may have 5 legislative days within which to revise and extend their remarks on House Resolution 121.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

REAFFIRMING COMMITMENT OF UNITED STATES TO PRINCIPLES OF THE MARSHALL PLAN

Mr. GILMAN. Mr. Speaker, I move to suspend the rules and agree to the concurrent resolution (H. Con. Res 63) expressing the sense of the Congress regarding the 50th anniversary of the Marshall plan and reaffirming the commitment of the United States to the principles that led to the establishment of that program.

The Clerk read as follows:

H. CON. RES. 63

Whereas on June 5, 1947, in a speech at Harvard University, then-Secretary of State George C. Marshall proposed the establishment of a joint American-European program to provide assistance, ''so far as it may be practical for us to do so,'' to assist the countries of Europe to recover from the devastation of World War II, and that program was subsequently called ''The Marshall Plan'' in recognition of the pivotal role of Secretary of State Marshall in its establishment;

Whereas then-President Harry S Truman had earlier enunciated the principle of assisting democratic countries which faced the threat of communist aggression and thus laid the foundation for the Marshall Plan with the ''Truman Doctrine'' which provided economic and military assistance to Greece and Turkey, and this farsighted policy represented a reversal of longstanding United States policy of avoiding peacetime involvement in foreign military and political affairs;

Whereas the Marshall Plan was developed, refined, and enacted with the broad bipartisan involvement of the Congress of the United States, including in particular the efforts of Senator Arthur H. Vandenberg of Michigan and Congressman Christian A. Herter of Massachusetts;

Whereas the Congress provided an estimated $13,300,000,000 to assist the sixteen European countries which participated in the Marshall Plan during the four-year period of its existence, and this material contribution represented a significant sacrifice by the American people;

Whereas the assistance provided under the Marshall Plan served to ''prime the pump'' to stimulate the economies of the participating European countries and resulted in an average growth of 41 percent in industrial production and an average growth of 33.5 percent in per capita gross national product during the four years of the program;

Whereas the spectacular economic revival of the countries of Western Europe would not have been possible without the creativity, technical skills, managerial competence, and hard work of the European peoples; nevertheless, the Marshall Plan was a vital element in assisting the European peoples in the postwar economic recovery;

Whereas the multinational economic cooperation required and encouraged by the Marshall Plan was a significant impetus in fostering transnational European economic cooperation and unity which ultimately helped to pave the way for the North Atlantic Treaty, in developing the multifaceted relationship between the United States and the countries of Europe, and in contributing to the establishment of the European Union; and

Whereas 1997 marks the 50th anniversary of the original speech by Secretary of State George C. Marshall calling for the establishment of the Marshall Plan: Now, therefore, be it

Resolved by the House of Representatives (the Senate concurring), That the Congress—

(1) urges all Americans on the 50th anniversary of the Marshall Plan to reflect upon the significance of this program as a concrete embodiment of the commitment of the United States to fostering peaceful relations with the economic prosperity of the countries of Europe;

(2) reaffirms the commitment that was expressed in the original Marshall Plan (''Economic Cooperation Act of 1948,'' sec. 102, Public Law 80–472) was enacted—namely, that ''intimate economic and other relationships exist between the United States and the nations of Europe,'' that extensive and friendly relations with the nations of Europe and with the community of European nations is vital to the promotion of ''the general welfare and national interest of the United States'' and that the prosperity and security of Europe are essential to ''the establishment of a lasting peace''; and

(3) acknowledges and commends the efforts of those countries which originally participated in the Marshall Plan to assist the countries of Central and Eastern Europe and the newly independent republics of the former Soviet Union in their efforts to develop market economies and democratic political systems as a reflection of the same generous spirit that motivated the people of the United States to help these Western European countries fifty years ago.

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from New York [Mr. GILMAN] and the gentleman from Indiana [Mr. HAMILTON] each will control 20 minutes.

The Chair recognizes the gentleman from New York [Mr. GILMAN].

(Mr. GILMAN asked and was given permission to revise and extend his remarks.)

Mr. GILMAN. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, this timely resolution draws our attention to the 50th anniversary of the Marshall plan which will be celebrated on June 5. It reminds us of the grand commitment made by Secretary of State George Marshall and President Harry Truman, supported by a farsighted bipartisan group of Congressmen and Senators. It was this commitment that made possible the economic prosperity which we have now come to take for granted in Western Europe and allowed democratic institutions to develop and thrive.

Most importantly, it allowed the peoples of Western Europe, who are now our closest allies, to emerge from the ashes of the Second World War and to rebuild their lives anew.

As we reflect back on those troubled and uncertain times that followed the end of World War II, we should renew the commitment to the principles that underlaid our actions at that time, and remember that there remain people in Central and Eastern Europe as well as the former Soviet Union who were prevented from benefiting from the Marshall plan, and who now look to us to do for them what was done for the Europeans some 50 years ago.

