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PERSPECTIVES

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Industry banks on manipulating students

*Proposed changes to financial aid legislation
would help banks but hurt students*

It's unfortunate that this society places greater emphasis on profit than it does on education. It's even more unfortunate that few pay attention to this disturbing pattern until it personally affects them.

A week ago yesterday, the House Rules Committee ensured that college students will have a personal stake in the matter. Late last Tuesday evening, they added provisions to the Higher Education Act that Ed Dennis of the Oregon Student Association predicts "will cost students billions."

This is important not simply because it will cost most of us a lot of money, but also because it reflects a larger trend in America: selling out politically marginalized groups to generate more profit for the powerful. In this case, the starving student is being asked to carry more of a burden to help that most impoverished of citizens — the banker.

OPINION

Jeff
Shaw

Here's what's happening. The act would have decreased the interest rates on your student

loans by almost a full percentage point. But the added provisions, pushed by banking industry lobbyists, would eliminate that rate cut.

That means two things. Obviously, you're not going to see much-needed reductions in the cost of interest on loans. More insidiously, other added provisions could result in a serious funding crisis for important student aid programs. According to Dennis, programs at risk include Pell Grants, state need grants, campus child-care, greater reporting of campus crimes and improved delivery of financial aid.

As if that weren't bad enough, another added provision would eliminate bankruptcy protection for student borrowers. So even if you have trouble paying back your loans, declare bankruptcy, and go through five years of court-monitored Chapter 11 protection — you've still got your loans. As Dennis notes, this is "an obligation not expected in any other commercial loan agree-

ment."

I hope every loan recipient who reads this is angry enough by now to take action. If you're not, maybe this will help: You have to pay more in order to help subsidize an industry that is making record profits — the banking industry. Banking industry profits hit an all-time high of \$48.8 billion in 1995, and they've been climbing ever since.

It's very simple: Banks exist to make profit. If rates are high, so are profits. If they can force even bankrupt students to maintain their loan obligations, all the better for industry. All the worse for the people.

To say this is un-American is not an exaggeration. Thomas Jefferson liked to warn about the rise of "banking interests" and "moneyed incorporations" which, even in his time, threatened the advance of democracy. Jefferson, like many of those who founded this country, believed that "democracy dies as inequality grows." A banking industry which sought profit above all, Jefferson wrote, was "more dangerous to our liberties than standing armies."

Even Jefferson didn't go as far as Andrew Jackson. Jackson raged against the Second Bank of the United States, which he said existed to "make the rich richer" at the expense of "farmers, mechanics and laborers." Neither of these men would deny bankers the right to make a living — but to shift payment burdens onto impoverished people in a time of record corporate profits? If the HEA passes these provisions, one can add "students" to Jackson's list with no problem whatsoever.

The banking industry is ignoring simple and reasonable principles here: Education is a valuable thing. People are more important than profit. Actions should be judged by the value they bring to a community.

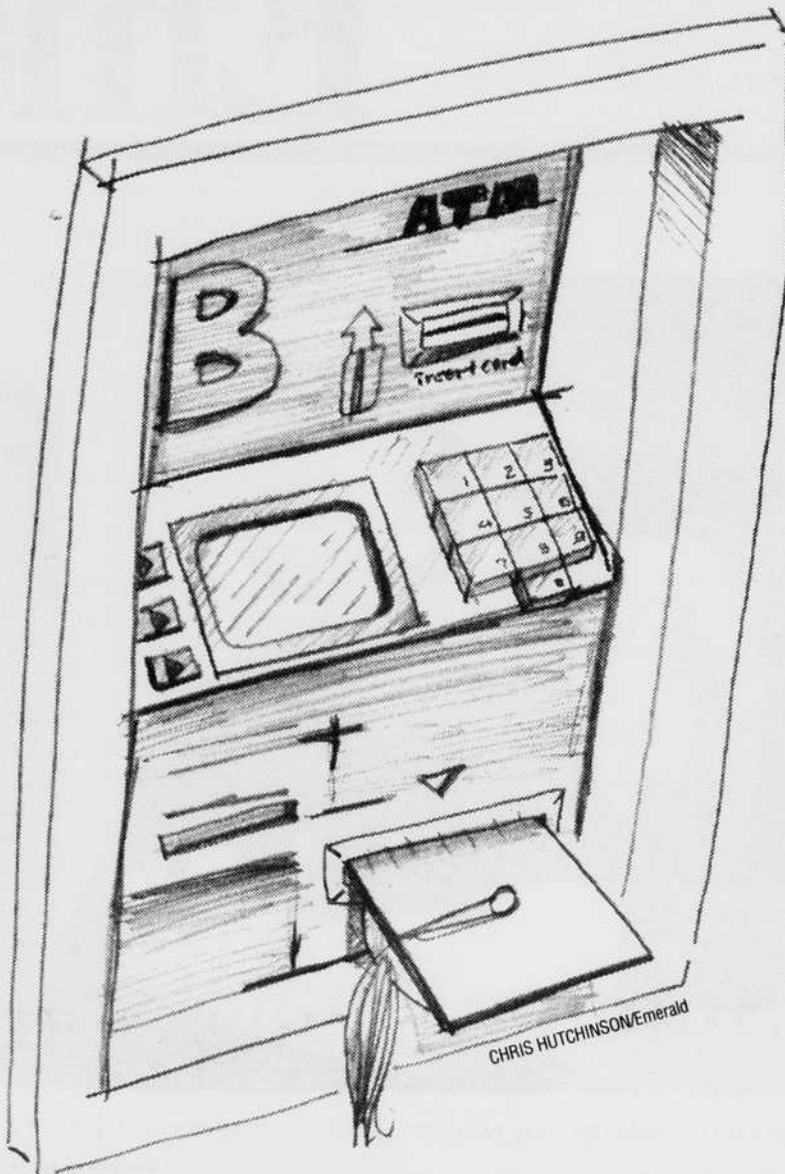
Of course, maybe bankers have simply lost touch with those principles. When Wells Fargo took over First Interstate Bank, CEO Paul Hazen announced at a news conference that 9,000 workers would be laid off. When he was asked if fired workers would be retrained to avoid fast food jobs, he responded: "I don't think McDonald's is

