

OPINION

The plastic problem

Should credit card companies be regulated to protect consumers?

Welcome and thank you for calling MBNA America. Your current balance is \$535.57. Your next payment of \$15 is due on June 23.

The temptation is great. Why not mail a check for \$15 to the friendly credit card company, make the minimum payment and postpone the day of reckoning with one's spending habits until some day far in the future?

Millions of Americans, and probably hundreds of Aggies, succumb to this temptation every month.

All the while, the most profitable "product" of the banking industry rakes in its usurious interest.

Unfortunately for Americans, it also results in the greatest single source of waste in personal budgets. Credit cards in America represent exploitation of consumer stupidity by bankers. They generally serve little useful purpose, and their strict regulation is necessary to prevent mass transfers of wealth to non-producers who prey on the lack of consumer foresight.

The banking industry has always been a necessary evil in the capitalist system.

Banking is necessary to help entrepreneurs, companies and consumers overcome cumbersome initial startup costs necessary for starting a business, opening a new plant or building a home.

Since the variables affecting these needs are innumerable, it is beyond the abilities of any central agency to provide such a service.

To meet these needs, capitalism, not surprisingly, chooses to employ the nearly infallible system of human self-interest.

In exchange for interest, bankers provide needed loans to consumers.

Though banking income does represent an economical impurity where an entity gets paid for doing nothing, the generally low interest charged on home and business loans can be viewed as a necessary lubricant to oil the economic machine, an un-

fortunate financial necessity. The exorbitant interest charged for credit cards, however, represents an enormous excess of profit for those who produce nothing.

Since consumers have shown little restraint in their buying habits, it is necessary for the government to intervene and regulate the industry.

The best way to prevent future credit card abuse is to enforce maximum values for interest rates and balance limits.

A modest proposal might limit credit card interest rates to a 10 percent annual percentage rate (APR), and the maximum balance across all credit cards to 20 percent of a cardholder's annual income.

This is a workable solution. Already, credit cards are being offered to select groups of consumers at a low 9.99 percent APR.

However, the most vulnerable of clients — students and the working poor — are still charged up to 21 percent (APR) on their balances.

Also, by limiting the maximum balance, many Americans would be prevented from finding themselves in thousands of dollars of credit card debt for which they have nothing to show but impulse purchases from Wal-Mart.

Credit cards are a temptation too strong for many Americans.

Their regulation would save consumers from their own materialistic addictions.

They are everywhere. Everyday mailboxes overflow with them. Each semester purveyors lure students to them with offers of free gifts like T-shirts and frisbees. Their advertisements fall out of newly bought textbooks.

They are credit cards. It is annoying. Everyone who receives credit card companies' ads in the mail wishes their addresses had never been given to the god of junk mail.

But are credit card advertisements really a problem? At least one group seems to think so.

The Consumer Federation of America (CFA) recently issued a report authored by Georgetown University sociologist Robert Manning detailing alleged misdeeds of credit card marketers.

These horrible practices include setting up booths at schools, marketing credit cards affiliated with the schools (such as the Texas A&M MasterCard) and giving out free gifts.

Manning even states that the "unrestricted marketing of credit cards on college campuses is so aggressive that it now poses a greater threat than alcohol or sexually transmitted diseases."

Whatever. People die from drunken driving crashes, alcohol poisoning and STDs, but credit cards cannot do more than help a person

acquire debt.

Though this is certainly a problem for many of the estimated 70 percent of students who have credit cards, there are benefits that go along with having a credit card.

First, credit cards are one of the easiest sources for students to gain a good credit rating.

Without good credit many people would not be

able to get loans to buy cars, houses or start new businesses.

Secondly, as most college students are aware, credit cards are an easy way to hide purchases from parents.

Everything from beer and cigarettes to surreptitious trips can be paid for without parents ever finding out about it.

This is another problem the CFA has with credit cards. They have urged Congress to pass a law requiring parental approval for many students under the age of 21 to receive a credit card. The CFA seems to resent that students are given the responsibility of handling their own personal finances.

Learning responsibility and self discipline are supposed to be some of the most important qualities learned in college. However, without the ability to make mistakes, neither quality can be learned.

