staff over the past few days. And I also claim that Austria has reacted excellently in connection with the European Union.

But I would like to see representations not only in America, but also to think about the world's foreign exchange reserves, which in China are already over 1,800 billion, and the Americans only have about 45 in total. That, too, should be take a look at it a bit. It will therefore also be necessary to take measures involving these players.

I am convinced that nobody in the Raiffeisen sector will make use of the €15 billion core capital package. It is important that this aid package is also a psychological measure, a protective shield, because this will help calm the money and capital markets.

Ladies and gentlemen, I do not hope that the taxpayer will be held accountable.

And with that my final sentence, ladies and gentlemen: It would also be worth considering whether it would not be beneficial to bring BAWAG back from Cerberus and whether it would not be necessary to bring Bank Austria back from Milan. If banks are in the foreign sphere of influence, it is not necessarily certain that they are excellently

managed, because first you think of your own country and only then of Austria. – We disagree.  
(Applause from the ÖVP.)

15.47

**president dr Michael Spindelegger** : The next speaker is Mr. Mag. Rossmann. 6 minutes maximum speaking time. – Please, sir.

15.47

**Deputy Mag. Bruno Rossmann** (Greens): Mr. President! Mr. Vice-Chancellor! Mister Minister! Ladies and gentlemen! Mr. Auer, I would not be so sure that Raiffeisen would not have to make use of any guarantees or state funds. In any case, one hears different things on the rumor exchange. (*Hear, hear calls from the SPÖ.*)

Let's flash back: how did this global financial crisis develop? Weren't there warnings, a multitude of warnings, from Soros to Schiller and Stiglitz and whatever they're called? - All thrown to the wind!

All the rules of the game on the international financial markets were not questioned, from complex financial instruments that sprang up like mushrooms to the rating agencies, which made this whole speculative bubble possible in the first place, this casino mentality that arose.

After all, people have been asleep, globally, nationally, but also at European level , since the subprime crisis broke out in August 2007. Nothing has happened , not even in Austria!

And let's flash back now: Who was it in the last few years who jumped on the bandwagon of deregulation on the financial markets in Austria? Wasn't that the ÖVP, which, for example, abolished the stock exchange tax in 2000 - a small instrument, what we are discussing today in connection with the financial transaction tax?

Who was it that drove people into the second and third pillars? Wasn't that the ÖVP? – Yes, that was the ÖVP, who preached to us ad nauseam that the pension insurance system could not be financed. (*Applause from the Greens.*) People were then pushed into the second and third pillars with tax breaks. Let's take a look, Minister Finance Minister, at what happened to these people who depend on these pensions today! – Losses of up to 25 percent on their pensions and pension entitlements, not even counting the year 2008.

And who is it that has failed in recent years to push ahead with what the Greens have repeatedly pushed for, the introduction of a Tobin tax and recently the financial transaction tax at European level? – That was you again, Minister of Finance, or rather your predecessor! (*Vice-Chancellor Mag. Molterer: That is simply wrong!*) Then why don't we have that at the European level yet?

How far are we with the introduction of a financial transaction tax? You propagated it in January, but nothing actually happened. (*Applause from the Greens. – Vice Chancellor Mag. Molterer: Who started the discussion?*)

A restructuring package is necessary, there is no question about that. Clear conditions are also necessary when we decide on a restructuring package, crystal clear conditions, and I miss these clear conditions in this package.

There is a regulation power for the Minister of Finance, but from this one can read little in relation to manager remuneration, in relation to management liability, in relation to dividend policy (*interjection to the ÖVP*) - yes, yes, you can read it all, you know all that, I already know; you don't know anything

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I say to you (*Applause from the Greens*) - , in terms of business policy. Let's think about what the Minister of Finance will do if Mr Meisl is about to apply for a state guarantee! I don't know, but it would be possible. What will the Minister of Finance do then? I can't read anything about this from the government bills, but nothing at all.

So that a little tutoring can be given with regard to manager remuneration and management liability, I submit the following proposal.

### **motion for a resolution**

of the deputies Kogler, Rossmann, colleagues regarding manager salaries and liability

The National Council wants to decide:

"The federal government is requested to submit an amending legislative proposal to the Interbank Market Strengthening Act and the Financial Market Stability Act, which includes the following points in particular with regard to manager salaries and liability:

Limitations on salary, pension and severance entitlements

government preferential lien on executives' salary, pension and severance claims

Make executive salaries only limitedly tax deductible

Abolition of tax incentives for stock options"

\*\*\*\*\*

As is the case here in this motion for a resolution, the bill should make it clear, point by point, how this regulation is to be interpreted. In reality, we should have this regulation before us today so that we can seriously decide what the conditions for claiming guarantees on the one hand and for claiming state aid on the other hand should look like. **As** it is, it's essentially a blank check for the Treasury Secretary, and it can't be that.

But it is also unacceptable that the little people are left out, those little people, those house builders who were forced into foreign currency loans and who today are confronted with increased security on the one hand or even with loans being called in. Here I miss measures. One of the previous speakers, namely Van der Bellen, has already tabled a motion for a resolution on this.

Of course, this also applies to SMEs, which are in a very similar situation. SMEs may also be confronted with the provision of additional collateral. However, they are also confronted with the problem that in the future they may have to pay higher interest rates for financing real investment projects – these are important, after all, they are the ones that matter.

And last but not least, this pack ignores the rules of the game that led to this chaos. If we don't start there, then nothing will change in this overall system. - Thank you very much. *(Applause from the Greens.)*

15.53

**president [dr Michael Spindelegger](#)** : The motion for a resolution tabled by the honorable Member Mag. Rossmann has received sufficient support and is also being negotiated.

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*The application has the following overall wording:*

### ***motion for a resolution***

*of the deputies Kogler, Rossmann, colleagues regarding manager salaries and liability*

*introduced in the course of the debate on a federal law, with which a federal law to promote the interbank market (Interbank Market Strengthening Act - IBSG) and a federal law on measures to ensure the stability of the financial market (Financial Market Stability Act - FinStaG) and the ÖIAG Act 2000, the Banking Act, the Stock Exchange Act, the Financial Market Authority Act and the Federal Finance Act 2008 will be amended*

*Financial markets around the world are in turmoil. We are experiencing the worst financial market crisis in decades. The global economy and the economy in Austria are feeling the consequences. The insolvency of the American investment bank Lehman Brothers in mid-September dramatically*

*intensified the downward trend on the markets. Due to the close networking of the players in the global financial market, an unprecedented wave of bankruptcies followed, with no end in sight.*

*Both in the US and in Europe, banks are guaranteed by the state or are recapitalised. These government security measures must be tied to tough conditions for banks and management.*

*The ECOFIN Council of 7th October stated in its conclusions that "The salaries of managers of financial institutions should be more regulated and governments should be asked to put in place an appropriate regulatory framework in order to exercise appropriate controls over shareholders. The managers' salaries of institutions that need a guarantee or financial intervention from the state should be reduced: The managers of these institutions should be held responsible for the losses, profit retention should be prevented, governments must be given the opportunity to influence the managers' salaries to intervene."*

*According to the Interbank Market Strengthening Act and the Financial Market Stability Act, the present draft law does not contain any specific provisions on manager salaries and liability in the event of the federal government taking action.*

*The undersigned deputies therefore make the following*

*motion for a resolution*

*The National Council wants to decide:*

*"The federal government is requested to submit an amending legislative proposal to the Interbank Market Strengthening Act and the Financial Market Stability Act, which includes the following points in particular with regard to manager salaries and liability:*

*Limitations on salary, pension and severance entitlements*

*government preferential lien on executives' salary, pension and severance claims*

*Make executive salaries only limitedly tax deductible*

*Abolition of tax incentives for stock options"*

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**president [dr Michael Spindelegger](#)** : The next speaker is Mr. Themessl. 6 minutes maximum speaking time. – Please, Honorable Member.

15.54

**MP [Bernhard Themessl](#)** (FPÖ): Mr. President! Mr. Vice-Chancellor! Mr Federal Minister! Ladies and gentlemen! High house! Yes, we are always accused of being EU-critical, especially you on the part of the ÖVP. (*Call to the ÖVP: you are too!*) And as we can see today, rightly so. Dr. Stummvoll and my colleague Auer emphasized what we got from America. And if we remember: in 2001 we had similar cases; not to this extent - you know that. (*Call to the ÖVP: America does not belong to the EU!*)

Yes, but you know very well that the EU has learned nothing from this, because we are unconditionally attached to the Americans and, above all, you as so-called economists or self-proclaimed economists have done so again and again. And the EU has learned nothing from it, it has not managed to stand on its own two feet and to react appropriately to such crises.

My colleague [Jakob Auer](#) said that the Americans also pushed Basel II on our eyes, and then admitted that they themselves did not stick to it at all and we are now in the fatal situation that our



small and medium-sized businesses have no money get more because the banks are no longer willing to give away money because of Basel II. That is the point!

The Federal Chancellor and the Vice-Chancellor said very correctly today: We are agreeing on this package here today in order to regain or maintain confidence in the Austrian banking center and, of course, to reassure the savers, the many savers, and to show them that of course the Republic of Austria and this federal government will support that security is also given.

But what they don't say is that there are many, many thousands in this country who ought to be lucky to be able to make ends meet on their wages. In other words, we have thousands of workers in this country, in fact quite a lot of Austrians, who don't even have the opportunity to build up a savings account. They don't get any help at all.

And what you probably announced today, but which has not come to light in any of the speeches by the many Members here, is that of course we see an economic problem coming our way. You know, in this financial crisis, in which we are agreeing on a package here today, we are forced to react because it has hit us with full force. The economic crisis is rolling and is already noticeable in some areas in Austria.

If you know today that the German car industry is already drastically reducing production and that many Austrian companies are affected, then you could still act here. But I haven't heard anything from you about the fact that tax relief is to be tackled at the same time as this banking package, namely with immediate effect, and that small and medium-sized enterprises are of course to be strengthened accordingly. **Then** you could take countermeasures! (*Applause from the FPÖ.*)

Mr. Vice-Chancellor, you have had a boom for the last two years, but you have not been able to bring in a zero deficit, nor have you been able to bring tax reform forward accordingly. Although there is now talk of the tax reform being brought forward, this remains in limbo. I have not heard a request here as to when that should be and how you intend to act in order to

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to cushion the economic crisis in order to give people and small and medium-sized businesses the opportunity to survive.

If you have heard reports in the last few days that large companies in Austria are putting hundreds of employees on short-time work, then you must realize that this is a very tragic case for these employees because they have to accept a loss of income. But at least they have the guarantee that maybe in two or three months they will be able to go about their business fully again.

But what you never say about it is the fact that many large companies in Austria are supplied by thousands of suppliers who can be classified as SMEs. These are small and medium-sized companies that are losing delivery orders at short notice, but cannot afford to put five out of ten employees on short-time work, but are forced to lay off employees. And you will see that if you do not act here immediately, then in the next six months we will be faced with a wave of unemployment that has washed up. And I warn you against that. (*Applause from the FPÖ.*)

Since I know how the Federal Government has worked over the past two years and it cannot be assumed that this will change in the near future, we are submitting a motion for a resolution where you can show that you are acting here as quickly as possible want and perhaps want to help cushion this economic crisis.

