

and Welfare are almost 10 percent of all hospital beds in the United States. In the fiscal year 1967, the total number of operating beds in Federal Government facilities is as follows (estimates in the 1967 budget):

Veterans' Administration (including 3,000 nursing home beds)-----	120, 034
Department of Defense-----	61, 858
Department of Health, Education, and Welfare-----	15, 220
Other agencies-----	3, 159

Total, Federal Government hospitals, operating beds----- 200, 271

Prior to the fiscal year 1967, hospital and medical care in Federal facilities accounted for the largest part of Federal expenditures for medical and health-related activities. In estimates for the current year, however (as shown in table 8, earlier), the large new medicare insurance program and medicaid grants under public assistance raise the total of expenditures for Federal grants and payments for hospital and health care in non-Federal facilities to a sum surpassing the amount for direct care in Federal facilities. Federal Government expenditures in fiscal 1967 for hospital and medical care in Federal facilities are estimated at \$2.4 billion, compared with \$4.6 billion for care in non-Federal facilities.

More than one-sixth of the population of the United States is potentially eligible for direct hospital care and treatment in Federal facilities. The largest single group of eligibles is approximately 22 million living war veterans, including some 2 million with service-connected disabilities. For this group, however, hospital care for ailments not related to military service is provided only to the extent that the veteran certifies that he is unable to pay for his care in private facilities.

In commenting on economic effects of the veterans' hospital programs and related domiciliary and nursing home care, and related community nursing care provided at Government expense, the Veterans' Administration indicated that it had no means of assessing the impacts:

We can merely state * * * that an expenditure in the magnitude of more than \$1 billion on an annual basis * * * has a very considerable impact in every segment of the country in which these funds are used.

The Department of Defense operates an extensive medical care program for military personnel and their families. The primary purpose is to maintain the health of the Armed Forces. A secondary purpose is to provide services to dependents who otherwise might not receive adequate care, and, through this assurance, to promote good morale among military personnel. Active duty and retired uniformed service personnel numbering 3.2 million and their 5.6 million dependents are covered by this program. Expenditures for military and dependents' medical care exceed \$1 billion a year.

Like the Veterans' Administration, the Department of Defense reported that the overall economic effects of the medical care program are difficult to determine. The Department noted that the program reduces pressures on civilian medical facilities, which are themselves experiencing difficulties in caring for the civilian workload. It mentioned also that retired personnel tend to settle near military medical installations, thus benefiting nearby communities.

Both the Department of Defense and the Veterans' Administration mentioned that communities adjacent to Government hospitals derive