

# Committee to work out details of tax-cut bill

By JIM LUTHER, Associated Press Writer  
 WASHINGTON (AP) — When a Senate-House conference committee gets together to agree on the final details of President Reagan's tax-cut bill, the talk will not be on how to help the poor or bolster the economy. The big question will be whether to give the oil industry \$47 billion worth of special relief, \$20 billion or something in between.

There is no difference between the House and Senate bills on the basic tax-cut issues: Individuals will get a 25-percent reduction in tax rates over the next three years. The two houses likewise are in virtual agreement on how to reduce business taxes.

But it was oil benefits that produced a dramatic victory for Reagan's plan in the House on Wednesday and it is the size of those oil benefits that will determine how quickly the conference can complete its work.

If all goes according to schedule, the conference will start its work today and some

congressional leaders say the handful of differences can be resolved in one day.

Others in Congress doubt the final compromise bill can be delivered to Reagan for signature into law before the middle of next week.

Before the conference can even start its work, the Senate will have to have a formal vote on the tax bill. That vote, usually taken routinely, was delayed until today so Senate and House leaders could free for final action a second part of Reagan's economic program: a huge budget-cutting measure.

The budget bill was cleared for action today after being held up most of the day yesterday by Democrats who oppose a provision in it that would eliminate minimum Social Security benefits for 3 million elderly Americans.

The Senate endorsed its version of Reagan's tax bill Wednesday in a preliminary 89-11 vote. Chief among the 16 basic differences between the Senate version

and the Reagan plan accepted by the House is the question of how much tax relief to channel to the oil industry.

The oil provisions grew out of the 1980 "windfall-profits" tax, which Congress enacted at the request of the Carter administration. The new tax, which oil-state lawmakers oppose vehemently on grounds it handcuffs the industry, takes for the government a share of the hundreds of billions of dollars in oil-price increases that result from ending government regulation of oil prices.

Congress agreed late last year to let an estimated 2 million royalty-owners — people who own the land from which oil is pumped — avoid up to \$1,000 of the "windfall" tax. The Senate Finance Committee, in writing its version of Reagan's tax-cut bill, voted to raise that credit to \$2,500 and make it permanent. The panel also agreed to gradually cut in half the tax on "new" oil.

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President Reagan points toward reporters as he and James Baker, White House chief of staff, walk across the White House lawn to a waiting helicopter. The president flew to Atlanta.

## Cuts could fuel inflation, professor says

By DIANNE GARYANTES, Daily Collegian Staff Writer  
 President Reagan runs a high risk of increasing the inflation rate if Americans spend the money gained from the tax cuts passed by Congress on Wednesday, a University economics professor said.

"I haven't read (Reagan's) proposals," Philip A. Klein, professor of economics, said. "(But) I know he runs a very big inflation risk if people spend their tax money instead of saving it."

Reagan's argument for his tax package is that the tax cuts will lead to increased savings, which will give banks more money to be used for loans to businesses. This would give businesses financial leverage to build and expand, creating more jobs and a healthier economy.

The tax package passed by Congress includes a 25 percent across-the-board cut in personal taxes that will span over a three-year period. The plan will cut taxes by \$750 billion over the next five years.

However, Klein said he thinks the cuts are not needed and that Reagan is more concerned with reducing government involvement in the nation's economic system, except defense spending, than reducing inflation.

"You don't need to reduce taxes for three years if you are as concerned about inflation as you are reducing the size of the public sector (government involvement)," Klein said.

"There is a more than ever chance that the

cuts could be inflationary," he said. "The point is, there's no need to have cuts now."

John Paul Devereaux, assistant professor of accounting, agreed with Klein that the cuts could be inflationary.

"Any time you cut taxes, it leaves more money in the hands of the people," he explained. "I would think most people would be in lower tax brackets and they may spend it on necessities. The upper tax brackets may save."

Devereaux said there are more people in the lower tax brackets who will be spending than there are in the upper tax brackets who will be saving — which is inflationary.