I submit the following request:

### **motion for a resolution**



the deputies Themessl, Gradauer, Zanger and other deputies

The National Council wants to decide:

"The federal government is requested to submit a government bill to the National Council without delay, which includes the following points:

a relief for families through the introduction of a family tax splitting model,

the elimination of cold progression through a regular valorization of tariff levels,

the reduction of tax rates, in particular the reduction of the starting tax rate from 38.33% to a maximum of 25%,

the increase in the tariff level, from which the top tax rate starts, from the current 51,000 euros to 80,000 euros."

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*(Applause from the FPÖ.)*

Show courage, ladies and gentlemen! You can take countermeasures here. A package of bank measures and a bank rescue package alone are not enough to deal with the impending crisis in the future. - Thank you. *(Applause from the FPÖ.)*

15.59

**president [dr Michael Spindelegger](#)** : The motion for a resolution tabled by the honorable Member Themessl has received sufficient support and is also being negotiated.

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*The application has the following overall wording:*

### ***motion for a resolution***

*the members of parliament Themessl, Gradauer, Zanger and other members of parliament regarding the relief of Austrian citizens and companies that has become absolutely necessary due to the financial crisis*

*introduced in the course of the debate on the government bill ( [682 dB](#) ): Federal law, which enacted a federal law to strengthen the interbank market (Interbank Market Strengthening Act - IBSG) and a federal law on measures to ensure the stability of the financial market (Financial Market Stability Act - FinStaG) and the ÖIAG law 2000, the Banking Act, the Stock Exchange Act, the Financial Market Authority Act and the Federal Finance Act 2008 are amended at the 73rd session of the National Council on October 20, 2008*

*Economic researchers are lowering the growth forecast, individual areas of the domestic economy such as Magna Styer and BMW are already reducing production or launching so-called rationalization programs. The hitherto comparatively stable Austrian economy is caught in the wake of the international financial market crisis. The economic research institutes only see economic growth of 0.2% for 2009. In Germany, the institutes are even assuming that the German economy will shrink by 0.8% in their forecasts for the coming year.*

*Internationally, the financial market crisis has led to slumps in global economic growth. Our European neighbors are also in the midst of an economic downturn. As an export nation, the Federal Republic of Germany in particular will be hit particularly hard, causing the economic engine in Europe to stutter. In view of the fact that the SPÖ-ÖVP government has not relieved the citizens in the last two*

*years, the high inflation, exorbitantly rising energy and food prices, domestic demand in Austria has not been able to assume the necessary role of economic engine. The insecurity among the population will not boost consumption in the foreseeable future either. The finance minister and the economics minister should have been working for months to that the middle class is provided with credit accordingly. For example, by extending the financing guarantee (deficiency liability) of AWS. Likewise, the possible agreements in the food trade are to be examined and remedied. But our federal government is not in a position to do this.*

*The federal government's budget policy failed to achieve a budget surplus in the economic boom years of 2006 and 2007. Austria is now being presented with the bill because the SPÖ-ÖVP government has not used the upswing of recent years for a structural consolidation of the budget.*

*In view of the given circumstances, we consider a bank rescue package of around EUR 100 billion to be correct in principle. In addition to a restructuring of banking supervision, we need a cap on management salaries, which is binding in particular for companies that are now receiving state aid. It is unacceptable that managers who have brought the financial system to its knees by gambling billions are dismissed with golden handshakes.*

*Due to value adjustments and increasing liquidity problems at the banks, domestic companies are having difficulties in lending. Due to the lack of legal regulations due to the inaction of the federal government, the equity capital market in Austria is still, in particular*

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*in international comparison, strongly underdeveloped. The FPÖ has been calling for the creation of a legal framework for venture capital and private equity for a long time.*

*The undersigned deputies therefore make the following*

#### *motion for a resolution*

*The National Council wants to decide:*

*"The federal government is requested to immediately submit a government bill to the National Council that contains the following points:*

*a relief for families through the introduction of a family tax splitting model,*

*the elimination of cold progression through a regular valorization of tariff levels,*

*the reduction of tax rates, in particular the reduction of the starting tax rate from 38.33% to a maximum of 25%,*

*the increase in the tariff level, from which the top tax rate starts, from the current 51,000 euros to 80,000 euros."*

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**president [dr Michael Spindelegger](#)** : The next speaker is Mr Scheibner . Maximum speaking time: 6 minutes. – Please, Honorable Member. (*Deputy Riepl : Scheibner is now saying something new!*)

16.00

**Deputy [Herbert Scheibner](#)** (BZÖ): Mr President! Ladies and gentlemen! There have already been statements by Members of Parliament such as: Everyone is saying the same thing! – I say: let's be glad that we have a consensus here in Parliament today on this difficult issue, that we want to overcome this financial crisis together, that both the governing parties and the opposition parties acknowledge this responsibility, because ultimately we are responsible for it that tax money – €100 billion in tax money! - is used to ensure that the damage caused by speculators does not ultimately

fall back on small savers and borrowers. And that should also be expressed very clearly and distinctly on this day. (*Applause from the BZÖ.*)

The European Union has been praised. – Yes, I also believe that it is important to show that a global crisis can also be overcome through mergers and the cohesion of organizations. However, it must be critically noted that the European Union took a very long time to react. A few weeks ago we would have expected that a joint attempt would be made to take the necessary measures against this crisis, which has spread from America to Europe.

In Austria we are now putting together a €100 billion package. As I said: We also stand by it! However, there are also a few oddities to be pointed out here, and to be pointed out critically.

Of these 100 billion, 75 billion, i.e. three quarters, will be used to deal with a crisis of confidence **within** banks or **between** banks. So that means that the gentlemen of the bank, who are otherwise always seen together in intimate harmony at the beautiful receptions, suddenly mistrust each other. And the saver and the borrower, i.e. the taxpayer, we should all have this trust now

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cope with the crisis with 75 billion euros! I just hope that these bank directors and the banks as a whole will keep that in mind when it comes to asking borrowers – even small borrowers – for additional collateral or calling in loans, because that's what's happening they caused themselves.

Of course, the borrower must be liable for his own risk, even if he may no longer have any income to service the loan because he has lost his job. However, the fact that he or she is also liable for the fact that the bank or banks from which he took out the loan does not handle the respective funds properly is certainly not acceptable, especially

when we are responsible for it, namely all of us - all Austrians! – with 75 billion euros! (*Applause from the BZÖ.*)

Of course, the security of savers is also important. There must be trust here, but there must also be lessons for the future. And what I'm missing a bit now – a couple of speakers have touched on it, mostly from the opposition – is **control**. And then it became very quiet in this whole discussion. That's a bit strange, because the last time we spoke here in this House - and I remember it clearly - was a state guarantee for a bank, namely at BAWAG - and we shouldn't gloss over anything - we did too clear demands were made, and there it was a question of considerably less liability. But we made clear demands, everything had to be disclosed. There were examination committees, there were very strict conditions, and Parliament got involved. – **Now** we hear **nothing about it!**

I believe that the participation committee that we asked for from the BZÖ would have an important task, namely in the form that we as representatives of the people - and that can be kept confidential; I too am of the opinion that not everything should be hung on the big bell, sticking to the principle of trust - being able to contribute to ensuring that there is appropriate control of what happens here with the funds, also in the Austrian banking landscape. (*Applause from the BZÖ.*)

Mr Cap, you said you can see that various financial instruments are wrong here. – We have also helped ensure that a trade union federation remains stable. I don't think we questioned employee representation at the time just because a couple of union officials were speculating with someone else's money. Again, don't throw the baby out with the bathwater.

I don't think it's responsible if you now question pension fund systems in a slightly Marxist-tinged manner. Of course, the first pillar, the state pillar, is important and it should also be the most important pillar for the future. Nevertheless, we know that it will be important for 20 or 30 years to uphold the second and third pillars. And: Unlimited freedom is not what we want! Freedom also needs barriers, freedom also needs control. We should stand up for this - now also with the banks, also with the pension funds, and also for the future when it comes to such financial constructions, but not fundamentally question the system in a Marxist way!

We need economic freedom, including freedom in the financial sector, but also clear controls and clear sanctions if abuse is committed here. **That** 's what today should be about! (*Applause from the BZÖ.*)

What I also don't want is for this crisis to be used as an argument that there must be no change in Austria and that this grand coalition, as I have heard, is now being cemented. Today is the best

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Example: When it comes to showing responsibility, then we make **unanimous** decisions here. So: That cannot be the reason for a grand coalition of the future! If there are other reasons, put them on the table here. (*President Dr. Spindelegger rings the bell.*) Perhaps one does not want to have the control that would be necessary if there were other coalition variants. (*Applause from the BZÖ.*)

16.06

**president [dr Michael Spindelegger](#)** : The next member to speak is Hagenhofer. Your maximum speaking time is 5 minutes. – Please, colleague.

16.06

**Members of Parliament [Marianne Hagenhofer](#)** (SPÖ): Mr. President! Esteemed members on the government bench! Dear colleagues! Colleague Strasser ... – Colleague Scheibner, please excuse me! (*Laughter from the ÖVP.*) Freedom without borders takes us to where we are now, namely to the restructuring of the financial system. (*Deputy Engineer Westenthaler: He didn't say that!*) And if our club chairman Cap said today that we have to secure the pensions and above all the company pensions, something where money from employers and employees flows in, so to speak, have to be secured by the state, then that is by no means a socio-political one - how have we You said: retro perspective?; No, that's what Mr. Stummvoll said, but you also tell the same thing, just in different words (*Deputy Strache: No, that was Schuessel!*) - well, then that's not a socio-political retrospective, but it's whole exactly what people expect from us, namely a secure **livelihood**.

On the one hand, we secure the financial system, but on the other hand, we also have to help people to secure their livelihoods. I would like to emphasize this again, so that this is not so easily lost. (*Applause from the SPÖ.*)

I would also like to draw your attention to the current situation on the job market, specifically something I was able to experience last week, and I don't want to withhold that from you either. Our Chancellor Dr. Gusenbauer has already spoken today that small and medium-sized enterprises are no longer getting the money they need and that dramatic signals are emerging. **That** 's how it is! I come from the district of Braunau, a district that is active in the automotive sector. It was precisely this automotive sector that noticed very quickly and massively how this financial situation was affecting our real economy.

I'd like to bring you a couple of examples just so you know what we're talking about and why we're doing this here today. It is about a total of nine companies that were at the AMS on one day and got information. And I'll tell you the size of the companies:

450 employees; Producer of connectors in the automotive sector: Since Monday, October 6th, two thirds of the entire contract production has been deducted overnight! We're talking about 450 employees, and according to the managing director, there's no end in sight.

The second company: 420 employees; also suppliers in the automotive sector: order slumps by a third in the second quarter. Consequence: Employees will probably be laid off at the end of October, namely 50 to 60 in production and, which is particularly painful, 20 to 25 in administration and research.

