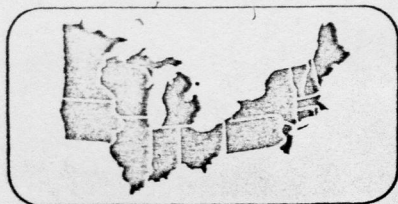


NORTHEAST-MIDWEST ECONOMIC ADVANCEMENT COALITION



U.S. HOUSE OF REPRESENTATIVES

September 28, 1977

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MEMORANDUM

TO: Coalition Members and Staff

FROM: Housing and Community Development Task Force
Co-Chairmen, Stan Lundine and Paul Tsongas

RE: Task Force Staff Meeting on Development Banking

As the attached National Journal article indicates, the "development bank concept" has received increasing attention over the past several months. The concept, however, is not a new one. Since the late 1960's, legislation which would create a public-private capital formation mechanism has been introduced by several members in both Houses. In the early days of the Coalition, the passage of "bank bill" legislation was given high priority consideration.

The continued decline of the nation's industrial base and the resulting high levels of unemployment has forced Congress and the Carter Administration to explore the "bank concept" more closely.

The Treasury Department is now developing a development bank program to take to the President, and it is likely that "Urbank," as it has come to be called, will be the centerpiece of the President's urban program which is expected to be unveiled in January.

Congress has also begun work on the concept and three days of hearings on a number of related bills will begin on October 4th, under the aegis of the Economic Stabilization Subcommittee of the House Banking and Currency Committee.

The importance of having Coalition input into the further development of a bank mechanism is obvious. We therefore have scheduled a staff meeting of the Housing and Community Development Task Force for the purpose of determining the kind of role the Coalition should play. The meeting will be held on September 29, 1977, in Room 2358 at 1:00 p.m.

Should you have any questions or comments, please feel free to contact me or Ruth Knight or Susan Broh at x3161 and x5-3411 respectively.