

The Small Business Administration is, in the association's opinion, performing a useful service in providing resources for dentists and physicians where private lenders alone are unable to do so. The association is convinced that H.R. 9256 would not only duplicate in great part the very effective program of the Small Business Administration but its passage might well block access of this program for dentists and physicians. We say this since it is our understanding that the law under which the Small Business Administration loan program is administered specifies that such loans will not be available to persons or entities which are eligible for other Federal loan programs. Thus, a private dentist or group of dentists may well find the Small Business Administration closed to him and be forced to apply to a program so designed that it automatically gives him less than equal status with other applicants.

The American Dental Association believes that any objective study of the resources available for construction of medical and dental practice facilities will reveal no need for additional Federal loan support at this time. Even if it could be shown—which it hasn't been to date—that some few types of practices are not able to obtain adequate financing, the most likely and practical remedy to be explored is amendment of the existing Small Business Administration program.

In connection with this question of availability of resources, we note that a witness who appeared before you on an earlier day during these hearings implied that documentation for the lack of appropriate resources can be found on pages 313-317 of the hearings held last year by the Interstate and Foreign Commerce Committee. We join in the suggestion that you read those pages but must disagree as to what they document. Pages 313-317 contain statements from eight group practice organizations concerning their attempts at securing financing. In one instance, the organization abandoned its search for a loan because of other problems that occurred. In every one of the remaining seven instances, the organization in question was, in fact, successful in securing a loan. This, then, hardly seems to me to be documentation of anything but the fact that resources are available, though not every loan applicant is necessarily going to receive as much as he wants or at terms as favorable as he might wish.

Finally, the association must most respectfully disagree with those who contend that this program, if enacted, would induce physicians and dentists to locate in areas where there is now a shortage of practitioners. The problem is considerably more complicated than this would make it seem. The United States over the years has changed from an agricultural to an urban society. Most of our people now live in metropolitan areas. Students of medicine and dentistry are in the main drawn from these areas and upon graduation generally tend to return either to their homes or to a similar place. It is not only because the most modern health facilities are available in metropolitan areas—though that certainly is an important factor—but also because the person finds life in a metropolitan area the kind of life with which he is familiar and wants for himself and his family. It is, in our opinion, most unrealistic to think that this state of affairs would change in any substantial way by enactment of the program envisioned by H.R. 9256. Every bit of available evidence indicates that it wouldn't. In fact, we are aware of instances in which small communities have