

Opinion

CANADIAN FIRMS AGGRESSIVE

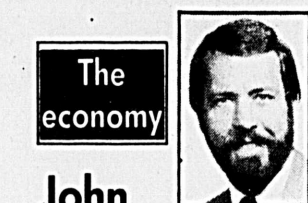
Steel exports: the next tariff battleground?

OTTAWA — In the rough and tumble game of selling in somebody else's backyard, sometimes you have to be careful not to be too good at what you do.

Just ask Canadian steelmakers. Having pumped hundreds of millions into new plant and equipment, having pared costs and having specialized their production, they find themselves a long step ahead of most U.S. steel companies in their ability to compete.

Add in a 30-per-cent-plus advantage on the value of our dollar over the U.S. buck, and the result is that steel from Canada has been grabbing an ever-larger share of the U.S. market.

Now Canadian companies are being told politely by the federal government to voluntarily restrain their sales into the U.S. or risk getting really squeezed by strictly



The
economy

John
Ferguson

enforced quotas imposed by the Americans.

Shortly we will see a new steel export policy approved by cabinet aimed not only at improved monitoring of exports but also at keeping a close eye on steel that many believe is being trans-shipped through Canada to the U.S. from countries such as Brazil and Mexi-

co that already face American quotas.

The U.S. Congress is in a surly mood when it comes to imports these days and in the aftermath of the softwood lumber dispute with the U.S. last year, no one in government or industry is taking the threat of American protective action lightly.

So far, the Reagan administration seems to be buying the argument by Trade Minister Pat Carney that the steel problem is being "managed."

But there's a lot of noise being made by U.S. Senator John Heinz, head of the U.S. "steel caucus," about the sudden surge in Canadian imports in January, which grabbed 5.7 per cent of the market, up 87 per cent from a year earlier.

Five years ago Canada was exempted when Ronald Reagan

imposed steel import quotas on 18 countries after the Canadians argued successfully that they were trading fairly.

But since then there has been an agreement that Canadian suppliers would not take more than about three per cent of the U.S. market. In 1986, that jumped to 3.6 per cent, or about 2.9 million metric tonnes, about a fifth of Canadian production.

With thousands of steelworkers laid off in his home state, Heinz is gathering support for nailing Canadian imports by adding a clause to a trade bill now wending its way through the Congress.

But two can play the political game.

Working just as hard on the other side of the issue, in tandem with Carney, is a group of Canadian MPs of all three parties from

steel towns across the country. It's headed by Tory Bill Kempling, whose Burlington riding is just next door to Hamilton, the biggest steel centre in the country.

When Kempling and his colleagues such as Liberal Maurice Foster from the Sault Ste. Marie area or New Democrat Simon de Jong of Regina visit Washington these days, they're armed with data showing that Canadian steel mills are major importers as well as exporters.

And if the Americans try to block imports from Canada, they'll be shooting themselves in the foot.

Kempling has come up with a figure — not disputed by U.S. officials — that for every \$1 in steel sold into the U.S. market, Canadian steel companies spend \$1.30 in the U.S. for basics such as coal, iron ore and machinery.

U.S. mills themselves are major importers of Canadian steel which they manufacturer further. And it's argued the increase in market share last year by Canadian steel was largely the result of the five-month strike at the huge USX steel operation, which forced many of its customers to turn to Canadian suppliers.

So far, the Canadians are holding their own.

But the whole issue once again raises questions about the free trade deal now being negotiated with the Americans.

Canadian steel exporters would obviously benefit from the guaranteed market access that free trade is supposed to deliver.

But how quickly will the Americans be willing to open the protective doors on an industry that can't compete?

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Bad timing, Ed

Ed Peck, the provincial government's watchdog over public-sector pay increases, was probably just following orders when he played right into the hands of irate teachers this week.

Peck heads the Compensation Stabilization Program set up by the Socreds to curb excessive public-sector spending and scrutinize pay raises, and although we haven't heard much from him of late, he's obviously still on the job.

At the B.C. Teachers' Federation annual convention this week, delegates were critical of both Peck's operation and of the government's reluctance to give teachers broader bargaining rights, including the right to strike.

One day before the convention ended, the bomb fell.

The federation received a letter from Peck stating that a three-per-cent salary increase awarded to teachers in Golden by an independent arbitrator was to be scrapped.

Predictably, teachers were incensed.

BCTF President Elsie McMurphy, fulminating over Peck's "virtual freeze" on teachers' wages, had no trouble convincing delegates to back job action winding up to a full strike and a total shutdown of all of the province's schools sometime in May.

