

DECEMBER 12, 1966.

HON. WRIGHT PATMAN,
Chairman, Joint Economic Committee,
Congress of the United States,
Washington, D.C.

DEAR MR. CHAIRMAN: Transmitted herewith is a three-volume study of Federal Government programs for the development of human resources. Governmental services and activities described in this study are those which the various Federal departments and agencies, in response to a questionnaire from the committee in September 1965, identified as primarily concerned with the maintenance or development of people in the United States.

Detailed statements received from the several departments and agencies are reproduced in part III of this report. They provide a description of program objectives, history, level of operations, administrative operation, and coordination, and expectations for 1970, as well as economic aspects and impacts of the program. Because this section is necessarily large, it has been divided into three portions, with part printed in volume 1 and the balance in volumes 2 and 3.

Parts I and II, which are contained in this volume, were prepared by committee staff to provide background information and perspective for the study. Part I presents quantitative summary estimates of U.S. expenditures for human resource programs over an extended period by all levels of government; and discusses conceptual and analytical issues implicit in the economic assessment of human resources programs. Illustrations of economic effects are drawn from the program statements in part III and independent studies in this field.

Part II is largely explanatory. It discusses difficulties which the respondents encountered in replying to the questionnaire, and consequent limitations upon the uses of data in part III.

The study is an initial attempt at definition and evaluation of Government programs concerned with the development of human resources. Federal Government expenditures for these programs in fiscal 1965 totaled more than \$43 billion, accounting for approximately 37 percent of the total Federal budget for that year. Such massive outlays have substantial economic impacts, and affect directly or indirectly all members of our society. While this study presents some initial illustrations of economic effects, it serves mainly to suggest avenues for future investigation and to demonstrate the great need for better analysis in this field.

This study could not have been prepared without the advice, counsel, and hard work of many experts who have been most generous in making their time and talent available to us. In particular, the committee is grateful to Mr. I. M. Labovitz, senior specialist in the Legislative Reference Service, Library of Congress who, as consulting analyst to the committee, undertook the major responsibility for planning, coordinating, and editing this study. In addition, Mrs. Myrtle Nelson of the Office of the Chief Economist, Division of Economic Studies, Department of Labor, provided valuable analytical and editorial assistance. She was aided by Mr. John Varady of the General Accounting Office, who reviewed and tabulated the fiscal data, and by Miss Judy Margolis of the Legislative Reference Service.