necessarily a bad place to work." That is the kind of attitude you expect from someone who doesn't care about something that doesn't personally affect him.

Students or not, we all have a personal stake in this. The Alliance to Save Student Aid has set up a hotline at 1-800-574-4AID. Use it to make a free call to Congress. Tell them what you think about cutting student

aid. If people like Paul Hazen aren't in touch with the consequences of their actions, it's your job and mine to fix that. That's what democracy is all about.

Jeff Shaw is a columnist for the Emerald. His columns appear on alternate Wednesdays. His views do not necessarily represent those of the newspaper.



LETTERS TO THE EDITOR

NCC irony

I am prompted to write because of the ironic timeliness of your cover story about Northwest Christian College (ODE, April 29) coupled with my subsequent reminiscing about my personal relationship with NCC. The article seems ironic to me in the midst of Pride Week at the University, during which students celebrate the diversity of gay, lesbian, bisexual and transgendered students. Your article states that at least one NCC professor wanted "students to have an appreciation, respect and tolerance for those who aren't like them." This seems ironic, for the most part, because my personal encounters with NCC administrators have led me to believe that this egalitarian desire is manifested in neither the policy nor the practice of the college, though it is possibly a convenient lip service for Christian love and equality.

I moved to Eugene in September 1996 with the hope of transferring to NCC to complete my undergraduate degree. At that point, I thought they might be able to offer the program of study most appropriate for my goal of entering seminary. When I told the admissions cabinet at NCC that I was a lesbian, however, they denied my application for admission. After several months of written and personal conversations with the administration of NCC, Randy Jones, vice president of admissions, wrote to me that the college had denied my application because "the college's stated policy and the ethos on campus with respect to homosexuality are decidedly incongruent with my own lifestyle."

I wonder how the University, with a stated (and pre-

sumably enforced) policy against discrimination based on sexual orientation, could have a reciprocal sharing program with a college that actively practices such discrimination. I also wonder how NCC's own mission statement of serving "Christ, the church and the community, locally and globally" is fulfilled by denying gay and lesbian members of the local community access to their programs of study.

It seems appropriate to me that the University review its relationship with NCC in light of the fact that NCC's discriminatory admission practices are in direct opposition to the University's own policy regarding such. I would also like to suggest, as I have repeatedly in private forum, that the administration of NCC review their own policies in this manner.

Kharma Amos
Religious Studies

OSPIRG helps students

In the words of Zack De La Rocha of Rage Against the Machine, "In the right light, study becomes insight." Being a little "fresh" to the whole OSPIRG situation, I began to ask a lot of questions. To those of you who voted OSPIRG down last week simply because you saw some posters that sounded like they made sense, I am sorry. I am sorry that you did not take the time that I and others have taken to discover some real honesty.

See, had you taken the time to ask around (and I didn't just ask the PIRGs), you would have discovered that the reason OSPIRG does not go to the lovely Programs Finance Committee every year is so that they can keep

themselves and their message accountable to you. The reason is not that they have this huge, outrageous budget that robs the students and might save a mink or two up in Portland. The reason is that OSPIRG wants to get out there in the mix of this campus, talk to students and, in doing so, make sure that the organization is fighting for what the students want them to. You know as well as I do that the cause they are working for is the good one, and the work they do on a grand scale is amazing. They are researching pesticide use at the University; they are pushing to protect endangered species; they do several cleanups each year; they conducted the Eugene banking survey and distributed the Renter's Rights Handbook and so much more — all this for you at the price of a latte.

No public interest group that voluntarily places itself on the ballot every other year and that respects the democratic process would stay on a campus where the students did not vote to fund it. And so OSPIRG leaves us (unofficially). Our voice that carries out concerns statewide is gone. That concerns me, especially when voters may have been told by poll workers to vote no on OSPIRG at the polling booths, a violation that would send somebody to prison in any other election. So, if any of the grievances filed are honored and we do in fact see another election, take the time to find out what's up and make an educated decision — vote yes on OSPIRG. Let's not be the generation of students who upsets 27 years of positive student activism and progress. "Ignorance has taken over; we gotta take the power back."

Jessica Timpany
Political Science/PPPM