

Behind the News

Common Market Challenges U.S.

By LEN KRAUSS

The House of Representatives has recently approved a measure which entrusts the President with unprecedentedly broad powers to cut tariffs across-the-board in response to the challenge which the European Common Market has presented to our export business.

On January 1, 1958, as a result of an agreement in Rome among France, Italy, the Federal Republic of Germany, Belgium, the Netherlands and Luxembourg, the European Economic Community or Common Market (CM) became operative.

Aims of the CM

- To abate the enmities which have severed European relations in the past.
- To elevate living standards and hasten technical progress.
- To abolish tariffs which split Western Europe into small, protected markets.
- To help underdeveloped countries and areas within the CM and overseas.
- To construct the basis for a future United States of Europe.

What It Has Accomplished

- Raised steel production from 40 million metric tons in 1953 to 70 million in 1960. (The European Coal and Steel Community, which was formed in 1952, is now part of the CM.)
- Built up monetary reserves of \$16 billion.
- Increased trade within the market by 45 per cent in the last three years.
- Reduced internal tariffs by 40 per cent (as of January 1, 1962).
- Taken the first steps toward a common external tariff.
- Allocated more than \$200 million to overseas nations, mainly in Africa.
- Set aside \$215 million for nuclear research.
- Established basic health standards which are binding on all members.

What It Means to the U.S.

With the admission of Britain, Switzerland, Austria, Portugal and Sweden, a single market of 260 million people with a gross cash income three-fifths as big as ours will be bargaining internally with technical skills approaching those of the U.S. And they will have sufficiently high tariff barriers to preclude all but essential trade.

An increasing desire to reap the benefits (internal) of the CM has led to an investment of \$6.6 billion of American corporations. This is a four-fold increase since 1950.

The upsurge of efficiency in the CM's industries might reduce their prices to a point such that they could export to us and, despite our high tariffs, make a reasonable profit. European wages average about 80 cents an hour, America's about \$2.80.

Foreign trade provides a livelihood for 4.5 million American workers (7 per cent of the labor force). With tariffs between the Common Market countries at "zero" and high external tariffs, a considerable amount of our export will be wiped out. America exported some \$20 billion in goods in

1961, about 4 per cent of her total products. The rate was 6 per cent in 1958 and the one-third decrease is partly attributable to the burgeoning Common Market. Improvement of this situation does not seem likely since the industrial growth of the CM is 5 per cent; this is roughly twice that of the U.S.

What Is to be Done

Undoubtedly the U.S. cannot stand on the sidelines and simply note the progress of the Common Market while parts of her economy are decaying. Yet we really cannot come to grips with the idea of an American-European amalgam, i.e., our joining the Common Market.

There are numerous considerations which have led us to discard this idea. One of these is the commitments the U.S. has with Japan and underdeveloped countries. Under the CM, the U.S. would have to set-up high tariff walls which would prevent much trade with these countries. We feel that a better plan, which does not mean capitulating to the CM or trimming our policies, would take the form of repairing and rebuilding our tariff programs. And this is what is being done through President Kennedy's Trade Expansion Bill of 1962.

Last week the bill had a smashing victory in the House by a vote of 298 to 125; this was Kennedy's biggest legislative success and reaffirmed the feelings of the American people on this matter which is, as the President said, "vital to the future of this country."

The Senate is scheduled to begin hearings on the bill in two weeks. Administration officials said they did not expect appreciable amendments and expressed confidence that the final bill would be acceptable as drafted by the Senate-House conferees.

In the Trade Bill, Kennedy has asked for the power to slash tariff barriers on broad categories of items. His object is to foster mutual prosperity by reciprocal tariff agreements between us and the Common Market. The legislation would give him the power to abolish completely tariffs on some products and reduce some by as much as 50 per cent over the next five years. These items would be those which we can produce more cheaply than the CM and it would reciprocate by cutting tariffs on those items which it can produce more cheaply.

Adjustment Assistance

Since tariff cutting will hurt some American businesses, the bill has made provisions to help them and their employees. Under the bill's "adjustment assistance" section, technical and financial succor is provided for those firms which are badly hurt as a result of tariff reductions. Subsidies for jobless workers could go as high as \$61 a week and run for 52 weeks and in some cases for 78 weeks. In the last analysis, this is just taking over where the protective tariffs left off and, at least, offers hope for future stabilization.

