Dear Comrades,

Let me first thank you very much for your invitation to this very special Party Congress, which marks 125 years of Social-Democratic history in your country.

Ralf Dahrendorf tried to tell us that the end of the Social-Democratic Century has come, because the most important social tasks have been completed. But this is not true, because new social challenges are coming up every day. And if it was true, he would still be wrong. The concept of modern Social-Democracy must be set up on the principle of equal opportunities, which enable people to choose freely their way of life. We know of course that the preconditions of such a choice are secure economical and social conditions, which grant adequate education and training. Only then, the mentioned slogan of "equal opportunities" will become reality. So, this is still the major challenge Social- Democrats are facing nowadays, namely to provide equal opportunities to all people.

With 18 million of people unemployed -to a certain extent structural unemployment - the European Union has to answer this potential threat to societies, creating social degradation, social exclusion and in the end, criminality. The combat against unemployment must be the main priority at all levels of EU-policy- making. And this is also the reason why there is no question whether to maintain or to create a welfare state, but how prosperous development can be achieved in Europe. The answer can only be to harmonize social standards at the highest possible level.

Why is a high level of social protection a necessity, also in view of European competitiveness towards the other continents? Because the quality of social protection also reflects the quality and level of education, which again is closely linked to the quality of production. This is due to the fact that a high level of social standards generally means free education and training opportunities.

Therefore we must understand that progress in European competitiveness can only be achieved by a high degree of quality, either by specialization or the implementation of new technologies. There is no other alternative for the European Union.

And especially, social and ecological dumping is not an alternative. If we relied on lowering wages, cutting social benefits or abolishing ecological standards, we could still never compete with South-East Asia, where for instance child labour is common practice. So far, there is no sign that any of the

Asian countries is ready to insert social or ecological clauses into the international trade conventions. They will even try to extend their competitiveness by these means. I naturally deeply believe that the European Union must continue its struggle for basic standards for all people, still,
I'm afraid that this will require a lot of patience and time.
The message we have to convey to European Conservatives Union is: Their magic, neo-liberal formula called "deregulation" cannot be the one and only recipe for Europe as far as competition among the Continents is concerned. We do also not accept it as an excuse for not taking responsibility for our societies. This applies equally for governments,
Social Partners and European authorities all alike.
Let me especially emphazise the share of societal responsibility which has to be taken over by employers. It is no question that the structural changes taking place in the whole economic sector have to be carried by all sides in society. Employers should to take away the impression from employees, it
is just the workers who have to bear the burden of
adjustment, the restoring of competitiveness and of cost-cutting programmes. Employers should not forget that financial support for companies, like for instance national or EU- subsidies are financed by taxpayments of employed persons. The employer's side has to be committed to this social responsibility, this part of the Social Contract, particularly in view of the changes in the economic world.
About one year ago, two governments issued a
"scientific" report on what hinders the creation of
companies and so, in consequence, employment. The
result is corresponding to the political orientation
of these governments: it is stated that all EU rules
and regulations in the field of social and health
protection, of environmental and protection of labour are contraproductive to the completion of the single
market. The recommandation of the report is
consequently to "let the forces of the free market
work by abolishing these technical barriers for
entrepreneurs", which means to suspend all the

progress Social-Democrats have achieved through the
Century, and which we believe are fundamental human
rights.
I believe, besides, that this report shows the success of Social-Democratic policy in the European Union!
Fortunately, the above mentioned trend has been stopped in Europe. President Santer's "confidence pact" is a continuation of comrade Delors' White Paper, and admits for the first time that "the free

market's forces" are not sufficient to create employment, that public investments, the cooperation of the Social Partners and subsidies for small- and medium-sized companies are needed to boost the national economies. Of course, there still are important measures not figuring in this document, like more efforts at the level of the labour market. But we also have to see that even this document is not acceptable to all Member States. Anyway, it is to me a valuable step into the right direction. We have to understand, that the completion of a free trade zone by a political and social dimension is a long process, given also the need of consensus between fifteen Member States. My understanding is, that we should cooperate first of all among European Social- Democrats, but also with all those who believe in the social and ecological responsibility for the European Union, which will hopefully be enlarged and so, will have even a bigger responsibility.
As a Member of the European Council and as Chairman of the Austrian social Democratic Party, let me thank your President, Nyup Poul Rasmussen, for his indefatigable efforts to put Europe on the right tracks
Thank you.