Mr. BROWN. We think that generally, Mr. Chairman, they are doing so. And we think the figures, which we admit are not as complete as we would like to see them, indicate——

The CHAIRMAN. My question is: Ultimately is it serving small business, or are they serving big business, are they serving growth industries?

Mr. BROWN. We feel like they are serving small business, Mr. Chairman.

Mr. MOOT. I might add, Mr. Chairman, that admittedly so far the incomplete information system we have—which is getting better with the help of the association, from which you will hear a little later on—indicates that the $1.2 billion of financing which has gone down through 27,000 separate financings from the Small Business Investment Company, industry is doing a good job for small business in the areas of growth industry, primarily in the manufacturing industries, and in the new innovation industries.

I might point out that, if we extrapolate the employment growth that has resulted from 1,381 reporting small business companies that we have looked at recently, which showed that an 11,800 employment growth is evidenced, that if we extrapolate this to the 27,000 financing, we would credit this industry with having improved the employment control over 200,000 jobs and positions during this period prior to current financing.

I think that the small business concerns that they have reported to us progress on indicate increased profit growth, increased sales growth, net worth growth, total asset growth, so that we do consider that the small business community, to the extent the industry is providing equity capital and long-term debt financing, is doing a good job. What we would like to do is to see more private financing being combined with the Treasury dollar.

The CHAIRMAN. Mr. Administrator, this is a nearly three-quarter-of-a-billion-dollar industry now: $650 million. And the Government as a taxpayer has put a quarter of a billion dollars into these companies. And they in turn have placed about another——

Mr. MOOT. A billion in total, sir, over the period of the industry. You see, there was a turnover of the investment.

The CHAIRMAN. Do you consider this a billion-dollar industry or three-quarters-of-a-billion-dollar industry today?

Mr. MOOT. I like to consider that the impact that this industry has made on the small business community totals $1,200 million because that is the rollover of the financing.

The CHAIRMAN. Mr. Brown, what is the number of examinations that are made of these institutions that are licensed by your?

Mr. BROWN. Well, each company is now examined once a year. And in the past year we had a total of 342 examination reports forwarded. And each one of these companies are examined every 12 months.

The CHAIRMAN. Besides the liberalizing legislation, Congress has passed legislation to strengthen the hand of the SBA in administering the program with additional powers of examination and other policing and for proceeding to remove problem companies. This program held forth great hope and great promise. It was heralded as a great savior at the time it was passed. And we have watched it over the years. Many of us do not really see the impact, because it pyramided into larger and larger, bigger and bigger companies; they consolidated,