And over a year's period they have to invest so much of their money if they have idle funds. So we are not any more letting SBIC's sit out there, even if they don't owe the Government any money, with idle funds. As SBIC's we are going to make them make loans or get out of the business.

Mr. MORTON. Will the chairman yield?

The CHAIRMAN. I yield, Mr. Morton.

Mr. MORTON. Mr. Brown, do you have a double standard on activity, one for the SBIC that has a high percentage of investment in equity and another for the SBIC that has a low percentage of investment in equity?

Mr. BROWN. No, Congressman; we don't.

Mr. MORTON. If you have 65 percent invested in venture-capita and equity-type investment, how can you be active without trading the equity?

Mr. BROWN. We make allowances for that, Congressman. If an SBIC is fully invested, they are not penalized. It is only when they are sitting there with cash and idle funds that they are penalized.

Mr. MORTON. That is what I wanted you to say.

Thank you, Mr. Chairman.

The CHAIRMAN. Mr. Brown, you referred in your testimony to the advisory board. Will you supply for the record the names of the members of the advisory board, how many, and a little information on them?

Mr. BROWN. I would be happy to do so, Mr. Chairman.

The CHAIRMAN. How many members of the advisory board?

Mr. BROWN. There are 10 members.

The CHAIRMAN. Are there any small businessmen on this advisory board?

Mr. BROWN. Well, we have none that are in small businesses at the present time. But many of them have been small businessmen before they got into the industry, into the business of an SBIC. We have also people in the academic world on the board, and people outside of the SBIC industry. And many of them have been in small business.

The CHAIRMAN. Will you supply the list and their connections for the record?

Mr. BROWN. I will be glad to do so.

(The information referred to follows:)

NATIONAL SMALL BUSINESS INVESTMENT COMPANY ADVISORY COUNCIL

Chairman of the Council, Grogan Lord, President, Texas Capital Corporation, P.O. 139, Georgetown, Texas 78626.

Professor Frank L. Tucker, Harvard Graduate School of Business Administration, Harvard University, Soldiers Field, Boston, Massachusetts 02163.

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Mr. Milton D. Stewart, President, Small Business Investment Company of New York, 64 Wall Street, New York, New York 10022.

Mr. Stanley M. Rubel, S. M. Rubel & Company, 53 W. Jackson Boulevard, Chicago, Illinois 60604.

Mr. Elliott Davis, President, Alliance Business Investment Company, McFarlin Building, 11 East 5th Street, Tulsa, Oklahoma 74103.

Mr. John A. Arndt, President, First American Investment Corporation, 1700 Commerce Drive, N.W., Atlanta, Georgia 30318.

Robert L. Banner, Vice President, Capital Investment, Inc., 238 West Wisconsin Avenue, Milwaukee, Wisconsin 52303.

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