"I think we're looking at some tough times ahead," he said.

The opinion of others differs from this view. U.S. Rep. William F. Clinger Jr., R-central Pa., voted in favor of the tax package, said Mark Heuer, Clinger's press secretary.

"(Clinger) feels the cuts will improve the economy," Heuer said. "There is a part of the package that offers relief for small businesses, which will improve the business in State College."

"In terms of input, we got over 100 phone calls (about the tax bill)," he said. "The calls were in favor of the bill 9-to-1."

When asked whether the tax cuts might be inflationary because of people spending rather than saving, Heuer said that Clinger did not think that would happen.

People have saved their money when taxes have been cut before, said Elmer G. Grant, president of the State College branch

of Central Counties Bank.

"With most of the tax cuts in the past, some has gone to consumption, but we've had a substantial increase in savings," he said.

Grant said he believes the cuts will gradually ease inflation with this increase in savings.

"Over the last few years, we've stifled the savings rate," he said. "You just can't build new equipment without the money."

"The one thing that the people must face is that the rich have money to save, not the poor," he added.

At CCB, 30.3 percent of the savings accounts hold \$1,000 or more, accounting for 92 percent of the total dollars in savings, Grant said.

This is opposed to 37.4 percent of the savings accounts holding \$100 or less, which accounts for 0.5 percent of the total dollars in savings.

Also, 2 percent of the checking accounts have \$5,000 or more and account for 16 percent of the total money in checking, Grant said.

"If you take from the rich and give to the poor, you destroy savings," he said.

The tax cuts will help stimulate growth and provide an incentive for savings, said Ken Denaree, resident manager of the State College office of Merrill Lynch, Pierce, Fenner and Smith Inc.

"My feeling is that you will see an increase in savings," Denaree said. "I feel the Reagan administration believes in the package. I do also."

## Catch a short wave

Go to school, join a club, call home to your folks, pretty normal sounding stuff. Don Jeanblanc of Havre de Grace, Maryland, did just that — except the club he joined was the Amateur Radio Club, and when he called his folks in Texas, it was via shortwave.

Jeanblanc, W3ITM to friends, is a civilian employee of the army participating in the four-week Executive Development Program. He used his walkie talkie-like unit to get in touch with the club and joined.

Another participant in the program also joined and has called his wife, who is a ham operator in Costa Rica. The pair has also tried to make a phone patch for yet another participant in the program from Bogota, Columbia, to his wife by contacting a ham radio operator in Bogota and having him call her on the phone and patching the call through his transceiver, in effect a long distance phone call.

One of Jeanblanc's calls to his parents in Texas was more than an hour long. "Quite an expensive phone bill," he noted.

The club exists because students are not allowed to operate ham radios in the dorms, according to Bruce Mckee, club treasurer pictured in the background.