Peck and the government may be victims of their own bad timing, but it's difficult to evoke much sympathy when one considers that events such as BCTF annual conventions are planned many months in advance.

It would have been prudent to let the letter on the Golden teachers' salaries languish in the out basket for a few days, because it wouldn't have taken much imagination to anticipate the ruckus it caused.

The government now has a tiger by the tail — one angered by the smell of Peck's blood-letting in Golden. The only way to tame it might be to feed it some meat in the form of restructuring the Compensation Stabilization program to bring it into step with the times.

Please write

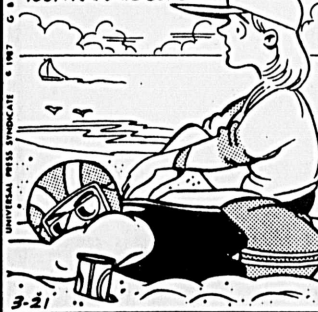
The Citizen invites readers to express their views on topics of public interest. However, unless there are good reasons for anonymity, letters to the editor will be published only if signed by the writer. Address and phone number of the writer must also be included so that authenticity of the letter can be checked.

Letters must be free of libel, personal abuse or other impropriety.

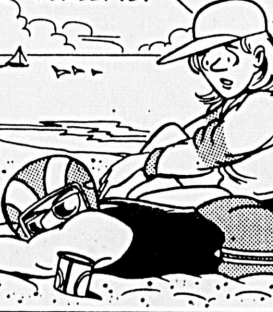
They should be no more than 200 words in length and may be edited for space and other reasons. Typed letters should be double spaced.

DOONESBURY

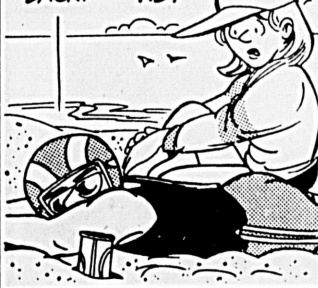
YOU KNOW, B.D., MY PAST-LIFE EXPERIENCES MIGHT MAKE MORE SENSE TO YOU IF YOU'D JUST ACCESS YOURSELF TO YOUR KARMIC CORE.



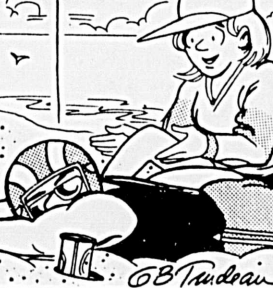
ALL YOU HAVE TO DO IS ASK YOURSELF WHO YOU REALLY ARE, WHO YOUR PRESENT EARTH-PLANE INCARNATION REALLY IS!



EASY. I'M A THIRD-STRING QUARTERBACK.



A FIRST-STRING QUARTERBACK.



Toyland struts its stuff, just in time Christmas

by ROY MacGREGOR, For Southam News

OTTAWA — There is a crisis in Toyland.

While the spirit of Christmas hangs on in the morning mail, the truth of Christmas past litters the floor.

Two Barbies were put to bed the other night in the official Hulk Hogan wrestling ring. The crud who should be there, George the Animal, has become a tub toy, his green tongue fading from too many bubble baths.

There is not a toy in the house — well, actually, there are 261,986 toys in the house — but there is not a toy in the house that, a week after purchase, can be found doing what the ads promised.

The most popular plaything of the moment, in fact, is a cardboard box that has been ransacked by a paring knife and reassembled with masking tape and imagination into a house for a cat that hasn't the slightest intention of ever entering.

It makes you wonder: if this is the situation less than three months after Competing Parents went out and made sure their children had everything they asked for, what possibly can be in store for next Christmas?

Worse — if what was recently unveiled at the 84th annual American International Toy Fair is any indication.

Talking Teddy bears, let it be known, are now nostalgia.

Assuming the Visa can be paid off by June, you have barely six months to begin saving for:

Artificially Intelligent Cabbage Patch Toys that begin talking to each other about having a party the moment they come into radio range of 20 feet.

Mr. Gameshow, with his 600-word vocabulary and the ability not only to play a game with the kids, but will keep track of the score, players turns and who won the last few rounds as well.

Trisha and Tooner, a doll and robot who have meaningful discussions on cassette.

Designer Stuffed Pets from Michael Jackson, perfectly fashioned after the very beasts that reside at Michael's California home and are cuddled by the master whenever he has a few moments away from oxygen-bombardment therapy of his glass coffin.

A Mad Scientist Monster Lab which, the container suggests, permits kids, within the safety of their own home, to "Make disgusting gross monsters then sizzle the flesh off their bones."

