DOLLARSENSE

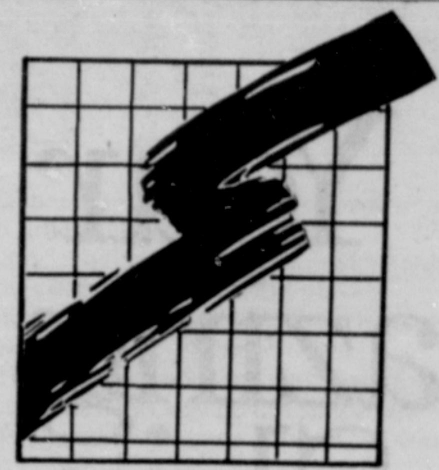
Stock records set in new year exchanges

The stock market is setting record highs this year, as the value of the dollar is shrinking to record lows.

A lot of stock has been sold or traded this year because of new tax laws and low interest rates in the bond market. The Dow Jones average is determined by how many stocks of certain large companies are bought and sold. The Dow Jones broke 2,000 points and is still climbing.

Investors don't want to miss out of a big stock market rally and so they keep investing.

Meanwhile, the U.S. government is trying to reduce the dollar's value. That will make it easier for people in other countries to buy American goods. However, this means goods brought into America, cars from Japan, for example, will be more expensive.



MONEY, MONEY

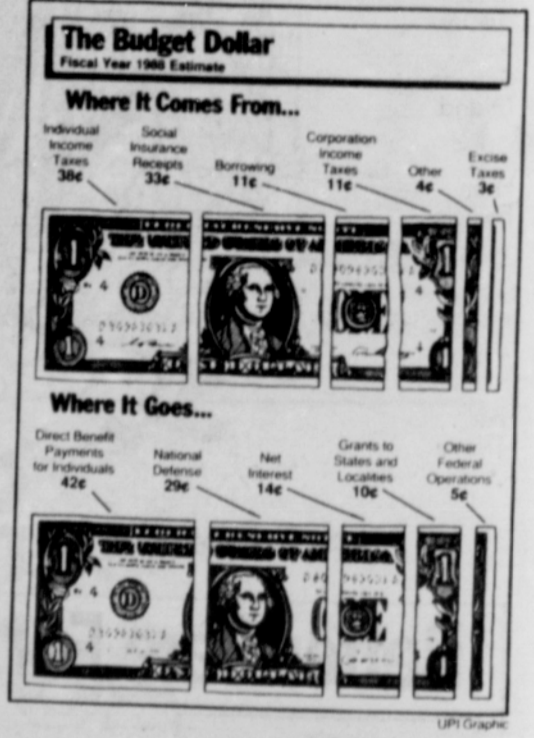
How would you spend $1 trillion?

That is the amount President Reagan submitted for his budget to operate the U.S. government in 1987.

It's a huge amount of money. With $1 trillion dollars you could buy more than 29 million brand new Corvettes. That's enough for a new car every day for the next 80,000 years!

This is the first time the U.S. government has let federal spending reach the $1 trillion mark. Congress didn't want the budget to reach such high figures but had just as hard a time as the president trying to trim the budget.

Another monstrous figure Congress must deal with is government's fast-growing deficit. The deficit, or national debt, is the difference between the



UPI Graphic

amount of money the federal government has spent and the money it has earned. By the end of the fiscal 1986 year, the deficit reached a record $221 billion.

The president must reduce the figure to $108 billion by 1988 according to the new Gramm-Rudman law. Many economic experts say the goal is impossible because billions of dollars would be cut from areas many lawmakers don't want touched.

One trillion dollars is a lot to spend on America's 240 million people and all the services funded by the government. The president, his advisors, Congress and other lawmakers are searching for the best formula to reduce the nation's debt and still fund all of its programs.

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