

World Trade's Biggest Boost Since Marshall Plan To Be Discussed

By WILLIAM ANDERSON
United Press International
Brussels - (UPI) - Trade ministers from 35 nations gather in Geneva starting May 16 to discuss plans for giving free world trade its biggest boost since the Marshall Plan which saved Europe in the 1940's.

But the boost could turn out to be a bust if mutual accusations of "protectionism" by the United States and the Common Market are carried to the conference table.

Nobody can predict accurately the outcome as ministers from the United States, Britain, Latin America, Asia and Africa converge on the lakeside Swiss conference center.

The center of the stage will be occupied by the United States and the giant economic

newcomer — the Common Market.

The six Common Market countries, combining 170 million industrialized people, are now the greatest single trading bloc outside Russia and the United States.

Since they got together under the treaty of Rome in 1958, France, Germany, Italy and the three Benelux countries (Belgium, The Netherlands and Luxembourg) can talk on equal economic terms with anybody in the world.

The United States may find this out at Geneva where, for the first time since the war, America is in the position of having to ask as much as she is giving because of her deficit in balance of payments.

What is bringing all these nations together is the American trade expansion act

signed by President Kennedy Oct. 11, 1962. It was drawn up in the belief Britain would have become by now a member of the Common Market. But it is still valid despite the French veto of British membership in January this year.

The Kennedy act recognizes that no nation can stagnate behind tariff barriers and prosper. In approving the act (TEA) Congress authorized the President to cut tariffs on a reciprocal basis of up to 50 per cent on all industrial and agricultural goods.

Kennedy also is authorized to eliminate tariffs on goods of which more than 80 per cent are imported by one trading bloc. He also can abolish tariffs of 5 per cent or less. Exceptions — one is petroleum — amount only to six-tenths of 1 per cent of U.S. imports.

Powers Were Granted

These sweeping powers were granted because previous tariff cutting talks had bogged down in item-by-item haggling. Year-long tariff talks in 1961 resulted only in cuts of 8 per cent, affecting but one-fifth of American trade.

What the United States may run up against in Geneva is a European feeling that Americans need the tariff cuts more than the community does. The Europeans have been in a booming economic period since 1958.

Some member countries, especially France, also feel the Common Market should first consolidate itself before it starts negotiating with "outside" powers. This includes:

Part of this European "hard to get" attitude undoubtedly is shrewd posturing in preparation for some hard bargaining. Although France may not be over-enthusiastic, Germany, Belgium and Holland are all in favor of the tariff cuts.

But, as the British found out, if France says "non" then "non" it is because under the treaty of Rome the six must have common external tariffs by the end of 1966.

Farm Policy Not Decided

France has said she will not discuss anything until the Common Market's own farm policy is decided — probably not before 1964. The United States says agricultural products must be included in the tariff cuts or there's nothing doing.

This international poker game has been going on since President Kennedy's special representative for overseas trade, Christian A. Herter, first contacted Common Market authorities here last January. It will go on until officials actually sit down next spring and start the real bargaining for the tariff cuts which will come into operation only in 1965.

There are many fundamental problems that will have to be solved before any tariff cuts can be made.

Some U.S. tariffs are as high as 80 per cent. Europeans argue that even if they get a 50 per cent tariff cut the resulting 30 per cent is still an unsurmountable barrier to goods in this category. The Europeans point out their top tariffs are 25 per cent and argue that "across the board" cuts as foreseen in the TEA will favor the United States.

Idea Is To Cut Tariffs

The United States says the idea is to cut tariffs and not to harmonize them. Although the U.S. "highs" are higher than the Europeans, the U.S. "lows" are lower and thus concessions will balance out, say U.S. negotiators.

The Europeans reply that the average European tariff is 5.6 per cent and the average American tariff 7.1 per cent, and that's no "balance." U.S. statisticians disagree and say the gap is much less.

Community grain prices are



CENTER OF STAGE—The United States and the European Common Market will occupy the center of the stage when trade ministers from 35 nations meet in Geneva May 16 to discuss free world tariff reductions. Newsmag shows the six Common Market countries (shaded) and Great Britain (black), which the U.S. had expected to be a Common Market member by now. In bottom picture, French farmers begin their harvesting. In tariff bargaining, France is expected to contend that its farmers need protection from competition with mechanized U.S. farms. (UPI)

the key to the farm policy. The German farmers get high government subsidies on grain and want them kept high. French farmers get low subsidies and the French therefore want the grain price as low as possible. This argument may last a year.

France expects to double its farm produce within a decade and become the community breadbasket. It is in French interest to exclude American farm produce which — because of American efficiency and knowhow — can clear stiff tariffs and still be marketed on a competitive basis in Europe. So France wants a heavily protectionist agricultural policy.

Helping Europe Out

But the U.S. counters some of this argument by pointing out her heavy defense spending is helping Europe out economically, especially in Germany.

