

the present situation is more discouraging for the young doctor just coming out of medical school as compared with the physician who has been in practice for a while.

Mr. ASHLEY. Your experience is certainly broader than mine in this field. But I must say that I have never really found bankers—and this would be in Toledo, in Waterville, Ohio, in Whitehouse, Ohio, small communities as well as fairly good-sized cities—who didn't recognize doctors as the best possible credit risks, whether just out of college or not. After all, they have got a profession, and there is an enormous demand for their services. How can it be said that banks would look askance at them and say they are really not quite established?

Mr. COHEN. I think what you are saying about the theory and the general approach is true. But the fact of the matter—especially if you would look on page 314 of the 1965 hearings before the Interstate and Foreign Commerce Committee you will find a number of statements from various groups identified there in which they say they have had very, very difficult problems in getting financing in their local communities.

Now, whether that, sir, is because of a competitive situation in their communities, I don't want to say categorically. I do think, however, that it is entirely possible that the fact that these group plans can render a very high quality of medical care and deliver more services working together in a group than the individual practitioner may have some effect on other physicians in the community not being enthusiastic about these groups being established, and therefore, not being interested in seeing that they are financed. But I think that that could well be a factor.

Mr. BROWNSTEIN. It may also be a matter of credit terms, Mr. Ashley. We are speaking here in terms of a 90-percent mortgage. This would be much more liberal than the terms on which conventional financing would be available. In all likelihood, a 75-percent mortgage or maybe even a 60-percent mortgage would be the maximum obtainable on conventional terms.

Mr. ASHLEY. Of course, I think that Mr. Cohen strikes an interesting note. I would suppose that as a profession, doctors are the greatest investors in the stock market and real estate. And a program that would take that into consideration might be a good approach.

Mr. COHEN. The same kind of question you are raising was raised in regard to the Health Professions Educational Assistance Act of 1963 in the House Interstate and Foreign Commerce Committee when they testified in favor of Federal financial aid for the construction of medical facilities and financial assistance for physicians.

Mr. ASHLEY. That is very different thing to my mind.

Mr. COHEN. Let me just illustrate the point. And I think the point was the same: If physicians are the highest income producers, you might say receivers, in this professional area, it was argued, why can't they borrow the money for their education? It was argued that you know for the most part they are going to be able to pay it back over the next 30 or 40 years because of their favorable income situation.

But—and this is the only point I wanted to raise—I think here it is not just a question of to what extent we are going to help the individual, it is also a question as to what extent we are going to meet our