



In his inaugural address to the *Bundestag*, newly elected chancellor Helmut Schmidt takes stock of the achievements of the SPD-FDP coalition, giving particular emphasis to the expansion of social policy measures ranging from pensions and co-determination to education and healthcare policy. According to Schmidt, this expansion led to an improvement in the quality of life for all citizens.

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### Policy Statement by Helmut Schmidt

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Ladies and gentlemen, the social-liberal coalition has been the driving force of progress in the Federal Republic since 1969. That also applies for the past eighteen months. The progress report of the federal government of December 1973 is impressive evidence of this. In making an interim appraisal, let me begin by addressing the main areas of work thus far in this legislative period.

Let me first mention the tax and child allowance reform. Our tax reform program for this part of the income tax and the child allowance was submitted to the Bundestag as a package at the beginning of this year. Before that, the new Foreign Tax Act was passed, which limited the possibility of tax evasion. The reform of the property tax and the inheritance tax has also been passed. In doing so, we have provided noticeable tax relief for smaller capital assets. Tax allowances for trade tax will be increased as of January 1 of the coming year, which will result in one out of two tradesmen not having to pay any trade earnings tax at all anymore. [ . . . ]

Second, let me mention co-determination. On February 20, the federal government passed the bill for the new co-determination law. We in this coalition see co-determination, based on the principle of equality and balance between employees and shareholders, as one of the most important social success stories of the social-liberal coalition. A society that strives to move forward economically and politically is not possible without co-determination and the shared responsibility that goes with it. [ . . . ]

Third, I will mention the property law. An important further step in reforming the property law was accomplished through the federal government's amendment to the federal construction law. This amendment will take a segment of the increase in values that was achieved by the community and use it for the community. That should slow down the increase in land prices, put an end to speculation, and make it easier for broad sections of the population to purchase property.

Fourth, I will mention environmental protection. The federal government has taken precautions to better protect living and environmental conditions. The federal air pollution control act achieves the prerequisites of taking action against those responsible for air and noise pollution. [ . . . ]

Fifth, I will mention vocational training. The federal government will work hard to secure qualified vocational training for our young people. It has presented principles for a revised Vocational Training Act (BBiG). In drafting this law, the federal government will not neglect the advice and experience of people involved in the practice of vocational training. We want vocational training to receive equal treatment. [ . . . ]

Ladies and gentlemen, today it is certainly impossible for me to mention everything that the social-liberal coalition has accomplished or gotten underway in other important areas of social policy since the Bundestag elections in 1972. Let me name just a few examples.

We expanded the system of social protection and improved social benefits. In the three years from 1972 to 1974 alone, pensions were raised 44 percent. Of course, part of that was swallowed up by increased prices, but the fact remains that the true buying power – after allowing for the price increases – of pensioners has increased 19 percent within three years.

Effective improvements were achieved not only for social security pensions, but also in the services for war victims. In addition to increases and structural improvements over the last few years, dates for the increase in war pensions have been brought forward in steps.

The expansion of agrarian social policy is also continuing. In the course of this development, the agricultural pension will be adapted to changes in wage structures [index-linked] starting on January 1, 1975.

Company pension schemes will be protected against lapsing in the future, for example, if someone changes jobs or in cases of bankruptcy – and this will give greater security to twelve million employees.

There have been significant improvements for the elderly, those in need of care, and the disabled as part of the Third Law to amend the Federal Social Assistance Act (BSHG), which entered into force only a few weeks ago on April 1, 1974.

The new occupational health act and the bill for a revised youth unemployment protection act serve to make work life more humane; the former requires companies to hire company physicians and experts to oversee health and safety.

I certainly do not need to emphasize once again the importance of the Industrial Relations Act and the upcoming co-determination as instruments for improving working conditions.

The central aspect of the action program for rehabilitation, the new Severely Disabled Act, went into force on May 1, and a bill to adjust rehabilitation benefits has been submitted to parliament.

Health protection measures are being consistently improved. Since the beginning of this year, everyone with health insurance is legally entitled to unlimited hospital care. In addition to the Hospital Funding Act, the new Federal Hospital and Nursing Charge Ordinance serves to improve hospital care.

The federal government will also systematically continue basic medical research and research on disease prevention, primarily of widespread diseases, especially cancer.

At the same time, we have introduced a modern family policy. Reform of the Marriage and Family Law is presently in closing debate in the Bundestag. The law on parent care expands the protection and rights of children.

Please allow me in this context to say a word about the reform of Section 218 of the Criminal Code, a reform over which all sides have been wrestling with grave earnestness in debate in the German Bundestag in recent weeks. I hope we can continue the debate in this spirit and with mutual respect for each others' opinions. Everyone among us has faced serious questions of conscience through the decision we have made. Counseling and assistance – supported by society's understanding for the women and families facing such conflict situations – and respect for the dignity of the woman and her sense of responsibility are important aspects of the effective protection of nascent life.

How serious we take this – and must take it – is apparent from the new offers by the health insurance carriers: counseling and family planning, benefits for working mothers if their children become ill, the offer for housekeeping care in difficult family situations, and thus the tendency as a whole to expand our social security, to provide more life security not only for individuals, but also families.

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