Third quarter corporate profits rise

WASHINGTON, D.C. (AP) — After-tax corporate profits rose 5.3 percent in the third quarter, their best performance since early last year, the government reported vesterday

The Commerce Department said businesses earned after-tax profits at an annual rate of \$144.7 billion in the third quarter after a much smaller 0.3 percent gain in the second quarter. It was the biggest increase since a 6.7 percent rise in the first quarter of 1984. Since that time, profits actually fell for five straight

quarters as corporate America suffered a battering from stiff foreign competition and the overall economic slowdown that began in the middle of last year. Beryl Sprinkel, chairman of the President's Council of Economic

Advisers, said the recent stock market rally was due in part to the improved profit picture, not just to the belief that interest rates were headed lower. "We are seeing an acceleration (in economic activity) and a very

substantial increase in profits," he said at a briefing for reporters. The increase in the third quarter came primairly from gains recorded by factories producing non-durable goods and businesses engaged in retail trade Domestic profits of financial corporations actually went down in

the third quarter by \$200 million compared to a rise of \$5.5 billion in the second quarter.

Among the details of the profits report: Before-tax profits also rose 5.3 percent in the third quarter to \$232.8 billion following a 0.6 percent decline in the second quarter. Corporate profits, after adjusting for depreciation and for inventories the companies had on hand, rose 7.6 percent in the third quarter to \$321.4 billion following a 2.1 percent increase in the

second quarter. • Corporate cash flows, a new government measurement intended to show the funds corporations have available for investment, rose 5.8 percent in the third quarter to a level of \$406.5 billion.

Personal loans used to consolidate

WASHINGTON, D.C. (AP) — The average size of a personal loan from a finance company was just under \$2,000 last year, with "loan consolidation" the major reason given by borrowers for needing the money, a trade organization reported yesterday. The American Financial Services Association, which represents

550 finance companies, said most unsecured loans made by U.S. finance companies go to consumers in the 25-34 age bracket. However, those most likely to take out a second mortgage on a home are between 25 and 34, the report said. The average size of second mortgages written by finance companies in 1984 was \$16,-

The association, in its annual report, said 65 percent of all personal loans were made to individuals with annual salaries over \$14,400 a year and that the average size of an unsecured personal loan was \$1,996. The assocation said the most common reason borrowers give for

taking out a personal loan was to consolidate existing bills, followed by travel, vacation and education expenses.

Govt, may limit check holding time WASHINGTON, D.C. - A bill to limit the number of days banks can hold deposited checks before making the money available to

their customers was approved by the House Banking Committee The measure now goes to the full House, where passage is

expected, perhaps as early as next month. "We are attempting to change the policies of the banks that play the float game." said Rep. John J. LaFalce, D-N.Y. The Consumer Federation of America, Congress Watch and

Consumers Union issued a joint statement calling the committee

action, taken by voice vote, "a major victory for banking consum-

'Banking industry representatives are opposed to the measure, but deny their opposition is rooted in a desire to maximize interest profits by holding customer funds a few days after the banks themselves get credit for them.

Instead, they argue that reasonable check "holds" are necessary to guard against the banks incurring losses if a deposited check is subsequently dishonored — a procedure even proponents of the bill

Donald Ogilvie, executive vice president of the American Bankers Association, said the trade organization was disappointed that the panel "reported a bill on funds availability which is needlessly inflexible and could, ironically, be counter to the public's conve-

Opponents of the bill have noted that banks are not required to accept any deposit and have suggested that stringent check hold laws could result in them simply refusing to accept some checks for deposit if there is any question about whether they are "good."

The bill requires the Federal Reserve to develop a system within three years under which deposited checks would be available for withdrawal on the next business day when drawn on a bank or other

Organ transplants expensive, but patients find financial help

costs not covered by insurance. How- dure such as temporarily implanting ever, patients are usually not left in the Penn State artificial heart will the cold, thanks to financial help from cost another \$20,000 to \$25,000.

which the patient can pay through experimental."

"Private insurance is the first age of the cost is for hospitalization source for funding of heart trans- (\$60,000 - 80,000), pre-transplant eval-However, he said the establishment \$15,000.

The medical center's policy re-planted. ation, but if insurance will not cover an Hospital, said the hospital's organ said.

or \$5.000 must be deposited, Vastyan \$180,000.