The third company: 140 employees, suppliers also in the automotive sector: 110 percent order situation minus 40 percent excess capacity overnight! This means that this company has also lost orders rapidly.

Another company with 35 employees did the same: order declines in the double-digit range.

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And only today: In a company with 35 employees, order slumps of minus 40 percent!

In other words, real consequences of irrational banking transactions - I think we can all agree on that - irrational banking transactions, namely air transactions. And to ensure that this doesn't happen again, we've all gathered here today to throw out the appropriate lifeline. We have to give the people and the companies - that's how you have to see it - security, so that it becomes clear again that they will be able to get money again, be able to do business accordingly and also be able to place orders accordingly.

I hope that we don't have to ask ourselves the question: What is still to come? Nobody has said that either. We all have to be extremely careful that at least at EU level the sensors are stretched out far enough to be able to intervene as quickly as possible.

What we need next is a stimulus package that will give people hope that they have jobs again. (*President Dr. **Spindelegger rings the bell.***) Today I heard from the debt counseling service that the number of people who work but can no longer cover the cost of living with their wages is increasing, and that means we need appropriate jobs, so that too these people are taken care of. - Thank you very much. (*Applause from the SPÖ.*)

11/16

**president [dr Michael Spindelegger](#)** : The next speaker is Deputy Amon. 5 minutes maximum speaking time. – Please, Honorable Member.

11/16

**Deputy [Werner Amon, MBA](#)** (ÖVP): Dear Mr. President! Mr. Vice-Chancellor! Mr Federal Minister! Mister Secretary of State! Ladies and gentlemen! In his contribution to the debate today, Mr Kogler said that the Greens do not take the easy way out of approving today's package. – I think that applies to all of us – I would like to make that very clear – because this is a very comprehensive package which, if thought through to the end, can of course also have very dramatic consequences. Nonetheless – and I think this is a good thing – all the groups have assessed the seriousness of the situation equally and are therefore unanimous in their opinion that there is **no alternative** to this package .

It is also good that there is an amendment to this which authorizes the Federal Minister of Finance, in agreement with the Federal Chancellor, to provide regulations so that, when financial and credit institutions make use of support, they can influence business policy orientations accordingly, the use of the to be able to influence the funds supplied, to be able to regulate the remuneration of their bodies, to be able to regulate the equity base, to be able to regulate the distribution of dividends and also to be able to demand measures that serve to preserve jobs in these financial institutions, for example.

I believe that this is a very clever amendment, which is also important, so that whoever is ultimately responsible for footing the bill should things get serious, namely the taxpayer, also has a certain degree of certainty that the Republic has influence here can take.

However, I would also like to go into a few arguments that previous speakers have raised, because in fact the debate here should not throw out the baby with the bath water either.

We were accused of having the ÖVP drive people into the second and third pillars of the pension system. (*Interruption to the SPÖ.*) I want that

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strongly disagree! We have always said that the second and third pillars should be provided as a supplement to the state system and can also make sense as a supplement to the state system. Incidentally, one should not act as if a state system would be able to guarantee the full guarantee per se. State pension systems have also gone bankrupt – think of Chile, for example! That's why it's so important to keep reviewing the pension and social system so that it remains fundable, so that it stands on solid ground and there is a balance between those who are retired and a legitimate claim to their pension have, and those who are employed and have to finance it, is guaranteed.

In one or the other contribution to the debate, new clearance was also criticized. I would also like to counter this: According to the old severance payment regulations – estimates by the Chamber of Labor, by the way – only 15 percent of the people had any entitlement, under the new severance payment system more than every second employee already has a claim. (*Deputy Öllinger: A tiny ...!*) – Mr. Öllinger, it may be smaller at the moment – the severance pay funds also criticize the relatively short assessment; A minimum investment of three years is criticized because of course there is an increased risk – but over 50 percent of all employees today have a claim under this title; it used to be 15 percent. To demonize the system is therefore, I believe, inappropriate and also not right. (*Deputy Öllinger: It should have been done differently!*)

I would also like to take issue with my colleague Cap, who has once again sworn by Mr Maynard Keynes. – To claim Keynes because he came up with the idea of deficit spending, I would like to counter: That alone is not enough! Maynard Keynes was – and this should also be mentioned – a Conservative MP in the British House of Commons – by the way, an interesting economic philosopher – and only because he had the idea of deficit spending in times of recession, so to speak, appropriated him for social democracy, is actually a bit simple, because the problem of social democracy was always that they made donations when the economy was booming and then the budget was too tight when it was recessionary. – That is the problem at hand here. (*Interim comment by State Secretary Dr. Matznetter.*)

The person who spoke immediately before me, Mrs Hagenhofer, also addressed politics in connection with CO<sub>2</sub> emissions. – I think you have to ask your own people, namely representatives of social democracy, who in the European Parliament voted down a very sensible proposal from the Industry Committee with regard to greater flexibility. (*Applause from the ÖVP.*)

16.17

**president [dr Michael Spindelegger](#)** : The next speaker is Mag. Lunacek. 5 minutes maximum speaking time. – Please, honorable Member.

16.17

**MP [Mag. Ulrike Lunacek](#)** (Greens): Mr. President! Ladies and gentlemen on the government bench! Ladies and gentlemen in the hall! Mr. Colleague Aman (*Calls to the ÖVP: Am o n!*) – Am o n; excuse me! – has just criticized that the ÖVP has been accused of forcing people into private pension schemes. – Sir, that's right! **They** were the ones who advocated it, the ones who played with fire. They are responsible for the fact that the state pension system has been constantly cut. **shem**ade it clear to people: do more privately, it's much better for you! – That's correct! You are undoubtedly to blame for that, you are responsible for it in Austria. (*Applause from the Greens.*)

Speaking of playing with fire, what does it look like? – Yes, it's true, there's fire on the roof now as far as the financial crisis is concerned. My colleague Kogler said that if the whole house is on fire and is burning, then you have to put it out and then you have to do it **now**. That is why we will also vote in favor of this law, although we will very well **not** agree to a number of points at second reading.

But what is it actually about? Why did this fire start in the first place? There is only one answer to that: the system had massive flaws, and you all, the ÖVP in front, watched for years and decades, ignored all warnings, as everyone who followed the motto: The free market regulates itself by itself!



thought they could now speculate and manage funds they had no idea about, and played according to the motto: one will win and the others should see where they are!

Some of you may remember the show by Hans-Joachim Kulenkampff - the older ones still know it - "One will win". That was a game and someone won. For me, however, this is a symbol of how the global economy works and how this system was also thought of in Austria: the free market regulates itself, one person will win, and the others who lose should see where they are!

This system, this neoliberal anti-regulatory ideology that has prevailed for decades, needs to be changed so that fires like the ones taking place now can **never** happen again, ladies and gentlemen! It is necessary.

It all started in the 1980s, with the World Bank and Monetary Fund, the Latin American and Asian crises, where structural adjustment programs and debt policies were simply used to propagate that the less government the better, everything in private. This drove people massively into poverty. This policy must end.

If French President Sarkozy now thinks that the International Monetary Fund needs to be reformed, then I can only support that. It has to be finally. Not only many Greens say that, but also many others, such as the anti-globalization organization Attac, for many years.

As I understand Sarkozy, however, he meant that one could definitely wait a little longer with a European financial market supervisory authority, but that the IMF should be reformed first.

So, ladies and gentlemen from the current government – and I also address this to the future government – waiting for the IMF to be reformed sounds a bit like “waiting for Godot” and the suggestion that nothing will be done in the meantime to do.

One of the Greens' demands, on the other hand, is to tackle European financial market supervision. - That was also the case in the European Parliament, and I was very surprised that members of the European People's Party - including Austrians - voted **against the Rasmussen report when it came to adding precisely this European financial market supervision.**

There must **now** be a European financial market supervisory authority as soon as possible. It was important for the Council to decide on the first steps, but that's not enough, we need to do it more quickly. It must go faster to set up a common financial market supervisory authority! (*Applause from the Greens.*)

Let me mention one more point that the Greens have managed to get into this package that is now being decided. It was originally intended that in the case of an equity grant or partial nationalization of the banks, the value of the last six months of such a bank would be taken as the price. – We have enforced that the **current** value is used and not

the one from a few months ago. – This is very important and necessary; good that we managed to do that. (*Applause from the Greens.*)

Another point that has been mentioned a couple of times today is the financial transaction tax. I'm happy when colleague Stummvoll from the ÖVP says that you couldn't even have imagined that a year or two ago. Ladies and gentlemen, a financial transaction tax at European level is not only conceivable today, it is even **necessary**. Unfortunately, the current government has done far too little for this at European level and also did not approve our motion in the main committee last time. That's why it would be important to us before there is this tax at European level - unfortunately that will still take a while - a stock exchange turnover tax **in Austria** to reintroduce it, as it was until 2000, before the ÖVP appointed the finance minister.

I also submit the following request:

**motion for a resolution**

of the deputies Kogler, Rossmann, Lunacek, colleagues regarding the reintroduction of the stock exchange turnover tax

The National Council wants to decide:

"The Federal Government and in particular the Federal Minister of Finance are requested to submit a legislative proposal to the National Council with which a reformed stock exchange turnover tax for all transactions made on the stock exchange will be introduced as soon as possible and for a limited period until the introduction of an EU-wide financial transaction tax."

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Thank you. *(Applause from the Greens.)*

16.22

**president [dr Michael Spindelegger](#)** : The motion for a resolution tabled by Mag. Lunacek has received sufficient support and is also being negotiated.

*The application has the following overall wording:*

**motion for a resolution**

*of the deputies Kogler, Rossmann, Lunacek, friends regarding the reintroduction of the stock exchange turnover tax*

*introduced in the course of the debate on the federal law, with which a federal law to promote the interbank market (Interbank Market Strengthening Act - IBSG) and a federal law on measures to ensure the stability of the financial market (Financial Market Stability Act - FinStaG) and the ÖIAG Act 2000, the Banking Act, the Stock Exchange Act, the Financial Market Authority Act and the Federal Finance Act 2008 will be amended*

*The introduction of a general financial transaction tax at EU level and subsequently at global level would be another important step towards stabilizing the financial markets via the national "protective shield" for banks of up to 100 billion euros.*

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*In the main committee on October 14, 2008, all parties unanimously stated in a committee statement that the historic window for reforms must be used, the right conclusions must be drawn from the crisis in the financial markets and it is time to take steps towards introducing one Financial transaction tax at EU level and then at global level.*

*Individual EU states already have a national financial transaction tax or stock exchange turnover tax, including Great Britain with the largest financial center in Europe. In Austria, on the other hand, the stock exchange turnover tax was abolished in 2000.*

*Until an EU-wide or global financial transaction tax is introduced, the reintroduction of the stock exchange turnover tax in Austria makes sense in order to reduce the volume and speed of speculative transactions on the stock exchange.*

*The undersigned deputies therefore make the following*

**motion for a resolution**



*The National Council wants to decide:*

*"The Federal Government and in particular the Federal Minister of Finance are requested to submit a legislative proposal to the National Council with which a reformed stock exchange turnover tax for all transactions made on the stock exchange will be introduced as soon as possible and for a limited period until the introduction of an EU-wide financial transaction tax."*

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**president [dr Michael Spindelegger](#)** : The next speaker is Deputy Gradauer. 5 minutes maximum speaking time. – Please, sir.