Fortunately, today it is not up to our Nation alone to perform that task, a task made even more daunting by the legacy of the Communist system that prevailed for all the years that Western Europe was developing and getting back on its feet. Today we can count on the support of those very same nations that benefited from the vision that gave birth to the Marshall plan to do for the New Independent States what was done for them half a century ago.

This resolution rightfully acknowledges and commends the efforts of our friends and allies to assist the newly independent nations of Central and Eastern Europe and of the former Soviet Union to develop free market economies and democratic political systems.

I want to commend the gentleman from California [Mr. LANTOS] for his good work in seeing to it that we accord this important anniversary its due recognition, and I am pleased to have been an original cosponsor of this resolution. I also commend our ranking minority member, the gentleman from Indiana [Mr. HAMILTON] in helping us bring this measure to the floor at this time. I ask the House to lend itself unanimous support to this measure.

Mr. Speaker, I reserve the balance of my time.

Mr. HAMILTON. Mr. Speaker, I yield myself such time as I may consume and I rise in support of the resolution.

Mr. Speaker, I simply want to underline the importance of commemorating the 50th anniversary of the Marshall plan. The Marshall plan laid the groundwork for the strong and close postwar political, economic, and military relationship between the United States and Europe. And, of course, that relationship remains the cornerstone of our security policy today.

I think, without any question, the Marshall plan was one of the greatest events in American political history and American diplomatic history. I want especially to thank my friend and colleague from California, Mr. LANTOS, for his leadership and for his foresight in bringing this resolution before us. And of course, I am grateful to the gentleman from New York [Mr. GILMAN] and the other cosponsors of House Concurrent Resolution 63, but it is really the gentleman from California [Mr. LANTOS] who deserves the chief credit, I think, for bringing this resolution forward.

It is a very important resolution. It not only underscores the close transatlantic relationship that exists today, it comes at a time when many Europeans are anxious to underscore the importance of the transatlantic tie, at least as we talk about the enlargement of NATO and some of the concerns that our European friends have about the growing isolationist tendencies in this country and in the Congress.

It is also important, I think, that we express our support now for the aspect of the resolution calling for efforts by the European beneficiaries of the Marshall plan to turn now to help the emerging democracies in Central and Eastern Europe. This is an important resolution, and I urge its support.

Mr. Speaker, I yield 5 minutes to the gentleman from California [Mr. LANTOS].

Mr. LANTOS. Mr. Speaker, I want to thank my friend from Indiana, Mr. HAMILTON, for yielding me the time, and I want to thank the distinguished gentleman from New York, Mr. GILMAN, and the distinguished Democratic ranking member, Mr. HAMILTON, for supporting my resolution.

Mr. Speaker, the end of the Second World War found Europe at a hinge of history. And had it not been for the Marshall plan and related events, the whole history of mankind during the last half century and beyond could have turned out in a totally different and in a totally ugly fashion.

The Soviet empire was ready to expand its control and influence beyond Eastern and Central Europe to Western Europe, and it was the incredible vision and courage and determination of U.S. bipartisan foreign policy leadership that stood in the way. It began with President Truman's enunciation of the Truman Doctrine, which provided economic and military assistance to Greece and Turkey at a most critical moment, followed by, 50 years ago this summer, the historic remarks of Secretary of State Marshall calling for the nations of Europe to come together, rebuild their devastated economies, and forge the framework for political democracy.

I was a young student in Budapest at that time, Mr. Speaker, and it was my privilege on Radio Budapest to call on the Government of Hungary to join the Marshall plan because the Marshall plan was open to the countries of Central and Eastern Europe. But of course, the Soviet Union vetoed any such attempt. And we have seen over the last half a century a differential development in Europe, spectacular economic growth in Western Europe, and devastation, destruction and backwardness in Central and Eastern Europe until the collapse of the wall in the last few years.

I think it is important to underscore, Mr. Speaker, that in today's dollars, the Marshall plan represented a commitment of some $135 billion by the United States to help the Nations of Western Europe to rebuild their economies. This was the largest philanthropic enterprise in the history of the world. We went in to do good, and we did well.

Europe's prosperity contributed enormously to our own prosperity. And Europe's ability to develop Democratic societies has enabled us first to prevent Soviet expansion and, with the creation of NATO, to see the disintegration of the Soviet empire.

We now are at phase 2. We are now asking the question, are we going to have anywhere near the comparable, vis-a-vis Central Europe, Eastern Europe and the former Soviet Union, to see to it that these countries and these peoples will also have the opportunity of developing viable economies and strong and Democratic societies.

This is the opportunity for our Western European friends to show a forward-looking outlook with respect to the European Union to open up the European Union to the countries of Central and Eastern Europe, just as we provided the Nations of Western Europe with the aid and assistance to rebuild their economies.

