

Chairman PROXMIRE. Thank you very much, Governor Mitchell, for, as I say, a statement which I enjoyed studying last night. The bill you mentioned, S. 966, that was my bill, the Proxmire bill?

Mr. MITCHELL. Yes.

Chairman PROXMIRE. It passed the Senate and is now in the House, as I understand it.

Mr. MITCHELL. That is right.

Chairman PROXMIRE. If it doesn't pass the House in the remaining, we hope, few days—2 or 3 weeks—we will probably have another crack at it next year.

Mr. MITCHELL. We would like very much to see that bill pass.

Chairman PROXMIRE. Well, I hope it will.

Now, in looking at the overall effect of this new proposal, just in terms of quantity, I see the charts that you have helpfully attached to your statement at the back give us some idea in terms of quantity limitations, definitions and so forth, and the report by the Board of Governors indicates that the maximum credit extension which could currently result under your plan is estimated at between two and a half and \$3.8 billion, but that is only for the basic borrowing privilege.

Mr. MITCHELL. That is right.

Chairman PROXMIRE. It would not include the so-called additional what do you call it—

Mr. MITCHELL. Seasonal.

Chairman PROXMIRE. There was another one which seemed to be much bigger the way you described it—the second.

Mr. MITCHELL. Other adjustment credit?

Chairman PROXMIRE. Other adjustment credit.

Mr. MITCHELL. Yes.

Chairman PROXMIRE. Yes, because you indicated that the larger banks especially might come in under that to a considerable extent, and then the seasonal in addition. Do you have any estimate as to how much that might increase it at the maximum?

Mr. MITCHELL. Well, I don't think we really know what credit might be outstanding at any given time. The amounts mentioned are the maximum exposure.

Chairman PROXMIRE. I understand that and I was going to come to that point. I would take it 2.5, 3.8, you would never have that much, 3.8 for example, out, under any circumstances?

Mr. MITCHELL. That is right.

Chairman PROXMIRE. Because as you say this has to be averaged. You have to go down to—they can't make full use of their borrowing privilege all the time. They have to pay it off.

Mr. MITCHELL. The seasonal credit should not be a very large amount, for the reason that it probably is not going to apply to any large banks.

Chairman PROXMIRE. That is just perhaps \$300 or \$400 million.

Mr. MITCHELL. Something of that order, possibly.

Chairman PROXMIRE. Now, how about the other one?

Mr. MITCHELL. I don't think the additional adjustment credit would add more than a few hundred million dollars, if it would add that much. At the present time we have the equivalent of basic borrowing, and other adjustment credit and seasonal credit, and we run from \$300 million to \$800 million or \$900 million.