No one should think that the Trade Expansion Bill is a panacea or that it has nearly all the answers; we would presage that half the problems are not known. But for the status quo, the bill, in the opinion of many, is the best method to cope with the escalating challenge of the Common Market.

view finder

How Much Freedom?

by tom browne

How much freedom should the individual have to speak and write? In the past several weeks this question has been brought into the spotlight by a U.S. Supreme Court justice and the Kennedy Administration.

Justice Hugo L. Black says in the current issue of the New York University Law Review that he feels the First Amendment of the U.S. Constitution, guaranteeing absolute freedom of speech and the press, means that there should be no libel or defamation laws. He feels that even publishers of obscene literature, advocates of violent overthrow of the government and blabbers of security secrets should not be brought into court for their actions.

The Kennedy Administration does not have quite so lenient a view of the matter, though. Last week Commissioner of Labor Statistics Ewan Clague said in a speech at Atlantic City that the statistics gathered by his department indicated that maybe the econ-

omy wasn't headed into a bigger boom next year, and possibly, it might even slide off into a recession.

Because he said a naughty word, recession, Clague immediately got his knuckles rapped. Labor Secretary Goldberg quickly issued the statement, "The economic facts do not bear out such an assumption," then bawled out Clague for saying they did in the first place and had him say that he hadn't really meant to say what he had said.

Neither Justice Black nor the Kennedy Administration are right in their interpretation of freedom of speech. Absolute freedom of speech as advocated by Justice Black would deprive citizens of any recourse against reckless defamation. A person shouldn't be allowed to destroy another individual's reputation through the issuance of untruths. Such an interpretation of the First Amendment would also give the press the unrestricted right to destroy.

The action taken by Labor Secretary Goldberg to refute the truth as seen by a nonpartisan public official, on the other hand, is an unnecessary restriction of an individual's

freedom of speech. Clague's statements were not stand-out. They merely tended to tarnish the glowing picture of the economy presented by the Kennedy Administration.

The government should have no right to edit information in such a manner that the news reads the way the government wants it to, except in the case of classified information or possibly in time of war when editing must be done to protect the country. The "muzzling" of the Commissioner of Labor Statistics Ewan Clague was not done to protect the country but to protect the political standing of the Kennedy Administration.

The answer to the question lies somewhere between the interpretations of Justice Black and the Kennedy Administration. The basic criteria for judging whether or not someone should be allowed to say or print something is whether or not he is stating the truth. Persons should not be allowed to present untruths, especially if they damage another person's or the country's reputation. At the same time the truth should not be suppressed, even if it is unpleasant.



BROWNE

Late Enrollments Add 650 to Total

Approximately 650 additional people have registered for courses this summer since the formal registration period closed June 19, Melvin Rokey, assistant to the registrar, said Tuesday.

Registration will continue all term, he added, because during the summer term special short courses are offered. People enrolling in these classes usually register a day before beginning the course, he said.

As a result, a total registration figure for this term will not be available until the end of the term, he said.

The present enrollment total as of Tuesday was 6,454. This is about an 8 per cent increase over last year's total at this time.

New College Diner

Downtown Between the Movies

ATTENTION MARRIED STUDENTS

Young married couples will be especially interested in a Provident Mutual Hospital Policy. Under this unique policy, only the wife need be covered to take advantage of full family benefits . . . including maternity, hospital care, and surgery. This is particularly advantageous when the husband is covered under another policy. New additions to the family are covered, without extra cost, from the age of 15 days until the following anniversary date of the policy. Payments for sickness and accident begin from the first day of coverage. This policy has no deductible. This is important to the student family. You are protected . . . beginning with the first dollar of covered expense you incur. And that's just the beginning. For more details, call George Borosque at ADams 8-0544 . . . or stop in at our office, 103 E. Beaver Ave., State College.



Doctor



Lawyer



Merchant



Chief

WHO OWNS YOUR ELECTRIC COMPANY?

Would you be surprised to learn that your electric light and power company is owned by Dr. Johnson, Lawyer Browne, Mr. Jones the grocer and Chief Petty Officer Moore?

Maybe you yourself are an investor-owner in the company that provides your area with dependable, low-cost electric service.

The point is: people own your power company. Not the government, or the city, or the state. But people in every walk of life, with savings they want to invest.

Your electric company (like the more than 300 electric companies throughout our country) is investor-owned by people like you and your neighbor.

That is free enterprise at work to help keep America Powerful!

WEST PENN POWER
Investor-owned, tax-paying—serving WESTERN PENNSYLVANIA