

(c) The availability of medical care to seamen represents an inducement to maritime employment and recruitment in the maritime industry. The training of medical and paramedical personnel has its impact by way of an increase in the supply of trained manpower in and out of the Federal Government.

(d) Economic activity in the maritime industry and in the Federal Government is stabilized through the fringe benefits made available to employees in those employment categories. In the maritime industry, those benefits represent a cost of transportation which thus does not have to be borne as a part of the direct operating cost of the carriers.

(e) In respect to the treatment of leprosy patients (Carville), and narcotic addicts (Lexington, Ky., and Fort Worth, Tex.), the States and communities throughout the country are benefited to the extent that care and treatment are provided without reimbursement from such States or communities.

(f) Medical care facilities of the communities in which PHS medical facilities are existent are not overtaxed to the extent that Service beneficiaries utilize Service accommodations in those areas. In the case of dependents of active duty uniformed service personnel, there is some impingement on community hospitals when nearby Federal facilities are not adequate for their requirements.

(g) The maintenance of the health of beneficiaries tends to support the growth of the gross national product through the continuing employability of beneficiaries in their respective vocations.

(h) Essentially the total economic impact of the program is covered above. In addition, it is significant that approximately 307 medical, dental and paramedical students are being trained (fiscal year 1966) through programs in the hospitals and outpatient clinics operated by the Public Health Service. As previously mentioned, training is provided in accordance with and in support of affiliations with university programs. The research activities carried on in PHS hospitals in collaboration with other Federal programs and medical schools and institutions tend to enlarge the knowledge of the causes and treatment of disease. This activity also fosters the creation of new ideas, methodologies, and other forms of innovation in the field of medical and hospital administration.

10. *Economic classification of program expenditures.* (See table 2.)

Program: Medical care for Federal beneficiaries.

Department or agency, and office or bureau: Department of Health, Education, and Welfare; Public Health Service; Bureau of Medical Services—Division of Hospitals

TABLE 2.—*Economic classification of program expenditures for fiscal year 1965*

[In thousands of dollars]

Federal Government:	
Purchases of goods and services:	
Wages and salaries.....	41, 297
Other.....	11, 990
Grants to State and local governments.....	1, 194
Total Federal expenditures.....	54, 481
Non-Federal expenditures financed by: State and local governments.....	251
Total expenditures for program.....	54, 732