

Glenn Brown has been the Associate Administrator and has very capably handled the small business investment company program.

With your permission, he does have a statement which he would like to present to the committee at this time.

The CHAIRMAN. Mr. Brown, you may proceed.

Your entire statement may be included in the record, with the tables. And you may highlight it, or proceed as you wish.

Before you begin, Mr. Brown, we will place in the record at this point something of your background, your experience, and a little biography. Don't be modest. You are a new man heading this Small Business Investment Division.

Mr. BROWN. Thank you.

(The material referred to follows:)

BIOGRAPHICAL SKETCH OF GLENN R. BROWN, ASSOCIATE ADMINISTRATOR FOR INVESTMENT, SMALL BUSINESS ADMINISTRATION

Glenn R. Brown has headed the Investment Division of the Small Business Administration since August 1, 1967. As Associate Administrator for Investment of SBA, Mr. Brown administers the Agency's small business investment company program. This program involves more than 500 privately owned and operated small business investment companies with assets of three-quarters of \$1 billion.

Mr. Brown, who is 39, joined SBA in August 1966 as Director of Western Area SBIC Operations and became Deputy Associate Administrator for Investment in November 1966.

Before coming with SBA, he was supervisor for the nine-state southwestern area of the Economic Development Administration.

Mr. Brown has also served as a trial attorney for the Department of Justice, as attorney-managing director of the Texas Association of Life Underwriters, and as Assistant Attorney General for the State of Texas.

A native of Jacksonville, Texas, he is a graduate of the University of Texas in Austin and served in U.S. Army Counterintelligence during the Korean War.

He and his wife Peggy have six children and live in Arlington, Virginia.

Mr. BROWN. As you know, when SBA appeared before this committee in June of 1966, the SBIC industry was the focal point of a searching inquiry by the Congress due to a multitude of problems—involving all aspects of the industry and of SBA's operation of the program. Since that time, we at SBA and the industry have been the beneficiaries of two pieces of legislation which represent giant strides in our continuing quest to provide small business with a sound and viable equity and long-term financing vehicle.

Today, I will direct my remarks to the status of our efforts to successfully cure the problems which were present in 1966, and to our current situation and future plans.

The primary problem which we faced in June of 1966 was that there were many SBIC's who were either unable or unwilling to adhere to the SBI Act, the regulations, and to sound financial practices and requirements incident to the borrowing of funds from SBA.

In July 1966 we instituted vigorous action in order to rid the industry of these operators. As of June 10, 1966, there were 686 licensed SBIC's. From July 1, 1966, until April 30, 1968, 164 licensees left the program, voluntarily or involuntarily, and 15 new companies were licensed. We had 537 licensees as of April 30, 1968. As of that date, 42 of these companies were in the process of surrendering their licenses.

This substantial reduction in the number of licensees does not illustrate the entire picture. On April 30, 1968, there were 120 companies in various problem categories, other than in process of sur-