16.23

**MP [Alois Gradauer](#)** (FPÖ): Mr. President! Ladies and gentlemen on the government bench! These days letters are fluttering into households in Upper Austria announcing a natural gas price increase of 20 or 22 percent. However, neither E-Control nor Minister Buchinger's competition department is doing anything.

A few days ago you could also read in the Austrian newspapers that the ÖBB gambled away around €300 million in financial speculation. – In reality it is €623 million. *(Calls to the FPÖ: Madness! Scandal!)* The managers responsible for this receive appropriate severance pay for stopping earlier. *(Shout: They belong locked up!)* - Quite right.

The citizens do not understand that one saves and sects when it comes to increasing nursing care allowances or raising pensions slightly, but that on the other hand we have €100 billion immediately available for our vaunted big banks - as liability or aid. *(Deputy **Strache**: which will probably be used in the near future!)*

The first thing that happens: the Constantia Bank has slipped into problems. *(Dr. **Graf**: But not because of that!)* And in no time at all the big banks in Austria struck and bought a very profitable, good bank with good deposits for one euro. – The guarantee that the state has to provide from the taxpayer is €400 million. These are things that the citizens don't understand because something is totally falling apart.

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What the Constantia topic still holds is that the financial funds of the Fries Group were also secured with it, which is also incomprehensible. *(Vice Chancellor Mag. **Molterer**: That 's not true!)*

What is certain is that we at the Freedom Party have always pointed out weaknesses in the system and continue to do so. Just think of the Financial Market Authority in connection with the BAWAG scandal! *(Applause from the FPÖ.)*

I would like to agree with Deputy Amon that something must also be done in the area of pension funds, but I miss action on the part of the ÖVP in this regard. **We** are doing something in this direction because it is already certain that the pension funds will miss the target by 30 percent and that inflation compensation will not be achieved. The financial crisis at the latest has made it clear that there is an urgent need for action.

I therefore make the following request:

### **motion for a resolution**

of MPs Gradauer, Neubauer, Zanger, colleagues regarding necessary changes in the pension fund law due to the financial crisis

The National Council wants to decide:

"The Federal Government is requested to submit a government bill to the National Council that provides for an amendment to the Pension Funds Act that strengthens and improves the position of those entitled to benefits and entitlements, increases the equity ratio of the pension funds and introduces new, effective control mechanisms."

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I thank myself. (*Applause from the FPÖ.*)

16.27

**president [dr Michael Spindelegger](#)** : The motion for a resolution tabled by Mr Gradauer has received sufficient support and is also being negotiated.

*The application has the following overall wording:*

### ***motion for a resolution***

*of MPs Gradauer, Neubauer, Zanger and other MPs regarding necessary changes in the pension fund law due to the financial crisis*

*introduced in the course of the debate on the government bill ( [682 dB](#) ): Federal law, which enacted a federal law to strengthen the interbank market (Interbank Market Strengthening Act - IBSG) and a federal law on measures to ensure the stability of the financial market (Financial Market Stability Act - FinStaG) and the ÖIAG law 2000, the Banking Act, the Stock Exchange Act, the Financial Market Authority Act and the Federal Finance Act 2008 are amended at the 73rd session of the National Council on October 20, 2008*

*The basis of old-age provision in Austria is indisputably the proven pay-as-you-go system, which was originally co-financed to a third by the state. However, since the limits of the state's resilience were increasingly becoming apparent, a "second pillar" of old-age provision was installed with the pension fund system as early as 1990, which was intended to finance itself exclusively and on the "gene*

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*ration contract" should supplement the pay-as-you-go system. The income to be generated by the pension funds should not only guarantee a stable supplementary pension, but also secure the purchasing power of the pensions through annual pension increases.*

*After a hesitant start with large capital transfers in the late 1990s and early 2000, the new old-age provision via pension funds was greatly expanded. However, the results since then show that the "second pillar" is not able to fulfill its most important function, namely to become an efficient and reliable supplement to the state pension insurance.*

*There can no longer be any talk of compensation for inflation; on the contrary, the pension fund pensions of a large number of those entitled have been reduced considerably in recent years. There is a growing number of pension recipients whose additional pension, adjusted for inflation, is already 30% below the target figure, with the effective reduction in pension fund pensions since 2000 being around 20%.*

*This development will continue unabated, as the earnings assumptions on which the calculations are based were and are unrealistic, as can now be seen.*

*In addition, a number of critical weaknesses in the Pensionskassen Act have become apparent. The financial crisis of the last few weeks has strengthened all critics of the existing pension fund system in their opinion that there is an urgent need for action. Tens of thousands of recipients of pensions*

*from pension funds are facing renewed pension cuts, and a good half a million people who are still working will have to retire with significantly reduced pensions.*

*In the pension fund system, no protection or control rights are provided for the beneficiaries. The pension funds operate with only one percent equity, so the pension cover capital entrusted to them is unsecured and the entrepreneurial risk is minimal. No other financial services company can handle trust capital in such a hands-off manner. There is no liability or guarantee whatsoever against recklessness or incompetence on the part of management. If the actuarial reserve of the beneficiaries is gambled away, only the pension fund beneficiaries are left behind.*

*Pension funds were allocated the cover capital in return for a promise of high annual investment income. The financial market supervisory authority and its predecessor institution in the Ministry of Finance have approved the excessive earnings assumptions (parameters), which have already led to missed targets of more than 30% to date. Without countermeasures, the majority of those entitled to a pension fund will in future have to live with a pension fund that has shrunk to half the originally promised pension.*

*The individual pension fund beneficiary is bound to the pension fund allocated to him for life. There is hardly any choice or mobility between the individual cash registers. In addition, the cost structures and the results of the pension funds are not sufficiently transparent.*

*The pension fund pension is made up of capital transferred to the pension fund (mostly - tax-free - by the employer as a so-called withheld wage or "deferred payment", but also through employee contributions) and the capital gains generated thereon. The pension paid out is then fully subject to the respective maximum tax rate (wage or income tax) of the pensioner, although it derives mainly from investment income, which is only subject to the 25% capital gains tax or, as capital gains, is tax-free at all.*

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*The undersigned Members therefore provide the following*

*motion for a resolution*

*The National Council wants to decide:*

*"The Federal Government is requested to submit a government bill to the National Council that provides for an amendment to the Pension Funds Act that strengthens and improves the position of those entitled to benefits and entitlements, increases the equity ratio of the pension funds and introduces new, effective control mechanisms."*

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**president [dr Michael Spindelegger](#)** : The next speaker is Mr. Schalle. 5 minutes maximum speaking time. - You're welcome.

16.27

**Deputy [Veit Schalle](#)** (BZÖ): Dear Mr. President! Dear members of the Federal Government! High house! Today, mistakes made by bankers and financial service providers are fixed with tax money.

Dear Mr. Stummvoll - unfortunately he is not here now - when you point to the USA, then I have to say that of course there are always two involved: one who sells, but also one who buys; he is also responsible for checking this carefully and not buying a pig in a poke.

Today we decide on a package of measures to secure the stability of the ailing Austrian financial market with a total of €100 billion.

Dear Minister of Finance, the banks have to pay. - OK. But you also have to say **what** they are paying for and **how much** they have to pay. – You owe us that completely.

The €100 billion is a very high amount in a European comparison when you consider that we are taking on two and a half times more funds than Germany, where in the meantime two or three large financial service providers have actually been badly affected. If we put together such a large liability package compared to other countries, then I wonder whether the federal government already knows more about the actual situation of domestic banks than we know or need to know here. *(Dept. Strache: We'll find out in the next few days, won't we?)*

Dear Vice Chancellor and Minister of Finance! I ask you the question: Why is the sum so disproportionately high? Is there such a great need that we don't know about yet? Or do you take the same view as the Chancellor, who recently said that everything is in order, that everything is secured, that there are no problems, that no package of measures is necessary or required? – Pour us in the clear here and now and lay your cards face up on the table! *(Applause from the BZÖ and members of the FPÖ.)*

You don't have to look to the US or Europe. Let's stay simple here in Austria. The supervisory authorities have also failed on **all fronts and are jointly responsible for the fact that it has come to this in the first place**. It is not only the board members who have to be held accountable, but also the bank auditors, auditors, auditing associations and above all the FMA have totally failed.

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Dear Minister of Finance, Of course, once again it takes revenge if the FMA is appointed **politically** and **not professionally** ! – This led to a disaster. *(Applause from the BZÖ and members of the FPÖ.)*

In my opinion, what we need is not more control, but **better quality** control . It doesn't stop with the regulators. Look at the newspaper reports of the last few days: ÖBB is speculating €600 million and has no money to repair its wagons. *(Deputy Dr. Haimbuchner: A scandal!)* The AUVA loses money - probably over 30 million - and, what is really bad, the state of Lower Austria - you have to imagine that! – €300 million. In addition, 90 municipalities in this federal state have taken over with so-called SWAP loans. Many mayors have been influenced by the country's financial dealings.

Just one example: In the wine tavern in Perchtoldsdorf they destroyed €1.5 million alone – money from the community. The federal, state and local governments have invested millions in cross-border leasing deals out of greed for quick money and are thus setting a bad example for the entire population. *(Deputy Strache: That's right! The citizens have to swallow the price increase!)*

For example, the municipality of Vienna has sold and leased back parts of the sewer system, parts of the subway system and parts of the electricity network to large US insurance companies. – Once again, the taxpayer will remain. *(Call to the SPÖ: Wrong!)*

To the Constantia Privatbank, the bank of the millionaires: Renovations are being made at the expense of the taxpayers. Profits are privatized and losses socialized, but there are no consequences in terms of personnel, neither for the board of directors, despite incidents that - you really have to put it that way! – scream to heaven, still for the board of directors.

If you don't draw the consequences, you can release Mr. Elsner right away. However, there are also no consequences at all for ÖBB, the state of Lower Austria and AUVA, which waste tax money.

Another point of criticism of the package to be decided today is *(President Dr. Spindelegger rings the bell.)* - I come to the final sentence: According to the Court of Auditors, money can be gained primarily through administrative reform. There is a lot of money to be saved, up to 4 million. *(Deputy Dr. Moser: billions!)* For this reason, a tax relief package and an economic stimulus package are

very important and urgent to implement. - Thank you. *(Applause from the BZÖ and members of the FPÖ.)*

16.33

**president [dr Michael Spindelegger](#)** : The next speaker is Mr. Dr. Yarolim. 5 minutes maximum speaking time. - You're welcome.

