the Bank. Certainly it represents a change in the policy under which we have operated for the past 7 years since I have been President of the Bank, and I am sure it is true of my predecessors.

Mr. BROWN. The $100 million that the Bank would be required to bear, in case of loss, how would that be recouped by the Bank?

Mr. LINDER. It would not. We have accumulated reserves over and above the dividends that we have paid to the Treasury of approximately $1,100 million. We would just lose that $100 million and our reserves would be reduced by that amount.

Mr. BROWN. On a little different subject, is the Eximbank prepared, or is the Department of Defense in the process of preparing more defense loans under the existing program, here making reference to the legislation which is presently pending before Foreign Affairs?

Mr. LINDER. No. As my statement indicates, under the legislation pending before the Foreign Affairs Committee, Eximbank, as a Government agency would be excluded from receiving any Department of Defense guarantee after June 30, 1968. I did indicate in response to a question a moment ago that the President will shortly consider making a national interest determination, as required under our Eximbank law, on a portion of Eximbank's loans aggregating $180 million, which will be guaranteed by the Department of Defense, to developing countries. These commitments would be made during this fiscal year, however.

Mr. BROWN. What do you anticipate would be the amount of nondirect Eximbank defense lending to developing nations before June 30, and will it be substantial in terms of total lending?

Mr. LINDER. If the President makes the determination with respect to the pending $181 million, it will be that amount plus $13.5 million, which we authorized in the first week of July of last year prior to enactment of the amendments to our basic legislation, or a total of $194.5 million guaranteed by the Department of Defense in this fiscal year.

This year, our loans, guarantees, and insurance will aggregate $3,600 million, give or take $100 million, but since guarantees and insurance are charged at 25 percent of the authorized amount, our net authorizations will be about $2.6 billion. Therefore, if our current estimates hold through June 30, of the gross $3,600 million, just under $200 million would be represented by DOD-guaranteed loans.

Does that answer your question?

Mr. BROWN. Yes, I think it does. Thank you very much.

Mr. BARRETT. Thank you, Mr. Brown.

Mrs. Sullivan, are you desirous of now taking your time?

Mrs. SULLIVAN. Instead of asking questions, Mr. Chairman, I would like to yield my time to Mr. Reuss and Mr. Ashley who both have further questions.

Mr. REUSS. Thank you. I am just concerned, Mr. Linder, among other things, about this Parkinson law proliferation of advisory committees by dictating the responsibility which the Congress thought it had placed in the five Governors of the Eximbank.

One is the Advisory Committee of nine members set up by section 3(d); is that right?

Mr. LINDER. That is correct, sir.

Mr. REUSS. And they all get per diems and travel and everything?