It is our joint opportunity, Mr. Speaker, to see to it that as the various countries of the region qualify for NATO, we in fact open the doors of NATO so we expand the arena of peace, stability, democracy, and respect for human rights throughout the European Continent.

Mr. Speaker, I think it is extremely important to underscore that while in 1947 we were a country enormously limited in resources, we had unlimited vision on the part of our political leadership, and what we have to hope for now is that our political leadership on a bipartisan basis recognizes the same opportunities with respect to Central and Eastern Europe and the former Soviet Union that the leadership 50 years ago recognized in the Marshall plan.

Mr. GILMAN. Mr. Speaker, I yield 5 minutes to the distinguished gentleman from Texas [Mr. PAUL].

(Mr. PAUL asked and was given permission to revise and extend his remarks.)

Mr. PAUL. Mr. Speaker, I rise to make some comments about the Marshall plan because my interpretation is somewhat different than the conventional wisdom of the past 50 years.

I happen to believe the understanding of the Marshall plan is probably one of the most misunderstood economics events of the 20th century. The benefits are grossly overstated. The Marshall plan through these many years has been used as the moral justification for all additional foreign aid. And once I hear it, I assume we are on the verge of extending and expanding our foreign aid overseas.

When we look at the total amount of money that flowed into Europe following World War II, the amount that came from the American taxpayers was not large. The large amount came from corporations and investors who believed that Europe would be safe and secure, so the large number of dollars then flowed into Europe.

It was interesting that the conditions were improved in Europe not so much because of America but sometimes in spite of America, because many of our economists went to Europe at this time and advised them that the most important thing that they do, especially in Germany, was to maintain price controls. Here in this country we did not learn, and hopefully we have finally learned the lesson, but we had not learned until at least 1971 that wage and price controls were not a good idea.

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Yet Ludwig Erhard at that time defied the strong advice by the American advisers and took off wage and price controls, kept taxes low, kept regulations low, produced political conditions which were very conducive to investment, and this is what caused the real recovery in Europe.

Political assistance, funds flowing into a country through political maneuvers, are never superior to those funds that flow into a country for reasons of the political stability. Because Europe did invite capital, this was the real reason why Europe recovered.

Foreign aid is used frequently throughout the world to help people. But if we look at Zaire and Rwanda and the many countries of the world, foreign aid has really been a gross failure. As a matter of fact, it does harm because it encourages the status quo. The market is much smarter than we as politicians, because if the market and the political conditions are not right, that country that wants capital must improve those conditions to invite the capital. A good example might be in Vietnam at the current time. They changed their conditions to invite capital. So there must be an incentive for those countries to change their condition.

Foreign aid very often and very accurately, I believe, is a condition of taking money from the poor people in a rich country and giving it to the rich people of a poor country. I think there is a lot of truth to that, because the burden of taxation and inflation and the many things that our average citizen and our middle-class citizen suffer comes from overexpenditures and good intentions whether they are here at home or overseas. We believed at that time, and strongly so, I guess, still, that the government's responsibility, whether it is through government expenditures or through the inflationary machinery of the Federal Reserve, that if we stimulate an economy, if we prime the pump, so to speak, that we can stimulate the economy. This was the argument after World War II, that we would prime the pump. That is not a free market notion, that is a Keynesian notion. There has been no proof that this is beneficial. Really what counts is a sound currency. Germany after World War II and even to this date is known to have a harder and sounder currency than any other currency in Europe. Political stability is what is necessary, not taking money from taxpayers of one country and shifting it to another one.

Foreign aid very often, not so much the foreign aid that went to Europe, and I would grant my colleagues, the other conditions compensated and did not allow the foreign aid to be damaging so much as the foreign aid, say, to

a country like Rwanda. That was so destabilizing, because the politicians get hold of the money and they use it for political reasons. Money to help a country must go in because conditions are beneficial, that encourage investment, that encourage the market to work.

Mr. Speaker, I would argue that there is a different interpretation, but I know that the support for this measure is justified.

Mr. LANTOS. Mr. Speaker, I yield 3 minutes to the gentleman from Connecticut [Mr. GEJDENSON].

Mr. GEJDENSON. Mr. Speaker, I cannot help but respond to my colleague's comments. While I think he is well-intentioned, there are some issues that I think have to be addressed.

The United States, at the end of World War II, spent $16 billion in 1950's dollars in western Europe because we understood that while the best avenue may be the private-sector initiatives and other issues at hand, the reality was that without that economic assistance, there was a danger that western Europe would destabilize and that much of it would be taken over by Soviet influence. We recognized that short-term expenditure was the right thing to do for human rights, for economic opportunity, for political rights. I think to say that that model only worked about one time in history frankly does not meet the historical test.