16.33

**MP [Dr. Johannes Jarolim](#)** (SPÖ): Mr President! Gentlemen ministers! Mister Secretary of State! Mr Amon, perhaps only very briefly at the beginning, because John Maynard Keynes was addressed as a member of the Conservative Party: Keynes was a member of the Liberal Party, namely in the House of Lords. I would request that we give due credit to historical facts for what they are. – That is why I am also in favor of a different political interpretation than the one you wanted to present today.

Mr. Schalle, just a little bit about you: The stories about the Federal Railways that you explained to us today, and also about Mr. Huber, who is certainly not a glorious newspaper in the history of the Federal Railways, are under Mr. Gorbach - Vice Chancellor at the time and Minister of Transport - done. So I don't quite understand why-

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that's why you're particularly complaining about it. *(Deputy **Strache**: And Minister Faymann took care of the severance pay and pension insurance, as a thank you for this story!)*

Ladies and gentlemen, by and large we managed to have a relatively harmonious discussion today. I think that really everyone in the House recognizes the usefulness of these measures, which we will soon be adopting. It is of course only a first step. That means that we calm down the capital market, the banking market. If a business location has to exist, then of course that also means investing, securing investments and, of course, making the appropriate capital available and also equipping the banking system. There is absolutely no question that we will of course also need an economic stimulus program that will also come, the main features of which have already been presented by the government.

Mr Auer, I would like to thank you very much for all the aspects that we have outlined today and on which there is harmony, for using very strong words in particular to present the financial market policy of the then Finance Minister Grassler for what it really was, namely incompetent and amateurish. Because under him we learned exactly what we are now seeing that doesn't work, namely that capital markets, especially where derivatives are concerned - i.e. these new products - do not regulate themselves in any way, like they do themselves gambling is also not self-regulated.

If we now have to acknowledge that the capital market was not so much concerned with the actual value of companies as it was and is primarily about making bets about how high the price of grain will be in five or ten years, how high a company will be valued in five or ten years, and that was more or less the assessment basis, the basis was, you can see that there has of course inevitably been a move from real values to virtual, fictitious values, which of course impossible to function in the long run.

Transparency and sustainability are therefore very important. Of course, you need a legal framework for this. I would just like to remind you very briefly that we had this tiresome problem with Meinel Bank even before this crisis started. We saw there how the products of Meinel Bank were advertised in an outrageous way and people said that this European country was more or less the savings book of the future for the little man. Thousands of investors deposited their money there, closed their savings accounts - and then it turned out that the group in Meinel Bank had actually done nothing more than a profit optimization model for itself, with the greatest possible risk for all investors. This of course led to that people dropped out en masse for their money. – Of course, things like that have to be stopped.*(Applause from the SPÖ and members of the FPÖ.)*

Another problem is the stock options. Ladies and gentlemen, when we see that a multiple of the annual salary of directors is generated through bonuses and the bonuses are dependent on a certain economic success having to be achieved by a certain date, and when we realize at the same time that this success does not come from the general operating business, but suddenly by selling shares in the company, then we see that this is not healthy, because of course it massively impedes the sustainability of corporate management. Sometimes they say, back to the core business. You sell everything that is upstream and downstream in the group and in doing so actually destroys the powerful basis of a company, only at a certain point

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A good corporate success can be presented on the key date - of course it is not sustainable - and corresponding bonuses can be paid out. Future steps are directed against this. - Thank you very much. (*Applause from the SPÖ.*)

16.38

**president [dr Michael Spindelegger](#)** : The next speaker is Mr. Mag. Ikrath. 5 minutes maximum speaking time. - You're welcome.

16.38

**MP [Mag. Peter Michael Ikrath](#)** (ÖVP): Mr. President! Gentlemen on the government bench! Esteemed colleagues! First, my duty: I am introducing an **amendment** to the government bill that affects Section 93(4) and Section 103. I may explain it in the essential features.

This is to eliminate an editorial error in Section 93 (4). The sentence has been changed to clarify that the amount of €50,000 secured for partnerships and corporations applies **exclusively** to deposit protection.

Section 103 clarifies that from January 1, 2010 the difference between €50,000 and €100,000 must be reimbursed by the Federal Ministry of Finance to the deposit guarantee scheme.

And now the freestyle. Let me now come to the main points of my comments. I would like to start by saying once again, because I believe that this is extremely important - also important for everyone who watches and listens to us at home -: The Austrian banks - all relevant, all important ones - are safe, are strong, are solid. Nobody needs to worry about their savings for even a minute. I say: Luckily that's different in Austria than in other countries!

So why are we deciding on this very ambitious package to strengthen the financial markets today? – For a very good reason: because we want to act with foresight. On the one hand, this is an immunization of the Austrian credit industry against contagion effects of the crisis, i.e. a kind of protective vaccination. That's why we gave a 100% guarantee for the deposits of Austrian savers. I am particularly pleased that we have now also significantly increased the deposit guarantee for small and medium-sized companies. This is very important to me because SMEs in particular are under particular pressure given the current economic trend. Therefore, it is of great importance psychologically.

Secondly, we want to establish a competitive level playing field for Austrian banks on the international money markets. It is important to say the following: In the past few weeks, a number of banks in other states with government participation have had their credit ratings boosted enormously. In plain language, this means that it is currently much easier for these banks to create liquidity on the money markets than for Austrian banks, i.e. to raise the money that they then return in the form of loans to private individuals - the house builder has been named - but also to companies, and especially to those of the medium-sized economy.

It is a central responsibility of the banks, especially in a time of economic slowdown, to provide sufficient financing for the economy, for companies, and above all for the small and medium-sized



companies that form the backbone of the Austrian economy and our jobs put. And so that we enable our banks to assert themselves in the competition for liquidity, which is extremely tough because there is currently too little liquidity in the markets.

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zen, with today's package we offer you a very extensive and very flexible range of instruments.

I'm sure that the banks will use this range of instruments, but I expect that they do so on their own responsibility, that they do so responsibly with their entrepreneurial freedom and always keep an eye on their customers and their adequate financing. I expect the Minister of Finance to handle the conditions that we are handing him today in the event of a long-term commitment by the state with the necessary sensitivity and a sense of proportion. Especially when it comes to listed banks. We mustn't drive away the investors who are now watching our approach with a certain amount of hesitation, because then we would solve one problem and create the other. *(President Dr. Spindelegger rings the bell.)*

All in all and coming to the end: This package creates the trust that we so urgently need in the markets - between savers and banks, between companies and banks and ultimately between the banks themselves. This is the need of the hour, that we fulfill today! *(Applause from the ÖVP.)*

16.44

**president [dr Michael Spindelegger](#)** : The amendment submitted by Mr. Mag. Ikrath has been adequately supported. The application was explained in its key points and is therefore also in the negotiation; it will be distributed to the Members in accordance with Section 53 (4) of the Rules of Procedure.

*The application has the following overall wording:*

### **amendment**

*the MP Dr. Günter Stummvoll, Jan Krainer Colleagues on the government [bill 682 dB](#) in the version of the committee report [683 dB](#) concerning a federal law, with which a federal law to strengthen the interbank market (Interbank Market Strengthening Act - IBSG) and a federal law on measures to ensure the stability of the financial market (Financial Market Stability Act - FinStaG) and the ÖIAG Act 2000, the Banking Act, the Stock Exchange Act, the Financial Market Authority Act and the Federal Finance Act 2008 are amended*

*The National Council wants to decide in the 2nd reading:*

*The bill referred to in the title is amended as follows:*

*Article 4 is amended as follows:*

*1. Number 3 reads:*

*"3. Section 93 (4) first sentence reads:*

*"For deposits pursuant to para. 2 from creditors who are not natural persons, the payment obligation of the deposit guarantee is limited to a maximum amount of EUR 20,000 and 90% of the protected deposit per depositor, in derogation of para. 3; for partnerships and corporations that meet the criteria specified in Section 221 (1) UGB, the maximum amount increases to EUR 50,000 in each case; Likewise, in the case of securities services pursuant to paragraph 2a of creditors who are not natural persons, the payment obligation of the deposit guarantee is limited to 90% of the claim from securities transactions per investor, notwithstanding the maximum amount specified in paragraph 3a.*

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2. Z 7a is amended as follows:

"7a. § 103h reads:

*"Section 103h. Section 93 (3) applies from January 1, 2010, with the proviso that deposits by natural persons are secured up to an amount of EUR 100,000. Furthermore, as of January 1, 2010, Section 93a (3) applies, with the proviso that the guarantee schemes must notify the total of the difference between EUR 50,000 and EUR 100,000 and the Federal Minister of Finance must make this difference available has. The budget funds required for Section 93a Paragraph 3 are made available by way of overrun authorizations (Article VII Paragraph 1 Z 14 and Z 15 Federal Finance Act 2008) and may also be covered by additional income from credit operations; in this case § 41 paragraph 6 of the Federal Budget Act (BHG), Federal Law Gazette I No. 213/1986, in the version of Federal Law Gazette I No.20/2008 not applicable."*

Article 6 is amended as follows:

*In the promulgation clause of the Financial Market Authority Supervision Act, the designation "BGB." is replaced by the designation "BGBI..".*

Reason:

*Elimination of an editorial error in Section 93 (4); the sentence has been changed to clarify that the amount of EUR 50,000 secured for partnerships and corporations applies exclusively to deposit protection. In § 103h it is clarified that from January 1st, 2010 the difference between 50,000 and 100,000 euros is to be reimbursed by the BMF to the deposit guarantee scheme.*

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**president [dr Michael Spindelegger](#)** : The next speaker is Mrs. Dr. Lichtenecker. 5 minutes maximum speaking time. – Please, honorable Member.

16.45

**MP [Dr. Ruperta Lichtenecker](#)** (Greens): Mr President! Dear gentlemen on the government bench! Esteemed colleagues! Ultimately, the banking package that is here today is about securing, strengthening and improving trust and confidence in the financial market. But ultimately, what we have to negotiate here today is nothing more than a Ho-ruck measure that became necessary because there is a fire on the roof.

We in the Greens said: yes, we need to strengthen the financial sector, we need to improve financial market supervision! and that is why we tabled a motion in July 2007 that had exactly that goal, namely strengthening financial market supervision. It contained many points that were very important: from the qualifications of the supervisory board members to the tasks of the auditors to the organization of the state commissioners and their assignments.

Do you know what happened to it? (*Vice-Chancellor Mag. **Molterer**: They have been incorporated into a law! The Financial Market Authority has been redesigned!*) The only thing that happened, Mr. Vice-Chancellor and Minister of Finance, was that it was rejected in bulk, without examining it carefully and to include.

Yes, the crisis on the financial market harbors the great danger that it will impact the real economy. And that means nothing other than that consumption in



households and that investments in companies will fall. The question now is: what are you doing to prevent this? What are you doing specifically to strengthen economic growth in this form?

As we all know, both the Economic Research Institute and the IHS, as well as all international organizations, are forecasting a decline in economic growth. The export economy, which is a very important economic factor in Austria, has to suffer from a weak dollar exchange rate and from the difficulties in the countries. But areas that are very promising, such as environmental technology and eco-energy, also suffer greatly from the fact that there is no home market. This is exactly where you need to start in a second step!

