Mr. MITCHELL. Yes; that is right.

Chairman PROXMIRE. If their capital is not sufficient. I just have one or two brief questions; one other question relates to a question raised by the vice chairman of the committee, Congressman Patman, who wants to know about H.R. 19417.

I have asked you about this in general, but if you could reply with regard to this particular bill.

That bill has as its singular objective allowing institutions insured by the Federal Savings and Loan Insurance Corporation, Federal Credit Union, to make direct use of the discount facilities. He introduced this bill on September 4 of this year and would like your comment on the bill. You have commented in general on the principle of it.

Mr. MITCHELL. Mr. Chairman, he wrote me a letter and asked me if I would comment about this today if I could, and I discussed it with the Board yesterday, and we reached an understanding that we would make an official reply. We are going to study this matter and make an official reply to him, and so I would prefer not to comment on it.

Chairman PROXMIRE. All right.

Well, I think the tenor of the questioning by all three of us this morning has indicated our very deep concern with the housing industry and how this proposal might affect savings and loans, and other institutions indirectly. I think all of us agree that this has a very fine potentiality for the country, and you have indicated very ably some of the ways in which this could improve the banking system.

I want to thank you for your usual competent, responsive testimony.

Mr. MITCHELL. A pleasure to be here, sir.

Chairman PROXMIRE. The committee will reconvene next Tuesday when we will hear three eminent economists' views on this proposal.

Mr. MITCHELL. May I say that I think you have scheduled three very fine economists and it should be a very interesting session.

Chairman PROXMIRE. Thank you.

Mr. MITCHELL. All Federal Reserve alumni, I might add.

(Whereupon, at 11:45 a.m. the committee recessed to reconvene at 10 a.m., Tuesday, September 17, 1968.)