



## Nader Urges Consumers To Exercise Duty

By Jan Travers

"Power in the executive suite is held by the money people, and not the people whose specialty is the product," according to a consumer advocate speaking in the area Friday.

Ralph Nader, speaking to a crowd of 300 people at Penn State University, Harrisburg, urged the audience members to exercise their civic obligation to get involved with big business.

Speaking on the subject of executive accountability, Nader said that most people can't name heads of large corporations, even though many have been in power a long time. "If you know the name of a person who affects your life through plant closings, environmental problems and consumer fraud, you are not able to hold them responsible for injustices," he said.

As an example, Nader related how his consumer group studied 120 speeches of Roger Smith, chairman of General Motors. "Smith



Ralph Nader spoke to a crowd of 300 as the first speaker of the Provost's Lecture Series.

paid no attention to the product, not to how good it was, but to how automated the process of manufacturing was," Nader said.

According to Nader, this is why GM is suffering from a lower market share today. "They are losing because they don't have the product," said Nader, "and we, as consumers are paying the price

through layoffs and plant relocations."

Nader discussed several causes of this closed door policy. People must condition themselves about how to evaluate heads of companies, by insisting the chief executive officers know their products. "They only know about the product what their underlings have told them," he

said. "This is their way of protecting themselves. In the event of an investigation, they can honestly answer that they did not know."

Nader asked how many executives, even though they lied, got fired from GPU for the TMI disaster. He added that, to his knowledge, several were transferred from the area

but none were fired. "This signals to other nuclear power plants that their job is not on the line," Nader said.

Nader blamed the media for focusing on institutions instead of the people running them, and said that there is no training ground in the field of consumer

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## Belt Tightening and Planning is Key To Financial Aid

By Ray Burkett

Renegotiations concerning student aid continue in Washington as this article is being written, but the outcome does not appear optimistic.

According to Don Holtzman, Financial Aid Officer at Capitol, a reauthorization of Title 4 funds for student aid was conducted this year. These funds were originally devised in 1968, and with the present budget tightening in Congress some of the changes will be negative.

In the future it appears students will need to depend more on loans as grant money diminishes. Congress has raised the maximum Pell Grant from \$2,100 to \$2,300 but whether or not the appropriations will reach that amount is another story.

One of the positive changes that has occurred is in the definition of "dependent" and "independent" student status. Prior to this year a dependent student was classified as anyone

who received over \$750 worth of support from his parents, anyone who was claimed as a tax exemption, or anyone who resided at home for more than 42 days either this year or the previous one.

The new definition sights anyone over 24 years as independent and anyone under 24 as dependent unless independency can be proved.

Holtzman believes Congressional cuts on student aid are not as drastic as the Presidential Administration had originally proposed. For example, with programs such as S.E.O.G., College Work Study, and N.D.S.L., the Administration wanted their elimination, however, Congress has seen fit to keep them afloat.

"As far as colleges stepping in to make the difference," Holtzman said, "because of some tax reforms schools may find themselves in a tighter bind than they were previously."

Another negative aspect of tax

reform is the taxation of scholarships, fellowships, and grants if they are greater than the cost of the tuition. If the funds are limited to tuition, they are tax exempt, if used in other areas such as housing they will be taxable.

According to Holtzman, one benefit of being in Pennsylvania is the existence of the PHEAA program. Last year PHEAA appropriated a much greater amount of funds for state grants to help supplement the shortfall in Federal funds. PHEAA has also created bond issue loans which are a great help for students.

The State of Pennsylvania offers two different loan programs which help subsidize the Federal programs. One is for those who don't qualify because of income and another for those who need more than the \$2,500 allocated by the Federal Government. In the first case it is a non-subsidized G.S.L. and in the latter case it is a

supplemental loan.

When asked if he knew of any underused, alternative sources of aid, Holtzman replied he wasn't aware of any that are not being utilized. One of Financial Aid Office's responsibilities is to search for funds they can tap into for students. Holtzman warned students to beware of companies or organizations which advertise finding obscure funds for students, for a price.

Some banks have developed special educational loan programs amounting to a "line of credit" approval where students can write checks up to a certain limit. The drawback is the interest rates are not nearly as favorable as the Federally subsidized programs.

Planning is the bottom line, according to Holtzman. "When our children are born is when we should begin planning for college, not when they graduate from high school." Foresight is needed, in respect to investment counselling and the creation of a

savings program for future use.

In conclusion, we discussed the topic of repayment of loans and aid following graduation. Both the Federal and State governments have developed severe consequences for those defaulting on loans.

Federal employees who default have the funds deducted from their pay. PHEAA has a collections department which has taken people to court and cost them a considerable amount after defaulting. It also has a negative effect on a person's credit rating and will multiply the chances of ever receiving another G.S.L. or N.D.S.L. if one decides to return to college.

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