which will stop the exploitation. Only then will the poor person be able to use with dignity and confidence the tools which our economy has devised to enable individuals to better themselves and improve their living standards. One of the greatest needs of the poor is a source of low-cost credit. Consumer action has this as one of its prime goals, either through use of existing institutions or through development of credit unions.

Mr. ROSENTHAL. Did you gentlemen hear the testimony of store manager No. 2 who said he cashes a hundred or some odd checks?

Mr. BOZMAN. I did hear that; yes, sir.

Mr. ROSENTHAL. And he actually gets very little purchases from that, maybe a dollar or two from about 10 customers. How does that sound to you?

Mr. BOZMAN. Well, I was impressed by the fact that he said they could not get their checks cashed at the banks; that they had to come to his particular store. I have no reaction as to whether or not the people buy there. I could not possibly react to that. But I was interested to note that the banks would not take the checks, but the grocery store had to.

Mr. ROSENTHAL. Well, why would you think he could cash some 90 checks without purchases?

Mr. BOZMAN. I am assuming that he does not know when they cash the check whether they are going to spend the money there or not.

Mr. ROSENTHAL. Well, if he testifies this is a monthly procedure, he is bound to know about it by now.

Mr. BOZMAN. Yes; but every individual that comes up may very well end up buying.

Mr. ROSENTHAL. I just wondered if you had any reaction to that statement.

Mr. BOZMAN. None.

May I go back and repeat the sentence I was on?

Mr. ROSENTHAL. Sure. Go ahead.

Mr. BOZMAN. An effective credit union can be the source of many effective services to the poor: check cashing—in Watts today welfare recipients are being charged a dollar to cash their welfare checks; prorating of debts, to permit those caught in a mountain of debts to extricate themselves; financial counseling, so that once above water, a family can begin to build and plan and save; legal services which can help the poor person to avoid the crooked deal and defend himself against the unscrupulous merchant.

The credit union also helps to teach its members how to make decisions, to manage their affairs, to govern themselves, because it is a cooperative enterprise, in which people learn to work together for their common good, to attack their common problems. And it can lead to other group efforts to attack directly the consumer problems of high prices and low quality. Through buying clubs, organized shopping trips, availability of credit to small local merchants, consumers acting together can, with our help, bring better merchandise to their neighborhoods at lower prices, and on better terms.

Finally, consumer action must attack the problems of consumer protection legislation: of wage garnishment, confession of judgment,