Credit card marketing also benefits students by providing an easy source of funds for many student organizations. Campus marketers at A&M are required to have a student group sponsor and man their tables or booths. In return, the students receive a considerable amount of money for each new person they sign up.

Along with benefits to students, credit card companies are hoping to find responsible cardholders for life by marketing to college students. The companies have no interest in signing up people who are never going to pay them back. Reckless marketing campaigns are therefore counterproductive.

Further, credit card companies should have the same rights as any other company to market its wares. Credit cards are not dangerous, addictive or socially irresponsible.

Those who responsibly use their credit cards deserve to be allowed to continue to do so. Those who misuse their cards deserve the opportunity to do so as well. The busybodies at the CFA need to stop sticking their noses into everyone else's business.

Marc Grether is a mathematics graduate student.

YES



TOM OWENS

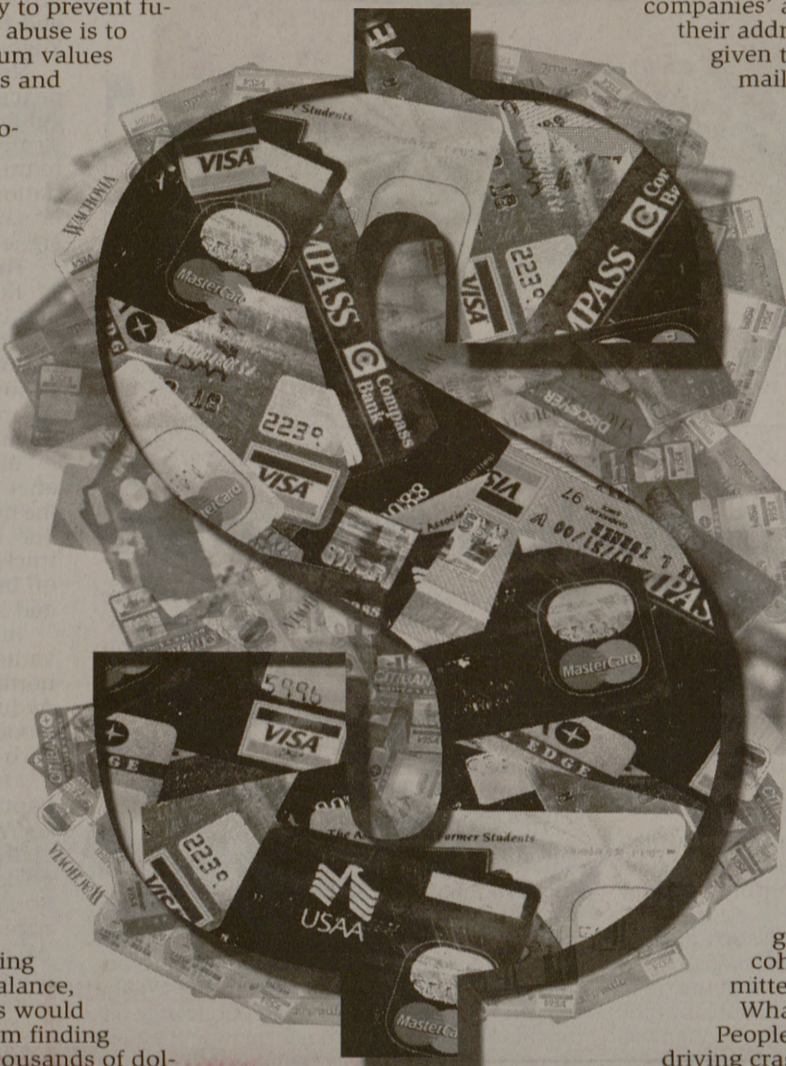
Credit card restrictions needed to curb user temptations to be irresponsible

NO



MARC GRETHER

Responsible credit card users should not be punished with restrictions



MARK McPHERSON/THE BATTALION

Tom Owens is a senior chemical engineering major.

Users should fight evil computer viruses by using common sense

A few months ago, I got a call every son of a bitch.

"Aaron, this is Mom. I have the disease."