The costs of organ transplants are He said although the cost of a staggering, leaving the patients won-typical heart transplant operation from \$70,000 to \$95,000, heart / lung dering how they will foot the bill for may be as much as \$75,000, a proce- \$115,000 to \$150,000 and a liver from

"We will do our best to recover the John Vastyan, a spokesman at the cost of the procedure, but for various University's Hershey Medical Cen-reasons we may have to underwrite ter, said transplant centers are usual- some of those expenses." Vastvan ly willing to help transplant said. "However it is not the plan of recipients locate funding for their the Hershey Medical Center to subsi- for the organ itself. Although organs dize the cost of artificial heart trans- are donated, the costs of procuremen A typical heart transplant opera-plantation, especially at this stage can be quite expensive. tion can cost as much as \$75,000, when the operation is still considered

private insurance, Medicare, the He said after the first year, the Medical Assitance Exception (a typical heart transplant (artificial Pennsylvania state-funded pro- implant excluded) will cost the recipgram), personal funds and trust ient about \$85,000, including post-opfunds set up by family and friends, eration expenses.

plants," Vastyan said. "If the cost uation (\$1,500 - \$5,000) and medicacannot be covered entirely by the tion (\$5,000 - 10,000); however, patient's insurance company, Medi- surgery and the cost of finding a donor's heart can be as much as of trust funds by family and friends is Besides hearts, other organs with a common source of additional funds. high price tags are frequently trans-

"A kidney transplant ranges from \$30,000 to \$40,000, a heart (transplant)

"There are 110 regional procure ment programs in the United States whose sole job is to find organs for recipients," said Howard Nathan, recipients," said Howard Nathan, Valley Transplant Program in Philaexecutive director of the Delaware

the site to determine if the organ is suitable for transplanting, he said. After receiving consent from the donor's family, DVTP would then



\$1.689

Nathan said DVTP would like to WASHINGTON, D.C. (AP) — U.S. educate hospital physicians and nurs- economic growth spurted upward at a the hospital locates a potential organ | rate from July through September, donor, they call DVTP (the procure- the fastest pace in more than a year, ment agency) which will then visit the government reported yesterday. private economists were not as imquires patients to finance the entire Mark Collins, public relations spe- immediately transport the donor or- pressed, contending that the added cost of the transplant before the oper- cialist for the Pittsburgh Presbyteri- gan to the transplant site, Nathan growth during the summer may well subtract from activity in coming

> The Commerce Department said he gross national product — the total output of goods and services - grew at the fastest rate since a 7.1 percent

This new estimate was a full percentage point above a 3.3 percent nonth. While the gain was far above what most analysts had expected, they stressed use of caution in inter-

'No one should be fooled.'' said Allen Sinai, chief economist for Shearson Lehman Brothers. "There is little meaningful growth going on in the economy at the present time and little room for optimism that we have a lasting rebound under way."

Beryl Sprinkel, chairman of the

Competent * Fast * Economical Sinai said most of the strength during the third quarter came from strong consumer spending, partic-We service all brands. ularly on new car purchases. Spending on durable goods, which includes T & R ELECTRONICS autos, increased at an astonishing 225 S. Allen St., State College 23.3 percent annual rate in the sumnext to Centre Hardware) 238-3800

president's Council of Economic Advisers, was much more upbeat, contending that the 4.3 percent growth rate vindicated the administration's Write a letter view that the economy is in the midst of a substantial rebound following a weak first half of 1985. But private analysts noted that in

addition to consumer spending, much of the third-quarter activity was concentrated in growth in spending by the federal government, up at a remarkable annual rate of 40.9 percent. Total consumer spending grew at an annual rate of 5.4 percent in the third quarter. Housing construction

good. A GNP inflation gauge that

Award given to PENNTAP

photography.

The Pennsylvania Technical Assistance Program at the University recently won a national award for its work with an independent inventor

The National Association of Management and Technical Assistance Centers recognized PENNTAP for providing marketing and technical assistance to Morris Ramsay, of Ramscale Inc., a Greensburg company he founded. Ramsay began working with PEN-NTAP in 1976 after he patented a

said he wanted to make aerial photography less expensive and more useful "They (PENNTAP) have been a tremendous amount of help," Ramsay said. "They gave an innovato-

He said that he answered an ad in Time magazine, placed by the Pennsylvania Department of Commerce, which asked people with innovations to respond. He was then referred to PENNTAP and began working with Edwin W. Biederman, a technical specialist with PENNTAP.

are distorted around the edges be- Morris Ramsay, founder of Ramscale. cause of the camera lenses used. It is



tion problems cheaper and faster tion that offers technical, scientific ic development. "The gentleman developed an idea Pennsylvania firms solve technologi- including PENNTAP.

