product in 1935. Investment in residences, however, fell from 4 percent of GNP to less than 2 percent, so that in each of these years approximately 79 percent of the GNP was for consumption expenditures and housing investment. By 1950, the proportion had declined below three-fourths, and by 1960, below 70 percent. In the prosperous years of 1961–66, the GNP as a whole continued to grow faster than personal consumption expenditures.

From these comparisons, it might be concluded that the United States, while enlarging the absolute volume of consumption expenditures, has reduced the consumers' share of the total GNP and thereby the proportion directed to the improvement of human resources. But gross totals reported currently for the national income and product do not identify separately those portions of consumer expenditure which may contain elements of capital investment in the form of the development and improvement of individual capacities. The accounts distinguish between consumer expenditures for durable goods, nondurable goods, and services. In each of these categories, most expenditures are for goods and services used primarily for current sustenance and current activities. This is a characteristic even of expenditures for durable goods, which are mostly for automobiles, household equipment, and furniture—items used only to a minor extent for individual development. (Consumers' durable goods used at least partly for personal development are such items as books, typewriters, radio and television receivers, records and musical instruments, ophthalmic products and orthopedic appliances, and personal technical equipment.) The proportion of personal consumption outlays devoted to the acquisition of all durable goods dipped from 12 percent in 1929 to 9 percent in 1935, rose to 16 percent by 1950, and has held close to that level in the middle 1960's.

The principal varieties of "services" also are predominantly for current sustenance and essentially nondevelopmental activities—housing, household operation, and transportation. "Other services," however, include most types of expenditures for medical care and for private educational activities, as well as some recreational, religious, and welfare activities that might have developmental aspects. The proportion devoted to "other services" was close to one-sixth of all personal consumption expenditures in 1929 and 1935. It dipped to a lower level during and after World War II but has exceeded 17 percent in the mid-1960's. Within this category, consumer expenditures for education and health appear to have advanced more rapidly than those for other services.

Social welfare expenditures.—Another compilation that provides interesting background for the committee study is a selective series of estimates prepared by the Office of Research and Statistics of the Social Security Administration, Department of Health, Education, and Welfare. Generally designated "social welfare expenditures," this series is sometimes used (with minor differences of content and categories) as a compilation of "health, education, and welfare expenditures" in the United States. In their most comprehensive form, as in table 1, the estimates cover all expenditures, both public and private, for health, education, social insurance, welfare, retirement, veterans' benefits, public housing, and similar purposes.

The Social Security Administration is preparing a monograph that will describe the estimates of social welfare expenditures under public