Steps must be taken worldwide in relation to a world financial summit, to the reform of the international organizations that have already been addressed today. Measures must be taken at national level to strengthen companies and, in particular, to boost the purchasing power of households.

What do we have at the moment? – We have a big crisis in the financial market. The capital markets are shaking. And there is currently a danger that a very central problem will be lost in this discussion, and that is the great climate crisis. Anyone who has read the newspapers over the last few weeks will have noticed that there is a dramatic change, that strong warming is taking place that will reach dynamics with incredibly high damage costs - damage costs that will affect us to an extent that will ultimately at least reach the amounts debated today over the years and in the future.

Ultimately, it's about taking steps, because these are exactly what would strengthen the economy. Investing here means nothing other than creating jobs in precisely these areas, helping people save money so that it can flow into other areas. It is important to secure home markets and strengthen purchasing power. It's about an eco-social tax reform in order to finally relieve the work factor. Here, Mr Finance Minister, you did nothing anywhere in the past legislative period.

But there are still many unanswered questions, such as: How will cross-border business affect state-owned companies? What about all the shady financial deals? To what extent are the state-related companies endangered?

Many problems have been pointed out (*President Dr. Spindelegger gives the bell*), today there was an approach to a solution for a small area - but the big problems, such as in education policy, research policy, tax policy and climate protection policy, stay open! (*Applause from the Greens.*)

16.49

**president [dr Michael Spindelegger](#)** : The next speaker is Deputy Kickl. Maximum speaking time: 5 minutes. - You're welcome.

16.49

**Deputy [Herbert Kickl](#)** (FPÖ): Mr. President! Ladies and gentlemen on the government bench! Today, in the course of this debate, we are once again witnessing a classic example of how a federal government, which for the past two years or so has basically behaved like the famous goat in the garden, namely in the economic and fiscal garden, because there are many things that could have been done better, and because many parts of this crisis are homemade, tries to garden with unctuous words. It's a classic example of attempted change by trying to turn something completely around. (*Applause from the FPÖ.*)

There was talk today of a "fire brigade" that is moving out to a location in Austria, so to speak, but I have my suspicions when I look at the contributions of this red-black federal government in the last two years - and I also count the non-members - Contributions to this - that there are also many "arsonists", namely in red and black, sitting on top of the squad car and that they are now driving out to extinguish a fire for which they are largely **responsible**. (*Applause from the FPÖ.*)

Ladies and gentlemen, I'm talking about the "buck in the garden" - which you shot in many areas - because you hesitated or hesitated and slept wherever we Liberals said that you should have acted. I'll just mention a few keywords: Relief through a major tax reform, boosting domestic purchasing power. - Nothing happened at all! On the contrary: you have scolded everyone as irresponsible who has been demanding this for years and who say that one shouldn't be so naïve as to believe that the good weather phase of the economy will last until the end of the day. **They** were irresponsible - and not those who demanded it! (*Applause from the FPÖ.*)

And you sleep on, ladies and gentlemen! Although you know that unemployment will continue to rise massively, we haven't heard anything about a freeze on immigration. On the contrary: they want to keep opening the borders for immigration! It is irresponsible what you are also doing in this phase, ladies and gentlemen from Red and Black! (*Applause from the FPÖ.*)

**I'm not even talking about the fact that you are responsible for saying yes** to a massive increase in electricity and gas prices, although you know that people no longer have any money in their pockets and can no longer afford the most essential things in life and that is, so to speak, your pre-Christmas gift to the pensioners, single parents and to those people who already have no more money. **This** is irresponsible! And that's why you are the bucks in this economic and financial situation! (*Applause from the FPÖ.*)

You are also there, ladies and gentlemen, because you stepped on the gas everywhere, because you couldn't go fast enough everywhere, because you pressed on where you should have braked and where you should have proceeded cautiously. And I'll just say to you - there's a catchphrase for it -: That's your blind rage neoliberal course!

At this point, I would like to address the ladies and gentlemen of the ÖVP in particular, who, as we all know, like to pat themselves on the chest and emphasize their economic expertise at every opportunity: Please, ladies and gentlemen of the ÖVP, sincerely, also for the sake of truth, either to be much more careful with the term "business competence" in the future, to be more reserved or at least to say which economy you mean, for which you consider yourself competent, because the economy you mean, is exactly what we have had to recognize in recent years or for a long time as a classic neoliberal aberration, which you dogmatically and stubbornly cling to, as the Vatican could not do better in certain areas, when it comes to defending dogmas of faith. (*Applause from the FPÖ.*)

Now I turn to the ladies and gentlemen of the SPÖ and would like to say to you: the SPÖ was there everywhere, so you can't completely absolve them of their guilt. (*Interjections to the SPÖ.*) I'm pleased that Mr. Cap, chairman of the club, presented Mr. Grasser as a symbolic figure at the very beginning of the debate - that's right - but one thing has to be credited to Mr. Grasser: he has himself openly known about this ideology! But you do

under the red cloth, so to speak. You are just as neoliberal and are just as much a fan of this monstrosity as your coalition colleagues, with whom you will soon be in the coalition bed again. (*Applause from the FPÖ.*)

What else is there than a neoliberal course when you sell off national wealth, when we no longer even own the tram sets in Vienna, which is absolutely red-ruled, with which we travel every day, when we no longer own the Danube power plants and when the power grids are sold off to America! We can only congratulate you if you now come to the realization that it would actually be better if the public sector would put a protective cloak over these assets, so to speak. Believable, ladies and gentlemen from the SPÖ, but that's **not all!**

Ladies and gentlemen, I am now introducing a motion for a resolution that should at least save the ailing AUA, because it is also a question of not continuing to cheerfully sell off national assets at a

time when the economic situation is bad one does not continue on this wrong path and does not continue to squander national assets below their value.

### **motion for a resolution**

Members Kickl, Ing. Hofer and other members regarding AUA privatization

The National Council wants to decide:

"The federal government is requested to suspend the privatization efforts of Austrian Airlines until it can be ensured that privatization proceeds that are adequate to the value of the company can be achieved."

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*(Applause from the FPÖ.)*

Ladies and gentlemen! One last sentence...

16.55

**president [dr Michael Spindelegger](#)** (*giving the bell*): Sir, no, your speaking time has already expired! (*Deputy **Strache**: One final sentence, Mr. President!*)

The motion for a resolution by Members of Parliament Kickl, Ing. Hofer and other members of parliament has received sufficient support and is therefore also being negotiated. (*Deputy **Strache**: **Not even a final sentence! - Applause from the FPÖ for Deputy Kickl** , who left the lectern . )*

*The application has the following overall wording:*

### **motion for a resolution**

Members Kickl, Ing. Hofer and other members regarding AUA privatization

*introduced in the course of the debate on the government bill ( [682 dB](#) ): Federal law, with which a federal law to strengthen the interbank market (Interbank Market Strengthening Act - IBSG) and a federal law on measures to ensure the stability of the financial market (Financial Market Stability Act - FinStaG) are enacted as well as*

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*the ÖIAG Act 2000, the Banking Act, the Stock Exchange Act, the Financial Market Authority Act and the Federal Finance Act 2008 are to be amended at the 73rd session of the National Council on October 20, 2008*

*Due to the current financial crisis and the associated economic slump, a planned realization of the privatization is currently problematic.*

*Due to the general economic downturn, AUA already recorded a falling overall capacity utilization in September. The international financial and economic crisis is also expected to have a significant impact on the aviation industry in the coming months.*

*The privatization process has to be adjusted due to the increasingly problematic developing economic situation. Due to the current market valuation, a privatization of Austrian Airlines would destroy values that would jeopardize a corresponding positive future development.*

*The undersigned Members therefore provide the following*

*motion for a resolution*

*The National Council wants to decide:*

*"The Federal Government is requested to suspend the privatization efforts of Austrian Airlines until it can be ensured that privatization proceeds that are adequate to the value of the company can be achieved."*

\*\*\*\*\*

**president [dr Michael Spindelegger](#)** : The next speaker is Mr Darmann. 5 minutes maximum speaking time. - You're welcome.

16.55

**Deputy [Mag. Gernot Darmann](#)** (BZÖ): Mister President! Mr Chancellor! Mr. Vice-Chancellor! Esteemed members of the Federal Government! High house! Dear viewers in the gallery and at home! Before I go into detail, as far as I can in these five minutes, about the present national package of measures to protect the credit and insurance industry, I would also like to use the example of the fire engine, which is much cited today, and say that this is really about one Firefighting is possible, but it will be necessary - and I address that primarily to this federal government, but also to the future one! – to take precautions with international partners to ensure that a secure financial market construct made of refractory materials, so to speak, is built up that prevents the smoldering fire from spreading to another level,

It will be necessary - unfortunately Federal Minister Faymann is not here now - to address the fundamental evil of the lack of control and the lack of transparency above all - but not only! - eliminated from the American financial market and, on the other hand, that the work and the constructs of the international rating agencies, which come from the US side, are revised, which is very important, because they are a fundamental cause of the fact that currently there is no trust in lending money between banks, because one of the basis for decisions on lending money between banks is, of course, the rating of the opposite bank. And if you can no longer rely on this rating or the rating of the country where this bank is located, then so be it

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It is only logical that banks, including domestic banks, have the problem of getting money on the one hand and giving money on the other. That said, it will be very important to attack these problems in advance in order to prevent the need for further firefighting operations in the future.

Federal Minister Faymann stated in his speech that there must be consequences, and he also stated that there must be more control and transparency internationally. Yes, I say, I can only agree with that, only: Mr Faymann, wherever you are now, you are a federal minister and therefore part of this federal government, so don't talk, act!

I think it is very important to state here that action must be taken! We can't watch any longer! It is necessary to influence our partners internationally, including great powers such as the United States of America, to take appropriate steps here.

However, it is also very necessary – and this should also be said – for the raising of the capital of €100 billion, as is now planned, to be subject to appropriate conditions. It is very positive to note that this government bill, which we are discussing here today, has also included corresponding conditions for credit institutions and insurance institutions since yesterday evening. Until yesterday evening, a wide variety of conditions were not provided for, also to the advantage of the citizens, who are liable for them. This is again noted as very positive. I would especially like to thank my colleague from the

BZÖ [Josef Bucher](#) (*applause from the BZÖ*) , who made a significant contribution to the fact that these conditions were incorporated into the concept that is now available.

Among other things, these conditions include: a requirement that is now possible as a result of this protection package for credit institutions and insurance institutions in the area of business policy, requirements in the area of use of the funds raised, requirements - and this is important for acceptance among the population - with regard to the remuneration of the Bodies of the banks and insurance institutions, requirements in terms of the capital resources of these institutions, requirements regarding the distribution of dividends, requirements regarding the maintenance of jobs in favored credit institutions and insurance institutions, requirements regarding the avoidance of distortions of competition and, of course, the request for corresponding reports from pages of these institutes.

