they merged, they bought the stock of competing companies. And we are concerned to know whether or not they are really serving the original intended declared purpose of Congress.

And I think it is one of your missions, Mr. Brown, to see that it serves that purpose, that it not just be made a profiteering and pyramiding enterprise.

Mr. BROWN. We intend to see that that happens, Mr. Chairman.

The CHAIRMAN. You state here that the Small Business Administration proceeds in the courts against these undesirable companies. Does the SBA or the Department of Justice proceed?

Mr. BROWN. Well, the SBA, due to an understanding between the Small Business Administration and the Department of Justice, proceeds with their assistance, but SBA proceeds in civil litigation in these cases.

The CHAIRMAN. We need to let SBA proceed, because the Department of Justice is not proceeding generally in criminal matters, let alone some of the civil matters. I think SBA is doing a better job.

Mr. BROWN. Thank you, sir.

The CHAIRMAN. That is one man's opinion.

On page 6 you speak of SBIC investments. This includes $481.8 million in outstanding loans and investments in small business. Is this SBIC's investment in small business?

Mr. BROWN. Yes, sir, the ones that are still standing, the SBIC's investment is over $481 million.

The CHAIRMAN. In other words, when an industry needs capital the SBIC has invested into it to this extent?

Mr. BROWN. That is right.

The CHAIRMAN. On the bottom of page 7 and the top of page 8 you project a very healthy industry—gross revenues increased 42 percent, profits showed an increase of 100.7 percent, from $11.1 million to $22.2 million.

Mr. MOOT. Mr. Chairman, those are small business concerns. They are portfolio concerns.

The CHAIRMAN. This is the result of SBIC's work?

Mr. MOOT. Yes. This is what we were discussing just a moment ago, you and I, in terms of what good the companies were doing?

The CHAIRMAN. Short-term borrowings increased 22.2 percent, from $113.4 million to $138.6 million. These are borrowings——

Mr. MOOT. Of the small business concerns.

Mr. BROWN. From banks and other sources which they could not have made if they hadn't had this long term financing from the SBIC.

The CHAIRMAN. The SBIC funds are seed money which generates other funds.

Well, I think we touched briefly on the size. What about geography and area? How are they dispersed? Could you supply for the record an outline map of the United States with pinpointing dots where these are located?

Mr. MOOT. We can, sir.

We do have a problem in this area. We do need to get a better distribution in the industry. And the industry is working with us to do this. We need to make sure that the rural and certain of the States that are not now covered are covered with the advantage of investment equity and investment capital.

(The information referred to follows:)