

Mr. CAPLOVITZ. Certainly, as education improves some of the problems that I describe will lessen. It will be that much harder for a fast-talking salesman to convince somebody to make a purchase that that person really does not want to make, but I feel that education is overestimated as a solution. We hear all too often the glib answer that what is needed is more and more consumer education. But it is difficult to inform well-educated consumers on the simple question of how much they pay in interest in our society.

A survey was done by Prof. George Katona, of the University of Michigan, and the survey shows that the well educated are just as ignorant about interest rates as the poorly educated are, and so even with education it is frequently very difficult for consumers to behave rationally.

This very body has just passed a truth-in-packaging law.

Mr. ROSENTHAL. A half-truth in packaging.

Mr. CAPLOVITZ. Unfortunately, a very watered down truth in packaging. I would go so far to say only a one-third truth in packaging.

What is the logic behind the law?

It is not a matter of people being educated; it is a matter of deceptive practices that need to be corrected.

So, I feel that, sure, there is a need for consumer education, but the best kind of education takes place through consumer action.

People who belong to credit unions quickly learn a great deal about budgeting and interest.

People who belong to food cooperatives learn a great deal about the quality of food. So that the best kind of education is the education that takes place within the framework of action, and what we need, I feel, is a new set of institutions and participation in those institutions will result in education.

Mr. ROSENTHAL. What kind of institutions?

Mr. CAPLOVITZ. Such things as credit unions; not necessarily new, but new to the ghettos; cooperatives—cooperative insurance, perhaps.

Mr. ROSENTHAL. What about legal aid services to prevent these practices, including this "sewer service" you mentioned?

Mr. CAPLOVITZ. Correct. OEO takes great pride because of the fact it has brought legal services to the ghetto, and justifiable pride, because this was one of the great gaps in our society.

But even though I feel they spent a great deal on legal programs for the poor, there is still much to be done. There is still a shortage of legal services to the poor.

Mr. ROSENTHAL. Do you have any notion what kind of numbers they have reached, at least in the city of New York, with these legal services?

Mr. CAPLOVITZ. They are just about to fund a legal service program which will provide a staff of lawyers in every one of the poverty areas of New York. It has already been funded. I stand corrected by Mr. Berry.

But have those offices been set up, Mr. Berry?

Mr. BERRY. Some of them have.

Mr. CAPLOVITZ. Then, after their struggle of two and a half years, legal services are now going to be furnished. Some did exist in New York City, and did an excellent job. Mobilization for Youth has a team of five lawyers that has done extremely good work on the East