A red Ferrari for Barbie and a waterbed for Jem that magically converts into a piano and then a guitar case and can be used as a rock'n'roll radio station.

More than meets the eye, indeed. Think about it — a game show toy that keeps the score and runs the game, dolls that talk to each other rather than to the kid.

Just what, pray, is going on here?

This past weekend, with the Barbies left behind to sleep it off in the wrestling ring and George the Animal smelling like strawberry soap, the four kids who were given these treasures headed back to an old home with a dirt basement and six-quart basket stashed by the stand-up washing machine in the back room.

The six-quart basket contains the sort of matter anyone but a grand-

mother would have thrown out 30 years ago.

Roughly-speaking, here is the breakdown:

— 21 Dinky Toys, not more than two with all four tires, 11 of them painted bright green on a dull day in 1956.

— A plastic animal collection where the squirrels and one bear have been chewed by real mice and the deer is pock-marked where BBs ripped into it at 20 feet.

— Nine golf balls, only three of which have been sliced open and unravelled.

— Just enough Meccano parts to make nothing recognizable.

— A red 1-64th-scale '57 Chevrolet model, with full moons.

— Airplane coins, hockey cards, the magnetic puck from a forgotten game.

— Small dolls, ribbons with impossible knots, and a cache of broken seashells from a great-grandparents' trip, by car of course, to Florida.

There's nothing in the six-quart basket that keeps your score, nothing that speaks to you when you come within radio range — but there must be something.

It doesn't need batteries.

No one ever seems to bore of it.

It makes you wonder if next year, when the 85th annual American International Toy Fair is held, they might consider setting one of these baskets — value about 27 cents — down in the centre of the floor.

And a few hours later see where the kids end up.

(Roy MacGregor is a columnist for The Ottawa Citizen.)

Light
side



Art
Buchwald

No matter what Ronald Reagan says to win back his popularity, he will never convince the American people of his innocence until he remembers what he was doing on Aug. 8, 1985. Not only did President Reagan insist that he could not recall what he was doing then, but he challenged every man, woman and child in the United States to remember what they were doing on that day.

Mr. Reagan has taken the position that as President he has the authority to forget anything he wants to. Privately he is going bonkers trying to remember what he was doing on the August date.

The other night at dinner he said to Nancy, "Wait a minute, it's coming to me. I know what I was doing. I was wind-surfing on the Potomac with George Shultz. I remember it because he showed me his tattoo."

Nancy said, "I saw the tattoo too. But that was Aug. 7, Ronnie."

"Darn, I know I was somewhere, doing something. It's on the tip of my tongue."

"Ronnie, you're fretting too much. People don't care where you were on Aug. 8. They want you just as long as you will be their Teflon President."

"How can I be a Teflon leader when I don't know my own whereabouts?"

"Many Presidents did not know where they were during their terms in office. But that didn't stop them from getting into the World Almanac. History will remember you for what you forgot."

"Nancy, it's weird. I can't sleep in the afternoon trying to recall what I did on Aug. 8."

"Doesn't your staff have some record of that date?"

"They can't even remember what Donald Regan was doing that day."

"The date couldn't have been an important one or someone would have remembered seeing you."

"Suppose I was on a secret mission with Bud McFarlane and Ollie North flying arms in dense fog over Iran."

"You wouldn't do that."

"I would if I was still working at Warner Brothers."

"If I know you, Ronnie, you were probably doing nothing more than holding a photo opportunity on the White House lawn."

"Why don't I call Sam Donaldson and ask him if he shouted at me in the Rose Garden on Aug. 8?"

"It wouldn't mean anything. Sam shouts at you every time he sees you. Ronnie, you have a lot to remember now without trying to recall what you were doing two summers ago."

"But, Nancy, my whole credibility depends on it. How can a President maintain his popularity if he has no idea what he was doing in the heat of 1985?"

"Ronnie, all the people want to know is when you OK'd the arms for Iran."

"It's not that easy. I'll bet there isn't one person in this country who can remember when they OK'd an arms shipment to Iran."

"It doesn't matter. What matters is where you keep the button and how you push it."

"What button? I don't know anything about a button. Have I got a button here somewhere? Who said anything about a button?"

"Ronnie, I wrote it all down on your shirt cuff. The button is under the dining room table next to your foot. You step on it once to launch an all-out missile attack on the Soviet Union, and twice when you want the butler to clear the table. Can you remember that?"

"Of course. That's something that stays in a President's mind forever. What butler?"