The present report is a further expression of the committee's concern with human resources, but with a different approach. It is an initial survey of a generally uncharted area—a step toward definition and evaluation of the economic aspects of the various types and kinds of Government programs concerned with the development and sustenance of people. This reconnaissance reveals that the area to be explored—even though limited to programs of the Federal Government—is a tremendous field; the many component programs exhibit diverse characteristics; and the identification of specific impacts and effects, let alone their separate measurement, has scarcely begun. Consequently, this report does not offer a definitive analysis and systematic evaluation of the human resource programs of the U.S. Government. It provides, rather, a convenient compilation of pertinent materials that outlines the extent and contours of the area to be explored, indicates roughly the numbers of people affected by selected programs and the ways they are affected, and may serve as a starting-point for further investigations.

During the preparation of the present study, the Subcommittee on Economic Progress conducted hearings and issued both a full transcript and a brief report on "Automation and Technology in Education" [2]—a topic chosen as an especially interesting facet of the broader problem of improving our human resources. The subcommittee report pointed out that the recent convergence of expanding demands on our educational system and dramatic breakthroughs in the field of communications technology has far-reaching implications for the economy. The focus of the report was not, however, on the implications for the economy at large. The emphasis was rather on the significance of technological developments for our educational system, and particularly their prospective effects upon the economics of education. The report also suggested that the Nation might well concentrate on the elimination of adult illiteracy as one of the more immediate objectives of technological innovation. It declared that illiteracy is a major drag on our economic progress and a heavy expense, and its elimination would prove a highly productive social investment for the United States.

The Concept of Investment in People

The committee has been concerned with the general inadequacy of available information about the economic effects of investment in human resources.

Although speculation about the money value of human beings began to appear in economic literature as early as the 17th century, it is only within the last several years that economists have undertaken specific analyses in this area. The approach still is not a common one; in fact, the general tendency is to consider members of the labor force as constituting "a unique bundle of innate abilities that are wholly free of capital." [3]

No doubt our strong cultural values which stress freedom and individuality have contributed to a reluctance to equate human

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[2] 89th Cong., 2d sess., "Technology in Education—Hearings Before the Subcommittee on Economic Progress of the Joint Economic Committee," June 6, 10, and 13, 1966; and "Automation and Technology in Education—A Report of the Subcommittee on Economic Progress of the Joint Economic Committee" (joint committee print), August 1966.

[3] Schultz, Theodore W., "Investment in Human Capital," American Economic Review, vol. LI, March 1961, p. 2. See also B. F. Kiker, "The Historical Roots of the Concept of Human Capital," Journal of Political Economy, vol. LXXIV, October 1966, pp. 481–499 (with bibliography).