

# European Communities

---

EUROPEAN PARLIAMENT

## Working Documents

1974-1975

---

14 NOVEMBER 1974

DOCUMENT 360/74

MOTION FOR A RESOLUTION

tabled by Sir Brandon Rhys Williams

pursuant to Rule 25 of the Rules of Procedure

concerning a Community Social Security System

The European Parliament,

- deploring the persistence of acute poverty in the Community, which still afflicts substantial numbers of its citizens,
- concerned that the very low levels of earnings in some essential occupations may be as serious a cause of poverty as inadequate provision for relief for those unable to enter regular full-time employment,
- agreed that an essential object of Community policy is to raise the general level of personal incomes to an acceptable minimum, and that a scheme to give effect to a transfer of spending power for the benefit of individuals is an essential counterpart of investment policies and development projects aimed to assist the less prosperous regions,
- recognizing that the cost of living of single people and of families may vary widely according to the number of breadwinners and the number of dependants in each household; and that intervention to secure minimum rates of wages or of earnings of the self-employed cannot take account of all the relevant factors contributing to the persistence of poverty,
- observing that statutory income deductions and supplements may be significant factors governing the level of net spending power, and that variations in the rates applicable in different parts of the Community between different classes of workers or between the sexes may give rise to unacceptable distortions of competition,
- noting the weakening of the incentive to work which follows inevitably from the adoption of systems of income support which concentrate benefits only on the lowest paid or on workers who are unemployed or sick, leaving them with little advantage in returning to work or improving their earnings,

- seeing the impracticability of providing an acceptable minimum level of earnings for farmers and agricultural workers simply by means of regulating the prices of agricultural products; and judging that a minimum income guarantee related to family size even for fully employed workers is an essential requirement of any comprehensive scheme to eliminate poverty,
  - aware of the need to put statutory social security benefits and contributions throughout the Community on a comparable basis, as an essential preparation for economic and monetary union,
  - recognizing that provisions of personal taxation which differentiate between taxpayers according to their family responsibilities constitute negative systems of income support and must be seen as such,
  - stressing the desirability of making citizenship of the Community a direct commitment for every individual, bringing tangible benefits and also requiring the acceptance of specific personal responsibilities in the spirit of Article 117 of the Rome Treaty,
1. Considers that preparations should now be made to amalgamate the national schemes of income support and social security of member states to form a rational, fair and comprehensive Community system.
  2. Calls on the Commission:
    - (a) To publish an up to date analysis of the existing statutory deductions from and supplements to income for purposes of income support and social security in all member states, including direct payments in cash such as pensions and family allowances; direct deductions of contributions to social security schemes; indirect cash benefits such as food and housing subsidies and the estimated direct cost to individuals of the provision of such subsidies; negative benefits through tax concessions and allowances; and the effective value to

individual beneficiaries (expressed in money terms) of public education, health and other principal welfare benefits.

(b) To make an analysis of the possible methods of achieving an amalgamation of the various systems of income support and social security of member states.

(c) To make recommendations for the introduction of a common system for the payment of positive tax credits, negative income tax or other comprehensive scheme of income support and social security suitable for adoption and implementation throughout the Community.

3. Requests the Social Affairs Committee to maintain contact with the Commission in the preparation of these reports.

4. Instructs its President to forward this resolution to the Commission of the European Communities.

