III. WHAT IS TO BE DEMONSTRATED

This indigenously designed proposal will demonstrate—

1) that consumer/distribution problems of the low income resident *and* the low income entrepreneur can be met through an integrated *community* consumer action organization.

2) that such an organization can offer dual services, one level tailored to the needs of low income consumers, and the other tailored to the problems of the indigenous merchant, and that by so doing, both groups can provide themselves with the technical and institutional capabilities to solve their consumer related problems.

3) that such a program, cooperatively run, will measurably increase consumer sophistication, enhance the quality of goods and merchandising techniques for the small neighborhood merchant, and create for both the means to influence the present "ghetto marketing system" by providing alternatives to that system.

IV. WHY THIS DEMONSTRATION IS IMPORTANT

This proposal is important because:

(1) It combines consumer and retail interests in a common effort rather than treating them as natural antagonists.

(2) It utilizes a community owned structure which, by example and the creation of new economic alternatives, is designed to negotiate changes in the presently exploitative ghetto marketing system.

(3) It will materially strengthen both the consumer-resident and the small merchants-resident by introducing variations of free enterprise entirely new to the community.

(4) It broadens both the base and function of the credit union in a low income community. By introducing the assets of local small enterprises into the credit union structure, the pace of capital growth and therefore the ability to become self sustaining will be acclerated.

It will raise the level of all the participants, not only in dealing with their own consumer-related problems, and in handling problems *as a community*.

It will provide a model, if successful, clearly adaptable to every urban area similarly distressed.

It is entirely consistent with the 207 Demonstration Plan and it clearly attacks one of the most important aspects in the cycle of poverty.

V. SUMMARY OF THE WORK PROGRAM

This program is divided into three phases. The First Phase will see appointment of the Project Director, selection of operational site, and organization of office procedures and staff.

The Second Phase will consist of activation of the presently organized sixty-four Block Consumer Committees resulting in neighborhood election for enlarging the present CABS Inc. Board. In addition, a credit union will be organized, staffed, and a board elected by the membership. All staff training is to be contracted from CUNA and the State League.

The Third Phase will begin with the chartering of the credit union. Specialized credit union services will be inaugurated (described below) and the community-wide consumer education program will begin (described below). Special committees will be organized by the Block Councils to organize buying clubs, to recruit credit union membership, and to effect liaison with other consumer programs in the New York area.

The CABS Inc. Consumer Organization will contain the following elements:

(1) A Credit Union.
(2) Line of Credit Service.
(3) Legal Advisory Service.
(4) Financial Planning Counseling.
(5) Debt Consolidation Clinic.
(6) Consumer Education Program.

The organization will include both residents and neighborhood merchants. Each service offered will be dual in design, one level tailored to the specific problems of low-income consumers, the other tailored to the specific problems of the low-income neighborhood merchant.