

As I recall, over the years there were a number of smaller SBIC's, there were some medium-sized SBIC's, and it is considered that there will be some large ones. After 10 years, what is the condition of the industry in this regard now?

Mr. BROWN. Mr. Chairman, of course, as I indicated, we have seen a good many of the smaller SBIC's leave the program because they either had credit problems or had regulatory problems with the agency which they couldn't solve. We still, of course, have a number of small companies left in the program. And many of the smaller ones, however, have grown through adding new capital. And our number of larger companies has increased. Out of the new licensees that have come into the program in the past year the average is over \$2 million private capital for each of them, which indicates that the average size of the SBIC is growing considerably.

The CHAIRMAN. You do not have as many of the small SBIC's today as was envisioned earlier?

Mr. BROWN. That is correct, Mr. Chairman.

The CHAIRMAN. How about the medium-sized SBIC's?

Mr. BROWN. Well, there are many medium-sized SBIC's, and I think there always will be, Mr. Chairman.

The CHAIRMAN. Should we be anticipating that with you as Associate Administrator for Investment of the SBA the SBIC's will continue to be few in number and large in composition?

Mr. BROWN. Well, that is essentially true. But in many of the States involved, smaller States and States with rather small population, it is always going to be the case that you are not going to have—

The CHAIRMAN. Mr. Brown, how long have you been Associate Administrator of the SBIC program?

Mr. BROWN. Not quite a year, sir.

The CHAIRMAN. Is it your view that after the hearings of 2 years ago, and a lot of irregularities have been corrected and improvements made, that the program today is functioning much better, as intended by Congress?

Mr. BROWN. Yes, Mr. Chairman. I think there is no doubt in my mind about that. And we are consistently making improvement, and I think there has been a tremendous improvement in these 2 years, due largely to some of the hearings and the legislation coming out of them.

The CHAIRMAN. Do you think Mr. Moot's predecessor, Mr. Boutin, recognized that he was confronted with the problem, and Mr. Greenberg was brought in to make corrections, and you have the problems solved now; is that the rosy picture you are presenting to the committee?

Mr. BROWN. We wouldn't want to say that, Mr. Chairman. But we think we are well on the way to continue solving them. I think Mr. Greenberg, as the Administrator indicated, did a tremendous job in his time, and I was fortunate to be his deputy, and sort of learned under him. I think we are continuing to make this kind of improvement. But we are still going to have to make some more.

The CHAIRMAN. Mr. Brown, how many times has the SBIC Act been amended since it was originally passed by Congress?

Mr. BROWN. I believe five times, Mr. Chairman.

The CHAIRMAN. Five or six times. Will you prepare for us a tabulation in this regard and supply it for the record?

Mr. BROWN. We will supply that for the record.