

Mr. BROWN. Yes, Congressman. As indicated earlier, there were 97 control violations. And we have some other cases of violations. And we look on these very harshly.

Mr. DINGELL. Do you have regulations to control this?

Mr. BROWN. Yes, we do.

Mr. DINGELL. And do you enforce the regulation in matters of this kind wherever necessary?

Mr. BROWN. Yes, sir.

Mr. DINGELL. I am apparently asking questions about matters which have already been gone into.

Thank you, Mr. Chairman.

The CHAIRMAN. Congressman Morton.

Mr. MORTON. I would like to request of the Chair that the next time this fine group of people is brought before the committee to report on the condition of the industry, they also present us with a profile of their own management and their goals toward perfecting their management. Information about the use of control data processing, centralized data processing, and other management techniques they employ at that time versus what they did before, will give us a better feel, not only for the condition of the industry, but for the method by which the Small Business Administration is striving toward better monitoring of the industry, toward better exercising of their controls and regulatory obligations, and toward the development of information throughout the industry which will give them greater management skills and techniques for its control. I think this will be interesting to us and give us a little more knowledge of how they are going about it.

The CHAIRMAN. Without objection, I suggested earlier that the Administrator and the associate Administrator could extend their remarks and submit any additional information on the program for the record that they may desire.

Mr. MORTON. The point that I make is, if you have this instruction now from the Chair, then when we come to meet again at some future date, hopefully, we will then be able to have something that has been prepared over an extended period of time that will give us a little better feel of how you are really trying to do it.

Mr. MOOT. We will be happy to.

The CHAIRMAN. Any further questions? Mr. Dingell?

Mr. DINGELL. No, sir.

The CHAIRMAN. Mr. Mitchell?

Mr. MITCHELL. May we, for the purposes of the record, at this time receive into the record your regulations concerning control and divestiture of small business concerns by SBIC's.

Mr. BROWN. We would be glad to do so, Mr. Mitchell.

The CHAIRMAN. Without objection it will be included.

(The information to be furnished for inclusion in the record at this point follows:)

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RULES AND REGULATIONS

§ 107.703 Pledge of Licensee's shares.

Whenever 10 or more percent of a Licensee's stock is pledged or hypothecated by any person (or group of two or more persons acting in concert) as collateral for