

For example, between fiscal year 1962 and fiscal year 1966, total public expenditures for these programs rose by 41 percent while GNP rose only 31 percent—with a 54 percent increase in educational expenditures and a 61-percent increase in spending on public housing leading the way among traditional programs. In addition, the new programs authorized under the Economic Opportunity Act of 1964 have grown rapidly.

The figures on public expenditures that I am discussing, if you wish to go into the details, are in table 1, following. The table shows the total public expenditures, expenditures from State and local funds and from Federal funds since 1934–35.

Expenditures for the Federal programs rose more rapidly than did State and local government spending—in total amount and in almost every major category. By the end of fiscal year 1966 the total Federal expenditures of \$46.8 billion exceeded the State-local total by \$6 billion as compared with 1961–62 when State-local expenditures exceeded Federal expenditures by almost \$1 billion.

DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE PROGRAMS

The President's 1968 budget for the Department of Health, Education, and Welfare calls for expenditures of \$11.7 billion—an increase of \$1 billion over the previous year—in addition to social security trust fund payments in the neighborhood of \$31 billion. Assuming the President's recommendations are carried out, the budget as you said, Senator Proxmire, will total \$44 billion.

These expenditures will be made through programs, most of which are carried out through the active cooperation and active participation of State and local governments, nongovernmental institutions and individual citizens. About 90 percent of Department of Health, Education, and Welfare funds derived from general revenues are allocated to State and local governments, other non-Federal institutions and individuals. This is how "creative federalism" works and it has been through this venturesome partnership that we have made great economic and social gains.

We can expect in the future, as in the past, that increasing shares of the Nation's output will be devoted to the development of human resources. By strengthening the programs of the Department of Health, Education, and Welfare, we seek to strengthen the entire system for providing services at every level. Through better management and more careful evaluation of the effectiveness of programs, we can insure more effective use of all of our resources.

TRENDS IN POVERTY

Now I would like to turn to another aspect that I think the Members of Congress will be interested in, how our particular programs relate to the national objective of minimizing and reducing the extent of poverty in the United States.

Rapid economic growth combined with increasing expenditures for health, education and welfare and related areas have had a significant impact on poverty. Over the past several years, as GNP grew rapidly, unemployment rates declined and public expenditures for health, education, and welfare, and related activities increased, the incidence of