



DSC recipient Carl Reistle discusses the Common Market with '61 honoree Kitty Rountree.

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Carl Reistle argues for expansion and the ability of U.S. business to

It is apparent that maintaining favorable access to our export markets is essential and that our trade policies must be designed to do this. It is particularly important for us to have access to Europe, our largest and most rapidly growing export market. President Kennedy recently proposed to Congress an important Trade Expansion Act. It authorized, through negotiation with other countries, gradual reduction of our tariffs, as a means of promoting international trade and strengthening the Free World. The general idea of this act seems sound from the standpoint of business economics. As a businessman, I realize that difficult problems may be faced by some industries—particularly those which make products with a high labor content. Our administration and our legislation, with respect to trade, must certainly take such problems into account to avoid serious disruptions in the employment of labor and capital. Nevertheless, we can and should have the long-range objective of encouraging the flow of investment and employment into those industries that are efficient and fully competitive, and in which we have an advantage in international trade, rather than into those in

which we are at a disadvantage. This can be done over a period of time, even within the present time schedule of the Common Market. And in doing this, we can learn a lot from the past experiences of the Common Market itself.

Another desirable aspect of the new Trade Act is its recognition of the need for a policy which will promote trade and progress throughout the Free World, rather than merely in two of its major areas. We must seek to avoid the development of rival economic blocks without adequate concern for the position of the rest of the Free World. The alternative is, of course, the loss of much of our foreign trade. Fortunately, the United States has a long tradition of applying its trade policies uniformly to all free nations. We should continue to work toward promotion of greater international trade in the Free World so that we can build on the strengths of the various nations and help to improve living standards for all free people. Our progress, and that of the Common Market, should benefit other nations—not be at their expense. As our economies grow, we can use more goods in which other countries enjoy an advantage and thereby help

to stimulate their development. We should make a particular effort to see that Latin America, Japan, and Asia also share in the benefits that will follow from intelligent trade policies throughout the Free World.

In addition to tariff relief under certain extraordinary conditions, the President has proposed government expenditures to facilitate adjustment where a reduction in tariff, quotas and other trade restrictions create undue burdens. Even though some of the governments of Europe have similar programs, I personally would prefer to see our tariffs reduced in such a way that we avoid the need for government to underwrite adjustment costs attributed to the relaxation of trade barriers. In practice, this is what has taken place in Europe.

THE reasons for my preference are severalfold: First, it will be difficult to determine what adjustments are due to external competition, as distinguished from internal competitive changes that have nothing to do with the lowering of tariff barriers. Second, unless limitations are set on time and amounts of such programs, we may find it extremely difficult to abandon them once they are adopted. Any

of international trade adjust to competition

number of cases could be cited to show how programs of governmental assistance continue to be applied long after they serve any useful purpose, and frequently they become very expensive. The outstanding example, of course, is the tremendous cost of our program for supporting agriculture. It is quite clear that in some areas, domestic agriculture is efficient and capable of being profitable without subsidy. In order to be more competitive in world agricultural markets, we must work towards more realistic prices not supported by subsidies.

There is a third reason why I think we should try to relax trade barriers without resorting to government subsidy. There is ample time for free enterprise to work out any adjustments that may be needed. Although the six European nations have done a remarkable job of uniting for their common benefit in a short period of time, it is still going to take a while to achieve their ultimate goal of free trade. So far, the Common Market has had an ideal economic climate in which to institute changes. If the European economy does not grow as rapidly in the future as it has in the past—and there are indications that it has slowed down—then the political and

national problems will be more pronounced and, thus, may slow the unification plan.

For these reasons, I believe that a gradual relaxation of tariffs, quotas, and other trade barriers would allow existing positions of industry in the United States to be modified successfully over a period of time. In the long run, this method would be much better than a program of sharp reductions which would cause the government to embark on an extensive and expensive program of support to workers and industries adversely affected by foreign competition. I sincerely hope that we can escape the high cost and the bureaucracy that would arise from the administration's adjustment assistance proposals.

SPECIAL problems arise with respect to commodities that have strategic importance for our national security. Our government, and those of other nations, have long recognized this fact, and in many cases they have adopted special provisions to protect national security through tariffs, quotas or other measures. Congress has seen fit in the past to provide the President with flexible authority to protect national security, and it seems sound to me

that we should continue such policies for the future. Because we live in a dynamic world, I believe that flexible policies are to be preferred over rigid determinations that seem to fit the current conditions, but are likely to become inappropriate in the future. This position is based upon my experience in the oil industry, where rigid controls imposed in the past have in many cases later become a handicap to our economic progress.

I am confident that American industry, assisted by a workable Trade Expansion Act, can meet the trading challenge of the Common Market. The Common Market also poses one other kind of challenge—you might call it a diplomatic challenge. Over the postwar period, the United States, as leader of the Free World and as its one truly prosperous member, assumed the heavy financial burdens of maintaining the Western defenses and of providing assistance to underdeveloped countries. Times have changed. Our allies in Europe also are now prospering—and in no small part because of past assistance we have given them. With this new prosperity, they should begin shouldering a greater share

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ciates, Inc., an advertising-public relations firm. She formerly lived in Houston, Texas, where she was a magazine editor for Foley's of Houston.

