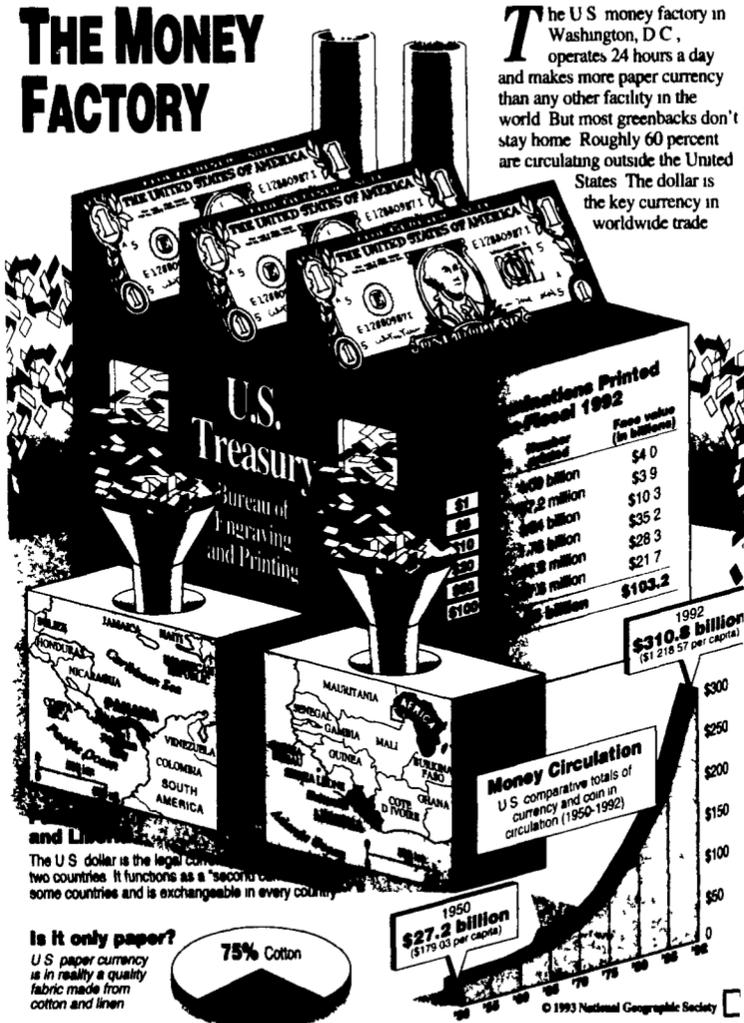


Kids' KOrner

THE MONEY FACTORY



The U.S. money factory in Washington, D.C., operates 24 hours a day and makes more paper currency than any other facility in the world. But most greenbacks don't stay home. Roughly 60 percent are circulating outside the United States. The dollar is the key currency in worldwide trade.

ne says. "There's no nation where it's not exchangeable."

High-inflation South American countries such as Argentina and Bolivia are frequently hungry for dollars. So are people in the financially unstable countries of Eastern Europe and the former Soviet Union.

About \$8 billion to \$16 billion in cash is estimated to be in Russian hands, says one expert. To help protect the ruble, the Central Bank of Russia recently announced plans to limit goods and services that may sell for hard currency. But an attempt last June to restrict the dollar's use in the Russian republic failed.

Most world trade is priced in dollars. Dollars are the currency of choice for international drug and arms deals, money-laundering networks and black-market transactions.

In two countries, Panama and Liberia, the dollar is the legal currency and can be used in any store or market. The dollar functions almost as a "second currency" in Canada. An American tourist convenience, the dollar is accepted nearly everywhere in Canada and preferred by many Canadians.

Dollars may end up in the pockets of Israeli taxi drivers in Tel Aviv, Russian street vendors in Moscow and Colombian drug lords operating through Panama. Hundreds of thousands of dollars in cash pour through Panama.

"The greenback is easy to use, easy to hide and to save for unforeseen contingencies," economist Richard N. Cooper of Harvard University tells National Geographic.

When Cooper participated in a pontifical conference on peace and justice in Rome this January, the Vatican reimbursed him for travel expenses in cash — all \$100 bills.

The demand for new dollars has climbed steadily since World War II. The prevailing view of financial experts then was that making the dollar the world's key currency would be advantageous to the United States.

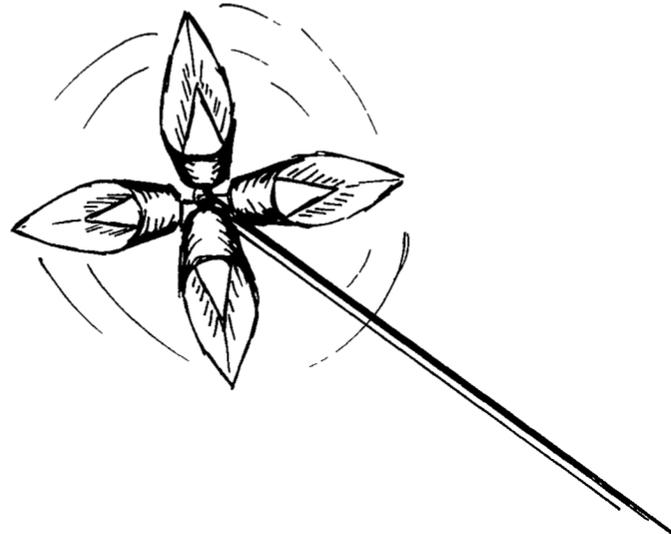
In fiscal 1992, more than 8.4 billion bills were printed in six denominations: \$1, \$5, \$10, \$20, \$50, \$100. Their face value was \$103.2 billion.

