But I do not think that the Office of Economic Opportunity, or the Economic Opportunity Act, became a cure-all for the complex problems that exist in many communities.

While we are discussing this matter of the merchant and the hostility that was manifested in Watts, it must be recognized that not all merchants in those communities are sinister influences in the community or completely insensible to either the problems or the conditions in which he finds himself.

He, too, is a victim of a system which makes it very difficult for him too.

Now, by way of example, most of the merchants who deal in installment credit discount their paper with large finance houses that require them to maintain a very high loss reserve. This, in part, accounts, perhaps, for the reason that high prices prevail. This is not an excuse, but it is part of the complexity of the whole system.

The type of credit, the type of insurance, has been alluded to, the high cost of insurance that prevails, and, therefore, he has a built-in markup in his merchandise. This is not to condone the practices that he might have to engage in by reason of the type of competition he has met with.

After all, businesses practice those rules prevailing and with which they have to compete, albeit in many communities most of the merchants are absentee merchants. They do not live in the community, and, therefore, they do not identify themselves always with the community's efforts to correct them.

We, to the extent possible, make the findings of these studies and these facts known to communities, and we expect communities also to assess the problems that exist in their own area and, in an effort to respond to it, will fund educational programs that will carry the message to the people as well as to those who are in position to influence decisionmaking and corrective procedures in their community.

I would like to deal also with family financial counseling. For the same reasons a business must efficiently manage its budget and debt, so must a family, especially a poor family. This program provides the counseling that makes budgeting and debt management possible for the poor.

Into this area we have funded relatively few on application, but there have been 10 such grants for a little less than a half million dollars, serving some 21,000 families.

We have given assistance to the development of low-cost credit unions. In the District of Columbia, the United Planning Organization, which is funded by our organization as well as the Ford Foundation and a number of other agencies, has established nine credit unions. There are more than 70 credit unions around the country which have been made possible by the Economic Opportunity Act.

We would like to make it clear that our agency does not furnish loan capital for credit unions, nor do we provide operating capital for consumer cooperatives of the supermarket type. We do supply funds for the training of credit union personnel and for the overhead expenses involved in helping a credit union reach the self-supporting stage.

Mr. Rosenthal. How many credit customers have evolved from this operation so far?