business, but that's because the government lowered the standards."

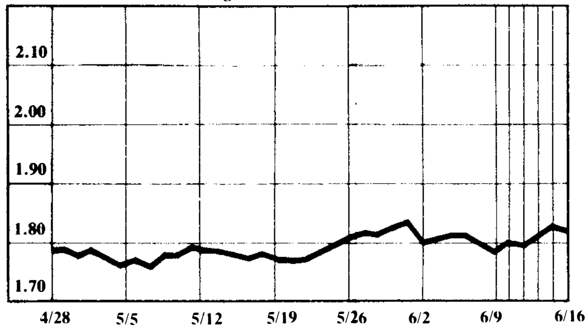
Specifically, banking deregulation allowed savings banks to make direct investments in real estate, rather than merely make loans. The dangers implicit in direct investment are obvious; they are analogous to commercial bank ownership of corporate equity. If a commercial bank can speculate in the securities of the same corporations it finances, the result is a 1929 crash; if savings banks can speculate in the real-estate market they finance, the result is the real-estate market disaster now in the works.

California's Commissioner Crawford appears to be the only public figure in the chaos to state the truth simply: By lowering standards of lending, the Reagan administration created conditions where "normal" lending operations are differentiated only finely from fraud.

Currency Rates

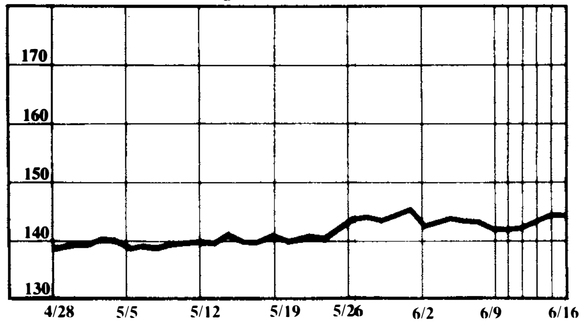
The dollar in deutschemarks

New York late afternoon fixing



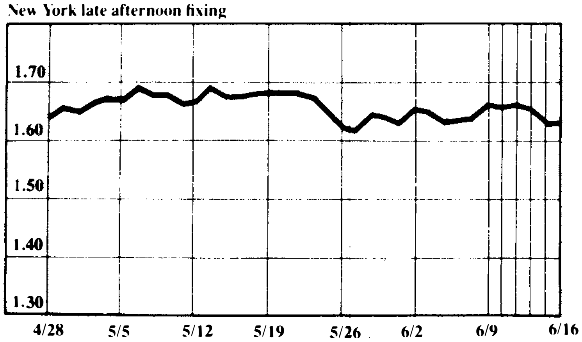
The dollar in yen

New York late afternoon fixing



The British pound in dollars

New York late afternoon fixing



The dollar in Swiss francs

New York late afternoon fixing