The CHAIRMAN. We think you have a very able and effective legislative representative in your executive director. And we would like to hear from him, for the record.

Mr. Stults, what would you recommend to this committee? We would be glad to have your views. You can give them to us orally or extend them if you wish.

Mr. STULTS. If you gentlemen have a little time——

The CHAIRMAN. Well, if you can make it brief.

Mr. STULTS. I will make it really brief.

You asked one reason why private money has not come in; that is one of the difficulties. I have seen the statement that Grogan Lord has submitted to this committee in his role as Chairman of the SBIC Advisory Committee. He pointed out that since the passage of the Small Business Investment Act, in, 1958, we have had Administrators Barnes, McCallum, Horne, Foley, Boutin, and Moot, in addition to Acting Administrator Davis, who served for 9 months.

The CHAIRMAN. Hasn't every one of them been helpful and constructive, haven't they taken you by the hand and led you on?

Mr. STULTS. Certainly, every one has been helpful. There have also been six Deputy Administrators or Associated Administrators in charge of the Investment Division. Every one of these men has had a different concept of what an SBIC—what it ought to be doing and what it ought not to be doing.

The CHAIRMAN. Maybe we should have a Walter Stults over there.

Mr. DAVIS. We will buy that.

Mr. STULTS. No, sir.

Those have all been fine men. But each one has had a very different point of view. It is difficult for us to talk to some man and say "Won't you invest a few thousand dollars in my SBIC," because we are not sure that SBA is going to want our kind of SBIC, or they might change the ground rules right down the road a little bit.

The CHAIRMAN. It has been our impression that they have all been very helpful. And certainly the Congress has been helpful. This committee has tried to be constructive and has supported your positions.

Mr. STULTS. Absolutely. We have no complaints at all about the congressional treatment we have received, Mr. Chairman.

The CHAIRMAN. Well, do you think this capital bank could be established by private capital, or will it require congressional action?

Mr. STULTS. We are working now very diligently on trying to get it funded privately.

The CHAIRMAN. Then you would not have all these problems?

Mr. STULTS. We would have many fewer problems if our partner, Uncle Sam, were not both a creditor and a regulator. This brings up, obviously, some very basic questions.

The CHAIRMAN. Mr. Davis, leave with the committee a copy of your SBIC tax bill for its consideration and evaluation.

Mr. Morton?

Mr. MORTON. Thank you, Mr. Chairman.

I certainly have gotten a lot out of the statements of Mr. Davis and his associates, and out of Mr. Stults' remarks.

I do not quite understand the position of the intermediate bank that you intend to establish. What credit position will it have vis-a-vis the public funds used through the Small Business Administration?