

And we have guidelines issued. And they are all operating under the same set of guidelines, and should have no deviation at all from company to company on what they look for and how they examine them.

Mr. MORTON. Thank you very much.

Thank you, Mr. Chairman.

The CHAIRMAN. Thank you, Congressman.

Our counsel, Mr. Mitchell, any questions?

Mr. MITCHELL. I noted on page 7, Mr. Brown, you discussed the job producing aspects of the money that had been put into small business concerns by SBIC's, indicating that for the ones you had analyzed, a job had been produced for each \$3,000 invested. Am I incorrect if I remember the testimony before this committee concerning other programs of SBA, financial assistance programs, specially development company loan programs, and other Government programs, it usually takes around \$10,000 to generate a job?

Mr. MOOT. In the local development company program, Mr. Mitchell, the figure was running \$4,000 of SBA money. I see, it is a combination of private sector money and SBA money. The \$3,000 is SBA money.

Mr. MITCHELL. I understand that. The point I am trying to get at is that of the overall money from SBA. It usually takes \$9,000 or \$10,000 to generate a job on those financial assistance programs. And I point out here that under this program SBA is doing it with seed money of only \$3,000, which would appear to me to be a very good thing.

Mr. BROWN. Mr. Mitchell, I may never get this chance again, so I would like to take this opportunity to say that we are very proud that we can use only \$3,000 of Government money to produce a job with the kind of private sector participation that we have. And I am very serious in this. We feel that with the 2-to-1 leverage that the Administrator mentioned, with the amount of Government money that is going into this program, that it is producing an awful lot of new jobs for this country.

Mr. MOOT. You probably cost me a half dozen personnel on that question, Mr. Mitchell.

Mr. MITCHELL. I thought that the point should be made that the money that is going into small business concerns is doing an effective job, and producing employment opportunities, and in comparison even with other programs, is perhaps doing a better job in generating other funds and producing the jobs.

Concerning the reporting of companies, I believe your statement referred to the fact that on April 30, 1968, you had 537 licensees. And then you refer to your September 30 reportings of 478 reporting companies. Are those other 50 to 60 companies not reporting?

Mr. BROWN. Well, these are the reporting companies, Mr. Mitchell, on September 30, 1967—the 478 reporting companies excluded some licensees that were at that time in the process of litigation, or under investigation, and for other reasons—we had other types of very close scrutiny going on—they did not make the normal September 30, 1967, report. But all companies in the program are either reporting or they are under some very close scrutiny, or in litigation. And we have a good many in litigation, both in the Department of Justice, and in our Office of General Counsel.