Money, money

BY JIM FORNEY

War!! The word brings to mind smokey battlefields and uniformed soldiers fighting for their countries. It appears that the United States has fired the opening shots in a new war — a trade war — and this time you will be one of the soldiers.

You won't see much fighting in a trade war, but people on both sides will be hurt. Hurt economically, that is, not physically.

How did this war get started? The United States and Japan signed an agreement in 1986 which would prevent Japan from selling computer chips below cost anywhere in the world. Japan could sell the chips cheaply because they made lots and lots of them. The more chips they made in Japan, the cheaper they could sell them.

This below cost selling is called dumping. But since Japanese chip makers wanted to keep their workers employed, they continued to dump computer chips in foreign countries.

In addition, Japan had agreed to allow more U.S. goods into Japan, but they were slow in lowering their trade laws. American chip makers found that they couldn't sell their higher priced chips overseas and President Reagan just got tired of waiting.

The trade war has started with higher tariffs on color televisions, some computers and calculators and power tools from Japan. The recent new tariff of 100% means that if a television is valued at $130, the United States will charge $130 as a fee for bringing it into the country. This means you, the consumer, will need to pay just about double the price for the television.

VCR machines are not on the tariff list because nearly all VCRs are made in Japan. The items on the list are all items which are also produced by other countries.

Of course, Japanese companies now making the tariffed goods will suffer since they will sell fewer items in the United States. The U.S. consumers who wanted to buy Japanese goods will lose out, too. It looks like the only winners on the economic battlefield are countries other than Japan who will rush to send as many items to the United States as possible.

Kids earn money

Every day Luis Rodriguez, 12, walked past the tire store on his way to school. He would look at the tall stacks of old tires waiting to be trucked to the dump and wondered if there wasn't some way to use them. His social studies teacher talked about resource recovery, and Luis wanted to help.

Luis' brother suggested asking the owner if any of the tires still had any tread on them. Luis could bring them home and sell them as spare tires.

The store owner gave Luis an educational brochure on tires. Luis studied it and came to an agreement with the owner. Luis could take home any tires with usable tread and sell them out of his family's garage.

Because some drivers replace the tiny "donut" tire that comes with new cars now, the tire store owner had a pile of new "donuts" that he offered to Luis as well. Luis charges $5 for tires and $3 for "donuts."

Luis gets business from friends, relatives and neighbors. He tells everyone he meets that he is in the tire business. He likes earning his own money and feels good about recycling tires that would have been thrown out.

Constitutional Calendar

Events leading to the September 17, 1787, signing of the U.S. Constitution.

May 9, 1787

George Washington left his home in Mount Vernon for the Constitutional Convention in Philadelphia.

May 12, 1787

William Samuel Johnson, Erastus Wolcott and Oliver Ellsworth were appointed by the Connecticut Assembly to attend the convention.

May 13, 1787

The city of Philadelphia celebrated George Washington's arrival.

May 14, 1787

The official opening of the Constitutional Convention was delayed to wait for two states to appoint delegates.