

President Johnson noted in his state of the Union message on January 10, that:

We tried to meet the needs of our people. And we have succeeded in creating a better way of life for the many as well as the few. And now we must answer whether our gains shall be the foundations of further progress or whether they shall be only monuments to what might have been—abandoned now by a people who lacked the will to see their work through.

I believe that our people do not want to quit.

In my testimony today I will discuss the Department's concern for reinforcing the gains that have already been achieved from the Nation's investment in human resources and some of the problems and needs in the years to come. In this respect I would like to review the areas in which we are developing proposals to expand the opportunities of the American people and to bolster the growth of the economy.

TOTAL PUBLIC AND PRIVATE EXPENDITURES FOR HEALTH, EDUCATION, AND WELFARE

At this point I would like to discuss the totality of public and private expenditures for health, education, and welfare, no matter what their source or what their method of payment, to give you a full picture of their impact on the Nation's economy as related to the gross national product.

The extent of the Nation's commitment to programs for strengthening human resources is clearly evident in the amounts spent in fiscal year 1966 on health, education, and welfare from both public and private funds. The combined expenditures amounted to \$131 billion—or 18.4 percent of gross national product.

I might add at this point that the \$131 billion is the unduplicated count of expenditures—that is the total amounts are adjusted to eliminate duplication resulting from use of cash insurance benefits to purchase medical care and educational services. The individual areas will add up to a couple of billion dollars more when you look at them separately, but this is the attempt to appraise an unduplicated expenditure of organized funds in this area. It doesn't include every single type of personal expenditure that might be involved, but rather broadly, organized public or private expenditures of funds for health, education, and welfare. This comes, as I said, to 18.4 percent of the GNP.

In fiscal year 1962, expenditures were \$93 billion or 17.2 percent of GNP. The growth rate in expenditures between these 4 years exceeded that in GNP.

Total expenditures for these functions under public programs—Federal, State, or local—reached \$88 billion: Federal expenditures accounted for \$47 billion, and State and local expenditures for \$41 billion. In recent years, total public expenditures for health, education, and welfare have also been increasing faster than the GNP and the share of GNP devoted to these areas has risen from 11.5 percent in fiscal year 1962 to 12.3 percent in fiscal year 1966.

As President Johnson pointed out in his Economic Report: “ * * * Americans have insatiable appetities for more education and better health.” This is reflected in the rapid rate of increase in public funds that are devoted to these programs.