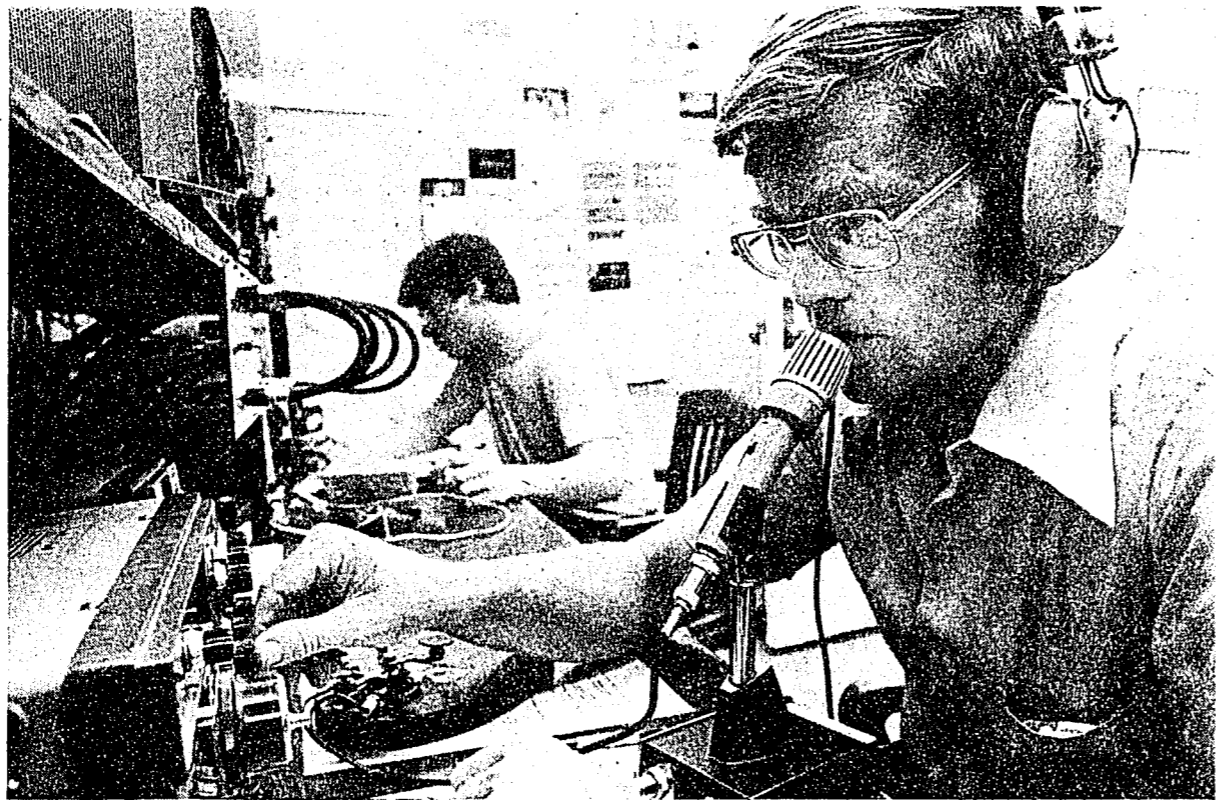


Photo by Brian Gammeter

## Extradition sought for Iran's Bani-Sadr

By SCHEHEREZADE FARAMARZI, Associated Press Writer  
 BEIRUT, Lebanon (AP) — Demonstrators chanting "Death To Mitterrand!" ringed the French Embassy in Tehran for three hours yesterday and the Iranian government demanded that France extradite fugitive ex-President Abolhassan Bani-Sadr to Iran for trial.

There was no immediate reaction from French President Francois Mitterrand.

Tehran Radio said the Foreign Ministry gave the formal extradition request to French Ambassador Guy Geogry for transmission to Paris. It charged Bani-Sadr with theft and embezzlement of public property, being an accomplice to inflicting bodily harm, and spreading false

reports and accusations, the radio said.

The French national radio France-Inter said "several dozen" people camped out in front of the embassy yesterday evening. The embassy staff left the building through a side door without being pestered, it said.

Sources in Tehran said by telephone earlier there were about 250 demonstrators outside the French embassy. But a Tehran police spokesman said there were 30,000 demonstrators and more would show up today.

When told the small street where the embassy is located could hardly hold that number of protesters, the spokesman insisted on his version.

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# Opinions on new advising policy vary

By DAVID PALFREY, Daily Collegian Staff Writer  
 The University's system of academic advising has undergone changes recently, but many students and faculty members have expressed dissatisfaction with it.

Legislation passed in the spring by the University Faculty Senate re-defining the roles of advisers and advisers affects all students by removing the adviser's approval/disapproval power and by allowing students to schedule courses even if the adviser does not agree with their selections.

In a survey of academic and extracurricular activities of seniors of the class of 1980, a full one-quarter of the respondents rated their academic advising as poor.

