experience serious difficulty in raising the non-Federal share of the cost thereof.

Nonprofit medical facility groups seeking contributions in Washington do not have available to them the important support from corporate gifts which is available in other communities. Corporate gifts often make up to 60 to 70 percent of the total private funds subscribed for constructing hospitals in cities the size of the District; and more than half of these corporate gifts come from manufacturing corporations. The District, however, has only about 14 percent of the per capita potential of metropolitan areas of comparable population for receiving contributions from manufacturing corporations.

Another reason for the difficulty experienced by project sponsors in the District in securing funds to meet the non-Federal share of the cost of constructing hospitals and other medical facilities is that, although the average income here is among the highest in the country, a large proportion of those on the upper part of the income scale are temporary residents who do not feel an obligation to support capital improvement drives to the same extent that permanent residents here or elsewhere do, or indeed, to the extent that these same temporary Washingon residents feel in relation to their "home" communities. This factor has made it impossible to raise money for these facilities in the amounts which might be expected if the average income alone were used as a guide.

A unique medical facility utilization and construction problem exists in the District because of the large number of patients from other "States" who occupy general hospital beds in the District. Approximately 40 percent of the patients in District hospitals come from outside the District, primarily from the Maryland and Virginia counties in the metropolitan area. These areas are considered as part of the impact of the Federal Government concentration in this metropolitan area and is an additional reason for special aid to the D.C. hospitals and medical centers.

The need for Federal aid is most acute in the case of long-term care facilities. The lack of private fund-raising potential for construction of these facilities is even more pronounced than in the case of short-term facilities—as demonstrated by the fact that the District has been unable to use much of the money available to it under the Hill-Burton program for construction of long-term care facilities due to inability to raise the required matching funds.

For the reason cited above, special Federal assistance for the modernization of hospitals and the construction or modernization of other medical facilities in the District of Columbia is clearly required to make up for the loss of normal private sources of support caused by the presence of the Federal Government in the District. It is necessary to have the Federal loans at a low rate of interest on a long-term basis if these pressing needs are to be constructed when they are needed now and over the next 3 years.

The low interest rate allows the borrowed money to be paid back with no appreciable increase in the per diem rates to the patients. This type of program of Federal borrowing exists in the field of education and student housing, where the need is perhaps even less critical. The rate proposed is 2½% at 50 years in accordance with a similar bill in current nationwide legislation in Senate Committee.