
Text of Speech by Jean Monnet

Acceptance speech delivered on behalf of Mr. Monnet, President, High Authority, European Community for Coal and Steel, by William L. Batt, Member, NPA Board of Trustees, at the Twentieth Anniversary Joint Meeting Awards Dinner of the National Planning Association, Washington, D. C., December 13, 1954.

IT HAS BEEN a great disappointment to me not to be able, personally, to receive the National Planning Association's Gold Medal and speak before you tonight. My sorrow at not being present is the greater because of my pride and pleasure at being singled out for this honor. I understand the Gold Medal I am to receive bears an inscription indicating that it is given for a "contribution through planning to the betterment of human life." I am all the more touched by the award of the medal because its inscription expresses so well the aim that I have always tried to have before me in my work.

Those among you who have long known me are aware that in all my activities there has been the element of planning. Planning today must seek to create the widest possible community of action so that human beings can benefit, in peace and self-respect, from the tremendous resources put at their disposal by the modern techniques of production. Planning in this sense requires institutions which are developed on a scale sufficient to encourage the greatest expansion of human welfare that is possible in this 20th century. Planning, so conceived, must extend beyond the economic elaboration of existing institutions if men are to cooperate for the peace and prosperity of the world.

A United States of Europe

At the moment, in my opinion, Europe's peoples can make no greater contribution to that peace and prosperity than by surmounting the divisions that have separated men and states in Europe for so long, and by combining in a United States of Europe. Past economic rivalries, which were expressed in the mutually restrictive policies of nations, have limited peacetime expansion. In time of war, the moral and material capital of Europe has been harmed grievously. Not only the nations of Europe but the whole world have suffered by these disorders.

The conclusion was, by 1950, clear to many Europeans. Europe could progress only by outgrowing national institutions that limit economic expansion. This economic expansion, which 20th century peoples demand as their right, encouraged these same peoples virtually to destroy each other in repeated wars. It was clear that Europe must unite. Accordingly, two years ago, the parliaments of six nations—Belgium, France, Western Germany, Italy, Luxembourg, and the Netherlands—arrived at an agreement unparalleled in peacetime. They voted to pool the basic resources of their modern states, coal and steel, under one federal government which became the European Coal and Steel Community. The first step towards a United States of Europe had been taken: Europe, through common federal institutions, had begun to plan for its future.

European Coal and Steel Community

A peaceful revolution was accomplished in Europe with the establishment of the Community. For when, on the tenth of August 1952, the High Authority, the executive of the European Coal and Steel Community, was installed in Luxembourg, Europe's first federal government had begun to function.

The High Authority answers for its policies to Europe's first "parliament"—the Common Assembly—composed of members elected by and from the national parliaments of the six member nations. The authority of the Assembly in-

cludes the power to oust the executive body on a vote of no confidence. All appeals from High Authority decisions go to the Court of Justice whose judgment is final and binding on all parties, whether they be national governments, private firms, or the High Authority itself.

I want you to understand clearly in American terms what the European Community is. It is as if each state of the Union maintained its own defense and foreign policy, its own laws and its own economic markets which were kept apart from those of its neighbors by customs duties; and then as if, in these circumstances, all 48 states agreed that their resources of coal and steel should be governed by federal institutions.

The Road to Progress in Europe

My knowledge, as the first President of the High Authority, of the working of the Community's federal institutions has convinced me that their existence alone has made possible the profound changes initiated in the last two years in the structure of Europe's two basic industries. Because of the executive powers vested in the High Authority, it was able, in 1953, to create a common European market for coal and steel. It opened up trade across national frontiers, breaking down trade barriers that had stood up against all previous efforts to eliminate them. Because the High Authority has governmental powers to levy taxes, last year it was able to borrow investment funds here in America and guarantee repayment. In turn, these funds are being lent out to European firms enabling them to make capital improvements necessary to increase productivity and lower production costs. The High Authority is beginning to enforce in Europe the first anti-trust law. It will meet many difficulties, but it will succeed. Thus the start has been made in eliminating the restrictive private practices which have so long contributed to narrowing the European market.