The upshot may enable the United States to maintain its volume of farm trade with Europe, but Common Market agricultural chief Sicco Mansholt has said "The U.S. must have no illusions that she can expand this market."

In addition to tariffs, the Geneva talks will have to go into other hindrances to trade expansion. In this category the Europeans point accusingly to the "buy American act" first mooted to protect strategic industries.

In return the United States can rightly point to some un-

busted European trusts, to the inward-looking attitude of the Common Market and French moves against increase in American capital investment in the community.

As to who is hurting most under present conditions, the United States can point to a \$2 billion trade deficit last year, much of it due to external aid programs. But the Common Market countries bemoan a \$1.5 billion deficit due in part to helping out African nations.

Observers give the talks a fifty-fifty chance of success. The odds could increase if the economic upturn now being predicted materializes.

Term Suspended For Valley Man

George Howard Harper, route 1, box 84, Jacksonville, received a one year suspended sentence to the Oregon State penitentiary on charges of non-support when he appeared in Jackson county circuit court last week.

He had pleaded guilty earlier Harper was directed make proper support of his family, and to follow the probation regulations.

Gareth George Flansburg, 25, route 2, box 24B, Jacksonville, was sentenced to two years in the Oregon State Correctional Institution on a charge of receiving and concealing stolen property.

Research Projects By Faculty at SOC Noted in Report

Ashland—Four research projects by Southern Oregon college faculty members have been described in a report to the Committee on Studies of the American Association of Colleges for Teacher Education.

Dr. Richard H. Byrns, professor of English, will survey the results of "A Survey on Reading Interests in High School," a project concerned with materials and methods relative to the teaching of literature in the junior and senior years in high school and the freshman year in college.

"Self-motivated Speech Improvement Lessons for Children" is the topic of a research by Dr. Leon Mulling, head of the speech and theater arts department. The study is aimed toward a new concept in providing for the child, parent, and teacher materials that will carry over naturally into the home and will promote improvement of speech problems.

Third Project Noted

A third project utilizing 240 students split into two equated groups, is "A Pilot Study in the Effects of Frequency of Writing Upon the Improvement of Writing."

One group has written a theme a week throughout the year. The other group has written a theme a month during the same period. Both groups will be retested on the STEP (Sequential Tests of Educational Progress) essay test at the end of the year.

Involved in the writing study are Dr. Arthur Kreisman, director of general studies and chairman of the humanities division; Dr. Richard Byrns, professor of English; and Dr. Donald Moore, associate professor of English and education.

Dr. Kreisman also has initiated a research questionnaire to 300 freshman students asking specific reasons for enrolling at SOC, the date at which the decision was made, persons influencing that decision, and the academic program which the student planned to follow at the college.

RECEIVES SCHOLARSHIP

Eugene — Philip Sherburne of Rainier, won the Maurice Harold Hunter Scholarship Saturday night at the University of Oregon during award ceremonies at the All-Campus Sing.

Sales Tax Proposal Reviewed by CofC Governmental Group

The sales tax proposition, recently tabled by the Oregon legislature, was described as the "one tax that could have saved the day for Oregon," when Clarence Young, vice president-manager of the Rogue Valley branch of the Oregon Bank, spoke before the government operations committee of the Medford Chamber of Commerce.

Reviewing in detail the actions of the Oregon legislature in seeking answers to current tax problems, Young said the House had passed on to the Senate a heterogeneous number of bills designed to meet state expenses.

In his opinion, he repeated, it would have been much better to have settled on the sales tax.

Recommend Strong Stand

Gerald Latham, business manager of the Mail Tribune, recommended that the chamber of commerce take a strong stand "even at this late date" in favor of the sales tax, a proposition which could be submitted to the people in next May's primary or the general election.

He moved that the committee go on record favoring a sales tax as an off-set and relief on property and income taxes and to obtain the needed 15 to 20 per cent increase in tax money. The committee approved the recommendation with unanimous vote.

Latham also proposed two other actions by the committee, which received unanimous approval. First, he asked that the local committee forward to the University of Oregon a criticism of the student team from the university which visited Medford recently presenting a taxation form before the chamber's roundtable.

Those in attendance, it was pointed out by Latham, felt that the students had not given adequate research to the subject.

Favor Modest Fee

In a second action, Latham asked that the committee go on record favoring a modest use-fee on the newly developing recreational areas of the county. The county, he said, will be "hard pressed" to meet all the financial requirements for proper development of the areas related to the Talent and Rogue Basin projects.

A small fee per family or per car, Latham said, would make possible more rapid development of present areas and would make possible the development of other areas at an earlier date.

Col. W. H. Paine, an honorary member of the Medford Chamber of Commerce, in which he has been active since 1921, was honored at the close of the meeting with a birthday cake in celebration of his 93rd birthday.

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