Alcohol task force to release advice

The University President's Task Force on Alcohol will release its final recommendations and present its proposals to University President Bryce Jordan this afternoon, a task force co-chairman

M. Lee Upcraft, division direc- not over yet." force co-chairman, will explain decide within a month. Jordan's questions on the propo-

Jordan established the task force last February to examine alcohol abuse among University

ways to reduce alcohol abuse in Jordan.

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nizations, such as fraternities. Task force members have been reviewing the recommendations since their completion Nov. 5. "A lot of work has gone into this report," Rosenblatt said. "But it's

tor of counseling and health serv- Jordan previously said he could ices, said he and Undergraduate not predict when he will finally Student Government President decide on the recommendations, David Rosenblatt, also a task but said he is hopeful he will the recommendations and answer "It's important for students to voice their opinion of these recom-"People should speak up and I'm

students. It was assigned to deter- USG, the Association of Residence mine policies the University can Hall Students, the Panhellenic Council, the Interfraternity Coun-The task force formed recom- cil, the Organization of Town Indemendations on the need for alcohol pendent Students and the awareness and education pro- University Student Executive grams in addition to suggesting Council who will relay opinions to

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Potential grads are told grades aren't everything

look for student excellence in at least in it, you'll never make it through." one area in selecting potential stu- Prosseda said most graduate students, a graduate student said recent- dents work about 20 hours a week as ly at at the second annual Graduate part of an assistantship. Students Information Seminar for students in receive a stipend for the time they the College of Human Development. work as well as reimbursement for Speaking to about 15 undergrad- tuition uates, Ann Gruber (graduate-individ-

too high you're usually given the chance to point out your other "For example, a high score on the Graduate Admissions Test or proof of experience in your intended field can really help your case," she said. Anne Barnhart (senior-individual and family studies), president of the college's student council which spon-

ahead should they decide to go to one," he said. graduate school.

"Make sure you go for a reason," Graduate admissions committees Prosseda said. "If you're heart isn't

ual and family studies) said. "Grades the importance of time management

are important, but if your GPA isn't for graduate students. "Graduate school isn't such a grind if you're organized,'' Prosseda said. Gruber said, "once you get to grad school you can't pass the tests just by

Chip Addis (senior-hotel, restausaid he found the seminar a helpful introduction to graduate school. sored the seminar, said the seminar help me in my field and this seminar informed undergraduates of what lies has strengthened my desire to pursue

Lentha Wilt (junior-individual and John Prosseda (graduate-nutri- family studies) said he also found the

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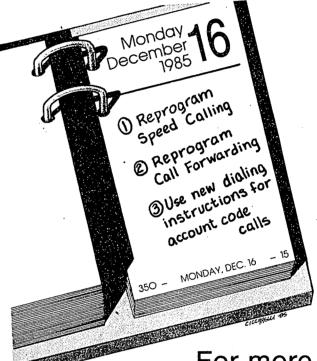
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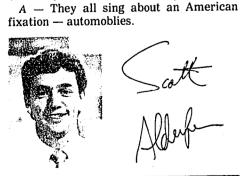
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Owning a car: The price of mobility rises along with the odometer of life

financial institution in the same geographic area.

and Bruce Springsteen and Deep Purple all (hint: Little Duece Coupe, Little Red Corvette, Pink Cadillac and Highway Star)



In high school, while most of us who were college-bound were scraping together monwere scraping to finish souping-up their hot

and enter the real world of independence start paying her back — yes, with interest. from our parents, many of us will have There's expense number one.

in high school. We overheard them in study

Chevelle with a posi-rear and we could not Maybe we had our own car (something we paid as much for as we could with our parents paying the balance) or maybe our parents let us borrow their Mercury when we had a date. Either way, we were never

I borrowed \$2,900 from my grandmother ey for college, our Vo-Tech counterparts in May to buy a car; I figured that since I'm graduating in December, I'd probably have By the time we are ready to leave college lism or in a factory) at the end of the year to

acquired a car, whether as a graduation Expense number two came before I could several hundred dollars, depending on the to consider. On my way to Ohio in Septempresent or by a summer of sweating through even pick up the car (a 1978 VW Rabbit). I severity of the repairs. Thus far, I've been ber I met a very friendly Pennsylvania Daily Collegian who has a promising future a job as a factory worker. That's when we had to pre-pay my car insurance premium spared any real breakdowns. My clutch state trooper on Interstate 80. Although he in used car sales.

