Have your two (or more) files open in the Photobin, and drag the file that you want to be on top onto the other image...

Note: In Elements, you cannot make a layer mask simply as you would in the full version of Photoshop.
Resize and place the new image where you want
This new image will be inserted as a new layer. Next, with your background layer selected, click the black and white circle icon and select LEVELS from the dropdown menu...

A new menu will appear.
A new layer called LEVELS will appear between your two previous layers. Hold the ALT key and click the line between the Levels layer and your 2nd image layer...

Now, coloring something black while on the LEVELS Layer will make the Background layer visible...
Select the gradient tool fade an image from black to white (if those are the two colors selected). For this image, I have it set from White to Black...

Click and drag across the picture to create the gradient...
This will create an image where the two are blending into one another. To make more of a certain part visible, select the brush tool and go over it in Black (or White)...

On the layers layer, you can see the effect of this...
After this you can mess around with it according to your preferences to make it look more like a single image...