The breakdown of national frontiers has brought into existence a European market covering an area inhabited by as many people as there are in the United States. It has

also brought in the fresh wind of competition across the wide spaces of this common market. Let me give you an example.

In the past, France has always depended on and protected her own steel production. Now, in addition to that production she is buying enough from the other countries of the Community to fulfill almost the annual steel requirements of her entire automotive industry. At the same time she is selling a greater proportion of her own production to the other countries of the Community than ever before. Consequently, firms which, in the time of national markets, existed because they were protected from foreign competition, now are undertaking to modernize their plants and organizations in order to meet competition from other countries in the same market.

But in this process, as Americans know, labor sometimes suffers. This in itself naturally tends to prevent progress. Consequently the High Authority has instituted, in association with governments of the member states, a policy aimed at combating technological unemployment. The policy provides for financial help to re-train workers and find or help create new job opportunities for them. For the first time European labor has been assured of a policy which provides that labor participate in and benefit from European economic progress.

Finally, steel production has been expanding. The present boom in Europe has taken Community production to unprecedented heights. But everyone, I think, now agrees that if, despite this record production, steel prices are lower than they were at the opening of the common market, it is because the Community's Fair Trading Code has ended many harmful, speculative practices of the past.

All this, to my mind, is strong evidence that those who have worked for European unity have been right in claiming that a great single market, working under common rules and institutions, is the road to progress in Europe, as it is in America. The coal and steel producers and trade unionists of the Community, many of whom had at first

feared the effect of the common market on their industries, now support it as a vital foundation for future strength and prosperity in a United States of Europe.

The Key to European Unity

I believe that these men would not have changed their views if they had not all been working under the same rules and institutions. In the past they lived separately in nations that were often opposed. Now they are beginning to live under the same rules. Of course, these rules do not change men themselves, but when men submit to common rules their behavior towards each other changes. Once they have done this, not only do they release new energies but they begin to find common interests, and problems which once seemed insoluble no longer arise. The fact is that industry, labor, and the consumer have all benefited by this beginning of a European common market and the new opportunities for greater trade that it has brought.

It is quite clear to me, from my experience which dates back, as you know, to the League of Nations, that European unity will not come from an association of sovereign states. Efforts have been made of recent years to solve the problems of Europe's nations by cooperation in international bodies such as the OEEC. These attempts were useful but the results were inadequate. Governmental representatives, each bound to plead their national interest, and prevented from acting in the common interest by the need to agree unanimously at every stage, could propose only partial solutions for great problems. I am profoundly convinced that solutions in Europe can be found only as men come to accept common rules administered by common institutions endowed with the power to act in the general interest.

The proof of all this is, I think, in what we are accomplishing in the European Coal and Steel Community—the first planning on a European scale—which was conceived as the first step toward a United States of Europe. But the area of European integration must be enlarged. Efforts to this end must today be made from outside the Community.

There is no opposition between national reforms and European unity. On the contrary, neither can wholly succeed without the other. Only by evolving a new and wider institutional framework will Europeans be able to solve the fundamental problems caused by the mutual hostilities and narrow economic limitations born of an outmoded system of nations.

If we do not organize our resources wisely, even the highest creative qualities of many great and ancient peoples will be lost to the common good. But for those who organize in accord with modern means of production there is not merely the prospect of progress, but an unprecedented opportunity to transcend the divisions and limited forms of the past, and to justify as your motto "for the betterment of human life." That is why I see in planning—which for Europe means unity—one of the means to a still greater end, the goal to which all men in the Free World are dedicated and which the National Planning Association has placed first in its principles and objectives: "The protection and promotion of the integrity and dignity of the individual." That is why I am proud and grateful that the National Planning Association has thought fit to award me its Gold Medal for planning.