This means that if we make €100 billion available for the banking and insurance industries, then this can only work if appropriate measures are taken and appropriate conditions are set, which of course also benefit the public . - Thank you. (*Applause from the BZÖ.*)

17.00

**president [dr Michael Spindelegger](#)** : Ladies and gentlemen, the direct television transmission has ended. However, I still have two requests to speak: Deputy Tamandl is the first to speak.

Would you like me to give you speaking time? – 5 minutes. Please, colleague .

17.00

**Deputy [Gabriele Tamandl](#)** (ÖVP): Dear Mr. President! Ladies and gentlemen on the government bench! Dear colleagues! I mean it's actually a shame that the telecast is ending now, not because I'm so keen on speaking in televised time, but because probably a lot of the viewers and listeners today aren't

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didn't know in which direction the law was moving, which is intended to secure their savings and about which all parties say again and again that they agree and that this law will find a broad majority, in connection with which many but also completely different ones have said things.

For example, Mr. Kickl talked about all sorts of things. Mr Kickl! If you are talking about the fact that we lack economic competence, then I would recommend that you do not use the word “economic competence”, because you cannot even write it, as you explained to us very well today . (*Applause from the ÖVP . - Heckling from the FPÖ.*).

Ms. Lichtenecker, you have explained to us here what you do not expect. Among other things, they demanded: We need a tax reform or an eco-social tax reform! – I think you forgot that we had National Council elections and that the current government is only in office until the next government is sworn in! (*Interruption from the deputy **Strache.*** ) Do you want to anticipate this new government? Should we decide everything possible today, like we did on September 24th, like cabbage and turnips? I think that would be presumptuous and we shouldn't allow ourselves to do that!

Regarding the present law, which I hope we will pass unanimously today: many of you have said that we can now spend EUR 100 billion, while we are always saying that we have no money for tax reforms. – First of all, I would like to point out that we do not yet know which liability will definitely become effective. At the moment - apart from the Constantia thing, which is now being regulated differently - it is not at all certain how many billions or millions will actually be struck.

Besides, I say, because everything is being badmouthed again and again, we have to be really happy that the small savers, the house builders and the people who have financed their own apartments with loans can now be sure that, on the one hand, their loans are not due immediately and on the other hand their savings are safe and they do not lose the money! There are also very many who have invested conservatively and have not

invested in the stock market or in funds, and it is right that we are now protecting the deposits of these savers.

I also think it is necessary for us to secure the deposits for partnerships and small corporations, because after all, 90 percent of all Austrian companies have fewer than 20 employees, and we are therefore also preserving jobs by securing the money for these companies they put aside for any investments.

On the other hand, of course, we also have to ensure that companies can obtain credit more easily, which we hope will soon be tackled with an economic stimulus package. I can report this to you from practice: There are companies that have ten to 20 employees and urgently need €20,000, €50,000 or €80,000, but who cannot get a loan because all the banks refer to Basel II. We've heard it a number of times today: America pushed this on us, but they're not even implementing it themselves. That means something has to be done here. We need appropriate economic stimulus packages to help companies raise new capital. It is necessary.

Some of your colleagues have said that we in the ÖVP are the ones who have repeatedly wanted to destroy the first pillar of the pension system and replace it with the second and third pillars. - The one does not exclude the other! If someone makes private provision, then that's very good. You won't do that badly-

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want to talk! But we have always spoken out in favor of the state pillar! And I ask the gentlemen who didn't vote for the pension security reform in 2003 how pensions without reforms are supposed to be safe if the pension contributions then explode at some point. It is therefore necessary and important to build trust among the population.

Finally, I would like to quote another legendary banker, namely the former head of the Creditanstalt, Heinrich Treichl, who just turned 95. During a "Format" interview, he was asked the question: "Do you think the banks need to become more conservative again?"

Remarkably, Heinrich Treichl answered this question with the words: "Yes, a bank management should be conservative, afraid of innovations and not splurge. Some of the American banks were not very well managed. There you are constantly looking for something new. And in banking, that bias is a hazard."

I think our banks in Austria treat savers' money very seriously. In addition, their approach to lending is very serious. With today's package, we will provide protection against impending losses, and that is a good thing in the interests of the population and small and medium-sized enterprises. (*Applause from the ÖVP.*)

06/17

**president [dr Michael Spindelegger](#)** : The provisionally final request to speak in this debate is from Mag. Stadler. Desired speaking time: 10 minutes. – Please, Honorable Member.

07/17

**Deputy Mag. Ewald Stadler** (without club membership): Mr. President! Ladies and gentlemen on the government bench! Club chairman Dr. Schuessel ended his contribution to the debate with the remark that he agreed today with a stomach ache. – I think that's how it is for everyone today!

I originally intended to let my stomach ache run free insofar as I did not agree at third reading, so as not to make a cramp of it, so to speak. However, I will now also support what is to be decided today at the third reading, because there is simply no alternative.

Ladies and gentlemen, we are in a situation that is not comfortable for the state. In this situation, Parliament is practically being pushed against the wall by this banking power. As I said, this is not pleasant, and I fear that nothing will change, not even because of the time limits, Mr. Club Chairman!

When the time limits expire, I will see whether repayments will actually take place or whether the next requests will come. People will seek liability extensions because they cannot afford repayments. It will go on, ladies and gentlemen, it will not end!

With what we are deciding today, we are taking a completely new approach to protecting and managing the banks in Austria. It will probably not be much different internationally, but it is in any case a completely new way that makes the taxpayer, who has already been invoked several times today, responsible. And who is this taxpayer, ladies and gentlemen? - It's the middle class, it's those who really still pay taxes! These people bear the brunt.

So all the debaters today were right in saying that these taxpayers are the next to be exonerated for constantly paying

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ten and now also have to assume the burden of liability for the fact that they can still get loans from the banks at all, which they also have to pay dearly for.

Club chairman Bowl, €100 billion is a huge volume. I'm hardly familiar with a country that uses a third of its gross domestic product to improve the standing of its banks!

I will now put myself in Mr. Elsner's position in the detention center. He will ask himself: why didn't I last longer? If I had endured it for another two years, I would be held liable today. What am I in jail for? (*Applause from the BZÖ.*)

I admire the SPÖ that they didn't succumb to the temptation to decide on an application for release right away. I would have agreed! The question arises as to whether it makes sense, ladies and gentlemen, that Elsner was accused of something and is now sitting while others are walking around freely in a comparable situation and can even improve it!

Ladies and gentlemen, today is the first time that we are seeing the country's banking power fully felt. The power of banks is made clear to the representative of the sovereign and the representative of the taxpayer. We cannot afford to let banks slide in crises.

Ladies and gentlemen, opinions differ on how we should deal with this. I'll say it again, Club Chairman Bowl: I will vote in third reading. I note, however, that I am not comfortable with the future Control Bank deciding who is held liable and who is not. This creates a new Lombard club through the back door. Gunter, that's how it is! There it is decided who is present and who is not. And it was also tried: Originally, they only wanted to grant liability to those who themselves have a stake in this bank. (*Deputy Dr. Stummvoll: But the Lombard Club is something else!*) We know that too! But the agreements that will take place there in the future are not insignificant. What will take place there is no longer irrelevant, ladies and gentlemen! (*Applause from the BZÖ.*)

This includes a clear **distortion** of competition law and public procurement law. All of these posts will certainly not be advertised across Europe. All of this will not happen, but all of this will be cobbled together in the Lombard Club of a new kind in the future, and we will only be able to watch, but will no longer have the opportunity to exert influence there, and no longer through ÖIAG. Mr. club chairman bowl! Now the ÖIAG's independence is taking its revenge a bit! We may have let them go too far from us! We must therefore consider making greater attempts to bring ÖIAG's subsidiaries and ÖIAG itself back under state control or supervision.

In any case, supervision has suffered. I used to be in favor of it, but now I'm more skeptical about this dismissal from state supervision.

Ladies and gentlemen! I am - to continue speaking with club chairman Bowl - certainly not an etatist and certainly not a protectionist. But you don't have to be an etatist or even a protectionist to support the supervisory authorities! Control is neither statism nor protectionism! And there is also a clear lack of control, ladies and gentlemen, in this bill, which I very much regret. I assume that this law will have to be amended in the foreseeable future in order to expand control.



I would have wished that the state body that has budgetary authority also had a say in the question of granting liability. We have this mo-

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dell proposed by a participation committee based on the German model. However, this was rejected. However, I am convinced, ladies and gentlemen, that sooner or later it will no longer be possible without Parliament's cooperation! At some point, the taxpayer will stop participating. Sooner or later it won't work if you don't rigorously increase the liability of the bank managers, but above all the fund managers, and clearly state that an exchange has to take place here. In the future, this must be a condition for assuming and granting liability. In addition, one must also be aware that financial market supervision will have to become much more of a balance sheet supervision in the future.

In the bank investigation committee, we found the failure of the auditors, who then cleaned up. And the judiciary also agrees with them. It is to be feared that we will have to see that the banks will not think at all of "lowering their pants" and saying how intertwined they are internationally. It makes me queasy to think how far this goes! My stomach ache is increasing by the minute!

Colleague Auer, I do believe you that the Upper Austrian Raiffeisen Banking Group is not really deep inside! Mr Scharinger will certainly have reported this correctly to you! But is that also the case at Raiffeisen International? – I have my doubts about it! I don't know for sure, but I have my doubts about it! I fear that more of these liabilities, which are now in the air but should never be called upon, will unfortunately have to be called upon more than we all expect or fear!

I am concerned that some banks are in a much deeper mess than they are letting us know! Five weeks ago no one in Iceland would have said that the state would soon be bankrupt. We have known for a week that this is the case! That would have been unthinkable just a few weeks ago! So we are entering incredibly dangerous territory for the state as a whole, and we have no alternative . That makes the brutality of the process!

However, we should at least know who we are dealing with, and therefore the entire international interdependence would have to be disclosed. I believe that in the future we will no longer be able to accept any assumption of liability without disclosing the international links!

There is indeed an approach to this in this optional provision, but I think it should also be ensured that small and medium-sized businesses finally benefit from the fact that their own medium-sized businesses are financed. A few weeks ago I had a discussion with colleagues from Donabauer. At that time he still said that it was unthinkable that the state would assume liability for medium-sized companies in the form of start-up aid . –Today I hear from the designated party leader Josef Proell that he is at least thinking about doing that. This is the need of the hour, ladies and gentlemen! If we are already assuming billions of euros in liability for banks, then we must also be prepared to provide liability support for those who still want to set up a company when they start their entrepreneurial activity.

Ladies and gentlemen, it's okay that "better government" is the order of the day, but: there must also be transparency and control in the implementation of this "better government"!

In addition, it is also necessary to consider how to really stop short selling. I have a suggestion about this. I've heard a lot about short selling today, and I suggest that going forward, short selling should only be allowed if stock

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material packages are physically available at the bank. Colleague Stummvoll, that's a simple solution! Only if it is guaranteed and confirmed that the shares are physically available ... *(Dr. Stummvoll: Then there are no longer short sales!)* Yes. This would then stop the short sale! At the moment,



however, these short sales are still taking place, ladies and gentlemen! We want to, but cannot turn them off.