If we take a look at the countries that are our biggest purchasers of grain products today, they are many of the countries that started off under a PL–480 program. To argue that there are still some countries in the world that have not recovered is not, frankly, an astounding argument. When we look at any program, it works best on certain areas, and other areas are more difficult to get to. It does not mean that there is not a benefit to us in that area.

Let me finish with these two points, and I will yield to the gentleman from Texas.

That is, every place we have played a major role in establishing democratic governments, governments that respect human rights, not only have we done the right thing, we then turn out to have the best markets there; but it has taken a cooperation between government and the private sector, and we cannot do it without both.

I would say the same thing has happened in agricultural sales: that in the countries where we have provided the most generosity of the American people to providing assistance, those are the countries that have turned out to be the largest purchasers of American agricultural products, which helps our trade balance immensely.

Lastly, I would say that if the gentleman thinks the tax burden in this country is distributed badly, I agree with that. Let us vote for a progressive tax. There is a very easy solution to that.

Mr. PAUL. Mr. Speaker, will the gentleman yield?

Mr. GEJDENSON. I yield to the gentleman from Texas.

Mr. PAUL. Mr. Speaker, I would vote to change the taxes, but mainly to lower them for everybody. The point that I am trying to make is that the large amount of capital that helped Europe recover did not come from the taxpayers. That was a small amount. There were a lot of other investors that went into Europe. The key reason was the political stability and the good economic climate which Erhard helped to introduce. I think that is much important.

There is a difference between what happened in Europe versus the waste that we had in Rwanda. We did not do the people, the poor people of Rwanda, very many favors by sending money down there that became a political weapon to suppress the poor.

Mr. LANTOS. Mr. Speaker, I yield myself such time as I may consume to respond to some of the observations the gentleman from Texas made.

I think the gentleman from Texas is correct in recognizing the importance of private investment flows to Europe. I think they played an absolutely critical role in European recovery. But I wonder whether he would not agree with me that without creating the framework of political stability, military security, the rebuilding of the infrastructure, the absolutely indispensable achievements of the Marshall plan, none of that capital would have flowed into Europe.

I was in Europe in 1945 and in 1946 and in 1947 and it was a continent of devastation, destruction, hopelessness and despair. No American company was interested in investing in a battlefield, which Europe was at the end of the Second World War. It was the creativity and the vision of American political leadership on a bipartisan basis that created the framework for all of the subsequent investments and trade which flowed after the basic preconditions were created by the Marshall plan.

My friend from Texas should rejoice with us that this was a shining moment of American history. It was one of the most beautiful moments of American history when we went in to do good and succeeded in doing well for us and for our European friends.

I do not see any point in diminishing this achievement of President Truman and Secretary of State Marshall and Senator Vandenberg and Congressman Christian Herter, who served in this body and who as a Republican did so much to support these measures. When the history of this century is written, there will be a shining moment of American bipartisan political leadership which is represented as we celebrate it with the Marshall plan.

What is called for now is a recognition that the Marshall plan, because of Soviet occupation of central and eastern Europe, could only do half the job. It could only do the job in western Europe. We along with our European friends now have an opportunity to complete the job.

Mr. PAUL. Mr. Speaker, will the gentleman yield?

Mr. LANTOS. I yield to the gentleman from Texas.

Mr. PAUL. I thank the gentleman for yielding.

Mr. Speaker, I think that there could not be an argument made that every dollar that we sent to Europe did not have some beneficial effect. Quite possibly it did. But my point is that if that money from the taxpayer had not been sent, there is nothing that says it might not have been sent through the investors, but it depended on the political climate and what they did. I do not want to deemphasize that. That is the important reason why this foreign aid was not as harmful as it usually is, and it had some benefits, mainly because of the political climate.

Mr. LANTOS. If I may reclaim my time, not only was it not harmful, it was the inevitable precondition of development. The gentleman should be open-minded enough to admit that this was an enormously statesmanlike and incredibly successful measure, and I have difficulty visualizing the need 50 years later, looking at a success story, trying to denigrate it.

Mr. Speaker, I yield back the balance of my time.

Mr. GILMAN. Mr. Speaker, I yield myself such time as I may consume.

I want to thank the distinguished gentleman from Texas for his important, constructive contributions to this debate. I would like to note to our colleagues, in our proposed Foreign Policy Reform Act, we are trying to move from government-to-government aid to aid that benefits the private and voluntary sectors. We are involved in trying to reform foreign aid and to encourage and stimulate private investment in the developing world.

Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

The SPEAKER pro tempore (Mr. BARRETT of Nebraska). The question is on the motion offered by the gentleman from New York [Mr. GILMAN] that the House suspend the rules and agree to the concurrent resolution, House Concurrent Resolution 63.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the concurrent resolution was agreed to.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. GILMAN. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks on the concurrent resolution just agreed to.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?