

# Taking Stock of the Federal Government's Social Policy (May 17, 1974)

## Abstract

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In his inaugural address to the Bundestag, newly elected chancellor Helmut Schmidt takes stock of the achievements of the SPD-FDP coalition, emphasizing the expansion of a range of social policy measures from pensions and codetermination [*Mitbestimmung*] to education and healthcare. According to Schmidt, these changes improved the quality of life for all citizens of the Federal Republic.

## Source

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### Declaration by the Federal Government

[...]

Ladies and gentlemen, the **social-liberal coalition** has been the **engine of progress in the Federal Republic** since 1969. It has been so over the past 18 months as well. The Federal Government's activity report of December 1973 is impressive evidence of this. In **taking stock of the situation**, let me begin by addressing the main areas of work thus far in this legislative period.

First, let me 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 restricted the possibility of tax evasion. The reform of the property tax and the inheritance tax has also been passed. In the process, we have provided noticeable tax relief for smaller capital assets. Tax allowances for trade tax will be raised on January 1 of the coming year, and as a result one out of two traders will no longer have to pay trade tax.  
[...]

Second, let me mention **codetermination**. On February 20, the federal government passed a draft of the new codetermination law. We in this coalition see codetermination, 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 codetermination and the shared responsibility that goes with it. [...]

Third, I would like to mention **land law** [*Bodenrecht*]. Another important step has been taken toward reforming land law with the adoption by the federal government of the amendment to the Federal Building Code. The amendment will claim for the community a part of the increase in value that has been brought about by the community. It is intended to curb the rise in land prices, put a stop to speculation, and make it easier for broad segments of our people to acquire property.

Fourth, I would like to mention **environmental protection**. The federal government has taken precautions to better protect living and environmental conditions. The Federal Emissions Control Act creates the conditions for taking action against the polluters of 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.

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[...]

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—after allowing for price increases— the true buying power of pensioners has increased 19 percent within three years.

There have been effective improvements not only in social pensions, but also in **war victims' benefits**. In addition to increases and structural improvements over the last few years, dates for increasing war pensions have been brought forward in stages.

The expansion of **agrarian social policy** also continues. 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 Safety Act, which obliges companies to employ company physicians and occupational safety specialists, and the draft of a new Youth Employment Protection Act serve to **humanize working life**.

I do not need to emphasize again that the new Works Constitution Act and, in the near future, codetermination are important instruments for humanizing working life.

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 Rate 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 concluding debate in the Bundestag. The Parental Custody Act extends 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 one another's 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 women and their sense

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of responsibility are important aspects of the effective protection of nascent life.

How seriously 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 provision of housekeeping care in difficult family situations, and thus the tendency to expand our social security overall, to provide more life security not only for individuals, but also families.

[...]

Source: Abgabe einer Erklärung der Bundesregierung, Deutscher Bundestag — 7. Wahlperiode — 100. Sitzung. Bonn, Friday, May 17, 1974, pp. 6593C—6605D. Available online at:  
<https://dserver.bundestag.de/btp/07/07100.pdf>

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