Q — What do The Beach Boys and Prince begin to realize the truth we delayed by for the next six months. That was \$256. I just cable broke last month, but I was able to clocked me at about 73 mph, he only gave going to college — that an automobile is an mailed in my premium for the next six replace that myself, paying \$10 for a new me a warning since I had never been

> less if I tell them I'm driving it here. halls talking about their 455s with dual was expense number three. Thank God for around the corner is gas. Right now, I drive guads and new L-60s for the back of their pre-season sales. Two 13-inch tires cost me from zero to five miles per week. When I get \$86. Thank God for MasterCard — I can at out of Happy Valley, I might be driving least hold off on paying for them until I'm anywhere from 20 to 100 miles per week just making some money somewhere.

> > When I was in high school, I had a van Sears store, so I was able to pull usable tires out of the junk tire pile and put them on my State College, I pay about \$1.17 per gallon. van at little or no charge. I would not have Depending on where you are and how far been able to afford owning any vehicle in you drive to get there, gas prices can add up high school if I had not worked in a garage quickly.

and been friends with the mechanics there.

months — another \$256. I'd be paying twice cable. But when I have a real job in the real stopped by the police before (at least not for When we have access to a car, aren't we that if I had it insured to drive at home. The world, I probably won't be able to take the speeding). He told me the fine I could have likely to drive three blocks, instead of closer you live to a city, the more you pay time to fix things myself. It would be more received would have been \$86. I thought, walking, in the interest of lazily saving for insurance. My insurance company still cost efficient for me to let a professional considers State College fairly rural, so I pay mechanic do the work; he could probably do it in half the time it would take me. I had to buy new tires last month. That Another significant expense waiting

to get to work. I've heard stories that, Depending on the size of the wheel and outside of Happy Valley, things are not Gas prices vary around the country. When I visited my brother in Ohio in Sepfully exposed to the real cost of owning and (but that's an entirely irrelevant story). I tember, I paid 99 cents per gallon for worked at the automotive center at the local regular gas. On the way to Ohio, I saw gas prices up to \$1.29 in some places. Here in

> And those of us who do not exactly drive Maintenance and repairs can run into conservatively have another potential cost

"Wow, that was close; I'm going to have to I was about five minutes from my broth-

er's house in Ohio when, from out of the setting sun, I saw another car with pretty flashing lights. He said I was going 68 mph in a 45 zone. He was friendly too, but I still had to donate \$46 to the village of Orson. This all goes to show, the more you drive, the more you pay. In high school, we didn't need to 'cruise' around town on a Friday night, it was just the thing to do. But five years later, we need to 'commute' to work

In another few years, when my Rabbit dies, it will be time to look at new cars. With inancing charges, it could be anywhere from \$8,000 to \$16,000. So if I can't find a job in journalism when I graduate, maybe I can get into used cars and make myself a good

Scott Alderfer is a senior majoring in journalism and a business writer for The

Ramsay's process cures the distor- PENNTAP is a service organiza- by improving local and state econom- The news on inflation remained than other methods, Biederman said. and engineering information to busi- The National Association of Man- measures the same mix of goods and He is the one who suggested that ness, industry or government, agement and Technical Assistance | services rose at an annual rate of 3.1

tures when making ground maps of was on the right track," Biederman hance the firm's ability to assume a rate, but business investment fell at a

Edwin E. Biederman Jr., technical specialist with the University's Pennsylvania Biederman said aerial photographs Technical Assistence Program, left, examines an aerial mapping survey with

PENNTAP's objective is to help than 60 technical assistance centers | pared with 3.9 percent in the second



Ramsay talk to civil engineering pro- according to a PENNTAP brochure. Centers is an organization of more | percent in the third quarter, com-

stronger competitive position, there- rate of 3.7 percent.

difficult to place together square pic- and needed someone to tell him he cal problems in a way that will en- rose at a strong 11.5 percent annual