Instantly my throat tied itself in a knot, and I sat down in dismay trying to determine which life-threatening illness my mother might have. Cancer? Lou Gehrig's? Turret's?

But before I had the opportunity to say anything, Mom asked, "All the screen says is that it cannot find the operating system. What does that mean?"

Now I was really confused. It took me a minute to realize my technologically inept mother was talking about a computer virus, not some disease that would leave her uttering more profanities than normal. With a sigh of relief and a roll of my eyes, I tried to figure out what exactly was going on with the idiot box of the next generation.

Computer viruses have become an inevitable part of the Internet revolution.

They are technological tornadoes, leaving one family in tears while standing in line at Best Buy and another happily surfing the World Wide Web (WWW), which really should be the DDD, "Dorks Destroying Data."

With the advent of computers, another level of hell should be added to Dante's *Inferno* and reserved for virus writers and those idiots who send e-mail chain letters.

It is understandable why some

of these hackers try and break into places like the FBI's or the CIA's computer systems.

It is like running into the teacher's lounge in elementary school.

It is forbidden, but the mystery of it all is just too tempting.

On the other hand, though, virus writers are like serial killers who have an Oedipus complex for their mother boards.

Computer viruses might be a federal offense punishable by prison, but if the founding fathers had written the Constitution on a laptop and a virus wiped out their hard drive, you could bet there would be an exception to the "cruel and unusual punishment" clause.

"Do not share floppy disks. You do not know where they have been."

The entire country could have been left in a shambles.

("We were supposed to have the final draft ready today, but Madison here didn't download the latest version of McAfee, so we're just going to forget the entire thing.")

The latest virus to threaten netizens everywhere was called Worm.Explore.Zip.

It came in the form of an e-mail attachment that fried the system when it was launched.

News spread like wildfire to

warn the public about the virus, but proving once again that technology is only as effective as the moron at the keyboard, the virus affected a number of personal systems.

It even managed to infect computer networks at Microsoft, General Electric and Compaq.

But Viruses like Worm.Explore.Zip — for the most part — are easily avoidable.

The rules to avoid them are based in common sense.

And for those of us who lack common sense, the rules have been drilled into our heads since we were old enough to run with scissors.

First, do not open e-mail from strange addresses. It is like taking candy from strangers.

Just because the subject line says, "Free trip" or "XXX HOT! HOT! HOT!" does not mean that it is going to offer a cruise or an interactive orgy.

Second, do not share floppy disks. You do not know where they have been.

No matter how many times a guy says it is the first time he has stuck his diskette in a computer, do not believe him. Always practice safe computing.

In the era where computers are many people's links to the outside world, a virus can be fatal. Records might be lost, and files might forever be erased.

But remember: Things could be worse.

After all, a computer virus destroyed the alien army in *Independence Day*, so not being able to play Minesweeper is not the end of the world.

Aaron Meier is a senior political science major.



AARON MEIER

MAIL CALL

Racist hate groups cannot be ignored

In response to Chris Huffines' June 17 column.

While I do not agree with needlessly violent demonstration, broad generalizations, such as those employed by Huffines, are equally ruinous.

If the Klan is allowed to operate in peace, how does one get rid of them? By ignoring them? They were ignored for years, during which time they visited untold damage on the psyche of a people.

Huffines writes, "Smash the KKK" became no different, and just as bad, as that which they despise most."

This kind of objectivity is detrimental to the continuing search for equilibrium in human relations. It suggests the racial status quo has been sufficiently reversed, which it has not.

By lumping race relations issues with other interest group issues, such as abortion, he makes

a mistake common to many social thinkers in this country.

He confuses the clear waters of racial politics with the crude oil of political insensitivity.

Ayokunle Ogunshola
Graduate Student

Student: Think before you write

In response to Mark Passwaters' June 16 column.

Khodadad Rezakhani
Class of '99

Although I don't completely subscribe to your view about the subject discussed, my purpose here is to point to another thing.

Toward the end of your column, you included a paragraph which I quote, "Censorship is a real issue in places like China, Iran and Serbia, where people can be shot for speaking their mind."

All right, first of all, what does that have to do with a course about pornography in Connecticut?

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