Inquire at the Vienna Stock Exchange! The short selling continues. However, the moment the block of shares has to be physically present, the short sale is no longer a short sale!

Ladies and gentlemen, I think it's high time we started thinking about how to reintroduce more control over the banks and create transparency. One thing is certain: the new composition of this House opens up possibilities that the banks cannot agree with if they resist being controlled. I spoke to one of the authors of this law. If the banking sector continues to resist controls and transparency, then this House will have the opportunity to establish controls anyway, with committees of inquiry and special audit assignments to the Court of Auditors, ladies and gentlemen. It's a scratch on the back door, but it's uncomfortable. If the banks prefer that, let me tell them from here: If they are not prepared

I am now back to MrSchusel's stomach ache, and no matter how difficult it is for me despite my stomach ache, I will vote in favor today at the third reading because I do not want our economy to be harmed by Parliament's rigorous refusal to cooperate. But it should be said to everyone: if you think you can continue to take this Parliament hostage, then you are mistaken! This Parliament has ways of defending itself! (*Applause from the BZÖ.*)

17.18

**president [dr Michael Spindelegger](#)** : No one has been reported to speak.

The debate is closed.

Does the rapporteur want a final word? - That's not the case.

This brings us to the **votes**.

We come first to the vote on the bill at [683 of the supplements](#) .

The following motions and requests are available: Additional or amendment motions by Deputy Bucher, colleagues, an amendment motion by Deputy Dr. Stummvoll, Krainer, colleagues and a request for a separate vote by the deputies Mag. Rossmann, colleagues on the draft law in the version of the committee report.

I will now vote on the parts of the system of the draft law affected by the additional or amendment motions mentioned and by the request for a separate vote.

Deputies Bucher and colleagues have tabled an amendment to Article 1 § 1 Paragraph 4.

I ask those ladies and gentlemen who are in favor of this amendment to send a corresponding signal.  
- That's the minority. With that rejected.

We will immediately come to the vote on Article 1 § 1 Paragraph 4 of the draft law in the version of the committee report.

I ask all those Members of the House who are in favor of this to send a corresponding signal. - That's the majority. With that accepted.

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We now come to the separate vote on the remaining parts of Article 1 of the draft law, as amended by the committee report, which have not yet been voted on.

If you agree, I ask for a corresponding sign. - That's the majority. With that accepted.

Ms. Bucher and colleagues have also tabled an amendment relating to Article 2, Section 2, Paragraph 5 of the draft law.

I ask those ladies and gentlemen who are in favor of this to give a corresponding sign. - That's the minority. With that rejected.

We will immediately get to the vote on this part of the bill in the version of the committee report.

I would ask those Members of the House who advocate this to send a corresponding signal. - That's the majority. With that accepted.

Furthermore, MEPs Bucher and colleagues have tabled an additional motion that provides for the insertion of a new paragraph 6 in Article 2 § 2.

If you agree, I ask for a corresponding sign. - That's the minority. With that rejected.

We now come to the separate vote on the remaining parts of Article 2 of the draft law, as amended by the committee report, which have not yet been voted on.

If you agree, I ask for a corresponding sign. - That's the majority. With that accepted.

Finally, I come to the vote on the remaining parts of the draft law that have not yet been voted on, including the title and receipt in the version of the committee report, taking into account the amendment proposed by Dr. Mute, Krainer, colleagues.

I ask those ladies and gentlemen who are in favor of this to send a sign. – That was accepted unanimously.

We shall now come to the third reading.

I ask those ladies and gentlemen who are also at the third reading for the present bill to show their approval. – That is **unanimity**. The draft law is thus also adopted in the third reading.

We also come to the vote on the **resolution** attached as Annex 1 to Committee [Report 683 of the Enclosures](#) regarding the equal treatment of bonds in direct holdings and in funds.

I ask those ladies and gentlemen who support this for a sign of approval. - That's the **majority**. With that **accepted**. (E 115.)

Now we come to the vote on the **resolution** attached as Annex 2 to committee report [683 of the enclosures](#) regarding the redesign of efficient investor compensation.

I ask those ladies and gentlemen who support this for a sign of approval. – That **was accepted unanimously**. (E 116.)

Now we come to the vote on the motion for a **resolution** by MEPs Mag. Rossmann and colleagues regarding protection letters for private (foreign) currency borrowers and SME/EPU security package to bridge the consequences of the financial crisis.

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I ask those ladies and gentlemen who are in favor of this motion for a resolution to show their agreement. - That's the **minority**. With that **rejected**.

We come to the vote on the motion for a **resolution** by Dr. Fichtenbauer, colleagues regarding cross border leasing.

I ask those ladies and gentlemen who are in favor of this motion for a resolution to show their agreement. - That's the **minority**. With that **rejected**.

We come to the vote on the motion for a **resolution** by Mrs Strache, colleagues, on the criminal liability of criminal bank and financial services managers.

I ask those ladies and gentlemen who are in favor of this motion for a resolution to show their agreement. - That's the **minority**. With that **rejected**.

We now come to the vote on the motion for a **resolution** by Ms Kogler and colleagues on manager salaries and liability.

I ask those ladies and gentlemen who are in favor of this motion for a resolution to show their agreement. - That's the **minority**. With that **rejected**.

We now come to the vote on the motion for a **resolution** by Mrs Themessl and my colleagues on the relief for Austrian citizens and companies that has become urgently necessary due to the financial crisis.

I ask those ladies and gentlemen who are in favor of this motion for a resolution to show their agreement. - That's the **minority**. Therefore **rejected**.

We come to the vote on the motion for a **resolution** by MPs Mag. Kogler and colleagues regarding the reintroduction of the stock exchange turnover tax.

I ask those ladies and gentlemen who are in favor of this motion for a resolution to show their agreement. - That's the **minority**. With that **rejected**.

We come to the vote on the motion for a **resolution** by MEPs Gradauer and colleagues regarding the necessary changes to the pension fund law due to the financial crisis.

I ask those ladies and gentlemen who are in favor of this motion for a resolution to show their agreement. - That's the **minority**. With that **rejected**.

We come to the vote on the motion for a **resolution** by Mrs Kickl, colleagues, on AUA privatisation.

I ask those ladies and gentlemen who are in favor of this motion for a resolution to show their agreement. - That's the **minority**. With that **rejected**.

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The agenda is exhausted.

### Resolution to end the Extraordinary Session 2008

**president [dr Michael Spindelegger](#)** : I have the following application:

"The Federal President is requested to hold the extraordinary session 2008 of the XXIII. To declare the legislative period of the National Council over at the end of the 75th session."

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I would ask those ladies and gentlemen who give their consent to this motion to give a corresponding sign. – That **was accepted unanimously**.

### Reading of the official record

**president [dr Michael Spindelegger](#)** : I have also received written requests from 20 members of parliament to read out the planned version of the official minutes so that they are considered approved at the end of the meeting. This should enable the immediate execution of the decision.

I will therefore proceed as follows and now read out the official protocol:

"With regard to item 1 on the agenda, it was decided unanimously in accordance with Section 44 (2) GOG - i.e. with the required two-thirds majority - to refrain from the 24-hour publication period for the committee report.

There is a motion to end the extraordinary session 2008 of the XXIII. GP of the National Council at the end of the 75th session (Annex I/1).

There is also a request for separate votes (Annex I/2).

There is a request for the reading of the official minutes of the 75th session of the National Council (Annex I/3).

TO point 1: Report of the finance committee on the government bill ( [682 of the enclosures](#) ) : Federal law enacting an interbank market strengthening law and a financial market stability law and amending the ÖIAG law, the banking law and other laws ( [683](#) of the enclosures )

MEPs Mag. Rossmann and colleagues bring in the motion for a resolution, Annex 1/1 EA.

The MPs Dr. Fichtenbauer and colleagues introduce the motion for a resolution, Annex 1/2 EA.

MEPs Strache and colleagues introduce the motion for a resolution, Annex 1/3 EA.

Deputies Bucher and colleagues bring in the amendment to Annex 1/4 ...

MEPs Mag. Kogler and colleagues introduce the motion for a resolution, Annex 1/5 EA.

MEPs Themessl and colleagues introduce the motion for a resolution, Annex 1/6 EA.

The MPs Mag. Kogler and colleagues introduce the motion for a resolution, Annex 1/7 EA.

MEPs Gradauer and colleagues introduce the motion for a resolution, Annex 1/8 EA.

The deputies Dkfm. dr Stummvoll, Krainer, colleagues introduce the amendment attachment 1/9 ...

MEPs Kickl and colleagues introduce the motion for a resolution, Annex 1/10 EA.

Poll:

According to the committee's motion in [683 of the enclosures](#) , the bill will be passed in separate second reading, taking into account the amendment proposed by enclosure 1/9

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Voting partly unanimous, partly with changing majorities (for S, V, B; S, V, F; S, V, G, B or S, V, G, B, Mag. Stadler) and unanimously accepted in the third reading.

The amendment to attachment 1/4 is rejected in a separate vote (F, B, Mag. Stadler or G, F, B, Mag. Stadler).

The resolution attached to committee report [683 of the](#) enclosures (Annex 1) was adopted unanimously (for S, V, F, B, Mag. Stadler).

The Resolution attached to Committee [Report 683 of the](#) Annexes (Annex 2) was adopted unanimously.

The motion for a resolution, enclosure 1/1 EA, was rejected (instead G, F, B, Mag. Stadler).

The motion for a resolution, attachment 1/2 EA, was rejected (instead G, F, B, Mag. Stadler).

The motion for a resolution, attachment 1/3 EA, was rejected (instead F, B, Mag. Stadler).

The motion for a resolution, attachment 1/5 EA, was rejected (instead G, F, B, Mag. Stadler).

The motion for a resolution, attachment 1/6 EA, was rejected (instead F).

The motion for a resolution, Annex 1/7 EA, was rejected (G in its place).

The motion for a resolution, attachment 1/8 EA, was rejected (instead G, F, B, Mag. Stadler).

The motion for a resolution, enclosure 1/10 EA, was rejected (F in favor).

At the request of the MPs Dr. cap, dr bowl, dr. Van der Bellen, Strache, Ing. Westenthaler, colleagues, the National Council unanimously passed the following resolution:

,'The Federal President is requested to hold the extraordinary session 2008 of the XXIII. To declare the legislative period of the National Council over at the end of the 75th session.'

According to Section 51 (6) GOG, 20 MPs have requested that the official minutes of the 75th meeting be read out (Annex I/3)."

Do you have any objections to the wording or the content of this official record? - That's not the case.

Pursuant to Article 51, paragraph 6 of the Rules of Procedure, the Official Minutes shall therefore be deemed to have been ***approved at the end of this meeting.***

**enema**

**president [dr Michael Spindelegger](#)** : I would like to announce that questions [5056/J](#) to [5065/J](#) have been received in today's session .

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The session is ***closed.***

Session closes at 5:29 p.m

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Imprint:  
Parliament Directorate  
1017 Vienna