The survey, conducted by the Office of Residential Life Programs and the Student Assistance Center with the help of the Office of Student Affairs, focused on the attitudes, reactions, opinions and development of students before graduation.

In its summary of major findings, the report concluded seniors were not satisfied with academic advising and thought the system should be changed.

One problem with the program may be that "many faculty do not perceive academic advising as a terribly important function," said Stephen J. Wright, senior academic adviser in charge of General Arts and Sciences and director of the Student Advising Program for the College of The

Liberal Arts.

Chris Hopwood, president of the Undergraduate Student Government's Academic Assembly, agreed.

"A lot of faculty members don't perceive their role as an adviser — period," Hopwood said. "If you get a professor who doesn't want to advise, I don't care what kind of system you have, it's not going to work."

John F. Kavanaugh, chairman of the Faculty Senate Committee on Academic and Athletic Standards, said there is not a consistent University policy for evaluating advising.

Although advising plays a part in tenure consideration, the pressure exerted by some colleges on untenured faculty to do research and win financial grants often outweighs advising obligations, Kavanaugh said.

The recommendation for the changes approved by the senate was made by the subcommittee on the role of the adviser.

The subcommittee stated in its report that the new policies and procedures are meant to resolve discussions started in September 1978 about a report, made by the Administrative Council on Undergraduate Instruction, that:

- Proposed that the role of advising be defined as consultative in nature.
- Defined the specific responsibilities and duties of adviser and advisee.
- Suggested that all University forms and

policies be revised to reflect the consultative nature of advising.

In addition, the subcommittee said these changes were intended to clarify the functions and responsibilities of advisers and students.

But the subcommittee stated that the emphasis on the consultative role of advisers should not be seen as reducing the importance of advising.

As rationale for the changes, the subcommittee cited rapidly changing occupational definitions, concern for increased student retention, and legal claims by students against universities.

The senate directed that the approved changes be incorporated into all relevant sections of Academic Policies and Procedures for Undergraduate Students, and that all relevant forms, including pre-registration, No. 2 card and pass/fail, be revised to indicate adviser/advisee consultation, agreement or disagreement and student acceptance of responsibility for the proposed action.

Section 32-10 states the role of the academic adviser is consultative in nature and final decisions relative to course scheduling and program planning are the responsibility of the student advisee. It notes that advisers and students may not always agree and makes provisions for these cases.

Section 32-20 lists the functions of the adviser in five categories: information giving, short-range program planning, long-range planning, conveying the purposes of the University and student referral.

Section 32-90 lists the advisee's responsibilities. It

states that the student has the primary obligation to meet program and degree requirements and, when required, must consult with the adviser and obtain the adviser's signature as evidence of consultation.

The advisee should also keep an up-to-date check sheet of requirements fulfilled, inform the adviser of changes that will affect educational goals, preregister each term, be familiar with academic rules and regulations, and discuss with the adviser unsatisfactory academic progress.

The option of self-signing, which allows a student to sign required forms such as drop/add, pass/fail, and preregistration, is offered in some colleges. But this is only granted to 4th-term or higher students at the discretion of each college.

Kavanaugh said there had been a question about responsibilities in the advising process and the new legislation will make things clear to adviser and advisee.

"It's for each college to decide its policy on advising," Kavanaugh said. The College of The Liberal Arts has offered the option of self-signing for several years, he said.

"It is my understanding that it's (self-signing) been good for liberal arts."

But Wright disagreed: "I don't like the self-signing option because even for upperclassmen the flexibility allows for problems if a student is careless in choosing courses."

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## weather

Some nice weather is in store for the weekend, starting with a sunny and comfortably warm day today with a high of 83. Tonight will be clear but not as cool as the past two nights, with a low of 59. Continued sunny and warm tomorrow with a high of 85. Fair and mild Saturday night with a low of 64. Sunday will be partly to mostly sunny and continued warm but a bit more humid with a high in the mid 80s. Fair and mild again Sunday night with a low in the mid 60.