To expand production capacity, paper currency is being printed outside Washington for the first time. The Bureau of Engraving and Printing opened a \$125 million plant in Fort Worth, Texas, in 1992. It prints only two high-demand denominations: ones and fives. When fully equipped in 1994, the Fort Worth facility is expected to produce 40 percent of new U.S. money.

Most paper money — it's actually 75 percent cotton, 25 percent linen — will still be made on 14 presses at bureau headquarters in the nation's capital. All but about 5 percent of new currency replaces worn-out money.

Nearly half the new notes are \$1 bills, which last an average of only 18 months before they wear out and are ultimately destroyed by a Federal Reserve currency shredder. The \$100 bills have the longest life, about nine years. The higher denominations tend to travel overseas.

Effects Of Air In Motion



RUTGERS, N.J. — "A cow with its tail to the west makes the weather best. A cow with its tail to the east makes weather a beast." What do you think this means? Animals graze with their tails to the wind. It's a habit that lets them scent an enemy coming from behind. What does it mean when the leaves show their backs? Usually, leaves are kept right side up in a fair west wind. Before a storm, as the wind increases, they are flipped over.

The effects of air in motion (wind) are well known. Wind makes waves and distributes seeds from one area to another.

In North America, the wind generally blows from the west. Old timers thought that a west wind was a sign of good weather; an east wind would bring rain. They also thought that "a wind from the south has rain in her

mouth." A northeast wind in winter was supposed to bring snow.

You can enjoy the wind by making your own pinwheels and wind vanes.

To make a pinwheel, cut a piece of construction paper into an 8-inch square. Find the center of the paper by drawing a line from one corner to the other to make an "X." Cut from each corner into the middle, stopping two inches from the center. Fold in every other corner to the center of the square and fasten them with a straight pin. Put the pin through a 1/2-inch piece of drinking straw and then pin the pinwheel to the eraser end of a pencil.

Weather vanes and wind socks, home made or purchased, are other fun ways to learn about wind. For further information, contact your county 4-H office or local library.

Globe Trotting U.S. Dollars: 60 Percent Leaves Country

Joy Aschenbach
National Geographic
News Service

WASHINGTON, D.C. — Most U.S. dollars don't stay home.

Since at least the mid-1980s, more than half of the money in circulation has been traveling overseas.

"We estimate that roughly 60 percent is now out of the country. But there's no way to track it," says Joseph R. Coyne of the Federal Reserve System, the central bank of the U.S. government. As of mid-February, a total of \$296.5 billion in paper currency was in circulation. Demand determines the amount.

The U.S. money factory — the Treasury Department's Bureau of Engraving and Printing — operates 24 hours a day and makes more paper currency than any other facility in the world.

At any one moment, \$200 million in new bills are in some stage of the 65-step production process that includes engraving, printing, curing, serial-numbering, guillotine-cutting, inspecting, banding and shrink-wrapping.

"A slow and steady increase in the flow of dollars abroad is not a matter of concern to the United States, but sudden changes would be," says Nobel laureate Paul Samuelson of the Massachusetts Institute of Technology.

Bills and coins account for about 8 percent of the U.S. money supply. The rest is held in bank accounts, including checkbook money in the United States. The total is about \$3.5 trillion.

"Despite the weakness or strength of the dollar, its fluctuations against the Japanese yen and German mark, it's still the international standard worldwide," Coy-



Banks in Switzerland are retained by many foreign governments and corporations to handle cash receipts such as U.S. dollars.

"Detective T. Rash"



Have you ever wanted to be a detective and solve a mystery? Here is your chance. Get your pad and magnifying glass ready.

The Mystery - What is being thrown away in your home?

To solve the Mystery, you need a few ideas of what you will be looking for. In the space below called "Detective thoughts," list some of the things you think get thrown away in your house. After you have checked out all the scenes of the crime, fill in the "facts" list with the items you found.

GOOD LUCK!

Detective thoughts...
(What do you think is thrown away?)

- 1) _____
- 2) _____
- 3) _____
- 4) _____
- 5) _____
- 6) _____

The facts...
(What did you find in the trash?)

- 1) _____
- 2) _____
- 3) _____
- 4) _____
- 5) _____
- 6) _____

Were any of the same items on both lists? Congratulations, you've done a great job in solving your household trash mystery! Now you know what gets thrown away in your home. But just putting something in the trash does not make it go away.