MARRIAGE: Chiquita Fay Deason, '61bs, Norman, and Harry Arthur Hansen Jr., Bruce, South Dakota, were married March 27 in the First Baptist Church, Norman. The couple now lives in Mankato, Minnesota, where Hansen is attending Mankato State College.

BIRTHS: David Cargill, '61ba, and Mrs. Cargill (Linda Hightower, '59) Oklahoma City have chosen the name Delia for their daughter born March 12. Their son, Gregory, is 2.

Ensign Richard N. Johannes, '61ba, and Mrs. Johannes (Suzanne Perry) are the parents of a daughter, Nancy Lynn, born April 25 in Honolulu.

John R. McKee, '58bus, '61Law, and Mrs. McKee (Sue Murrab, '59ba), Oklahoma City, have chosen the name Sheri Lynn for their daughter born April 6 at Baptist Memorial Hospital in Oklahoma City.

1962

Sylva Billue, '62journal, is a copywriter in the advertising department of Foley's department store, Houston, Texas.

Barbara Bungardt, '62journal, is working in the radio and television advertising department of Lowe Runkle Advertising Agency, Oklahoma City.

Jane E. Davis, '62journal, is a member of the staff in the women's department of the *Daily Oklahoman*, Oklahoma City.

Lt. Clifford A. Guess, '62, has completed the eight-week field artillery officer orientation course at the Artillery and Missile Center, Fort Sill.

Edward L. Shreve, '62, was recently employed as an electronic engineer at the Aeronautical Center of the Federal Aviation Agency in Oklahoma City.

MARRIAGE: Martha Ann Moody, '62, Lindsay, and James Charles Thomas Hardwick, '60eng, Bartlesville, were married March 25 in the First Methodist Church, Lindsay. They have established a home in Norman, where Hardwick is attending the O.U. College of Law.

The European Common Market

Carl Albert—

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another very serious problem. For years we sold more abroad than we bought from abroad giving us a favorable balance of trade. After paying for our imports, the overall gain on our trade transaction was applied to the tab on our other overseas expenses—purchase of foreign goods, capital investments abroad, our foreign economic aid, U.S. tourist spending abroad and maintaining our armed forces. But the added expenditures, many of them chargeable to the cold war activity of troops in Berlin, NATO squadrons, aid to the undeveloped countries, suddenly caught us with our trade balance off balance. Our balance of payments problem can be solved only by an expanded trade solution. We cannot handle it by stopping our mutual security program, by closing military bases abroad, by bringing home American troops or by restraining the private spending of American tourists. We cannot announce that the dollar, the most durable currency in the world which saved the free world and laid the basis for European prosperity, is in such straits that we can no longer engage in international endeavor.

If we ignore the emergence of an industrial giant in western Europe, we create a climate of ultimate withdrawal or competition. As our economic goals clash, harmonizing political policies will become impossible. The security of the free world wanes as its economic interests conflict.

It is difficult to reduce a proposition as large as world trade and its interdependence with economics to terms that bring home to each and every American his personal involvement with the decision to be reached.

If there were a single, broad highway stretching straight, swift and sure toward peace, men and nations would have traveled it long ago. But there is no such road. The way to peace is not an easy way. Those who seek peace must find their way across unknown, unexplored and often unfriendly terrain. That is what we are trying to do today. We seek peace by many roads. We cannot know where or when our search will end, but we live with an abiding faith that our searches will end in success. It is in this context that we are now developing broad and new trade policies geared to the economic world in which we live in the 1960's.

Carl Reistle—

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of our mutual Cold War expenses. Encouraging them to do this is a challenge for our statesmen and diplomats, and if they are successful, it will go a long way toward solving our own international financial problems.

This is a new age of international competition. We in the United States are learning again about some economic restraints that we had long forgotten. For example, we, as a nation, are being reminded that we cannot indefinitely spend abroad more than we earn there, also that we cannot continue to have wage-price inflation and hope to keep our export markets.

The framers of our Constitution, with their wisdom and foresight, so well planned its construction as to insure that individual initiative and private property—the bases of private enterprise—would foster our American way of life. I firmly believe that individual initiative and free enterprise are the mainsprings of economic progress. They have served Europe well, and they will serve us well in meeting our problems today—just as they have in the past. But, as in Europe, we must have full understanding and recognition of our challenge on the part of labor, government, and business. The challenge of the Common Market affords the American people the opportunity of proving again that we can adjust to a changing world. We must not underestimate the strength and vitality of our economy, which is, after all, the greatest in the world. We have ample resources, abundant stocks of capital, the best technology, and an established financial system that will supply the necessary additional capital. We also have a well educated and highly skilled labor force and competent management, and both are aware that they are partners in the American way of life.

The economic and social challenge presented by the European Economic Community is one of the most important challenges confronting us in the present period in world affairs. Our response will have a profound influence on the future course of the Free World. I believe that the President's proposed Trade Act, preferably with the modifications I have suggested, will provide a means for us to meet effectively our new economic challenges and in a way that will prove of benefit to us, to Europe and to all free nations.

Hal Muldrow Agency

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