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tical agencies of the Federal Government to take over the preparation of periodic national and sectoral balance sheets as a regular feature, integrated, of course, with other parts of the national accounts.

Work on this broader and more intensive project, however, should not interfere with the development by the National Income Division of their rough estimates of the value of some components of the stock of durable reproducible assets, particularly those components that are necessary for introducing depreciation allowances into the national accounts (e. g., Government structures and consumer durables) or providing alternative depreciation allowances on a replacement cost basis (private structures and producer durables).

CHAPTER XV. THE CHALLENGE OF ELECTRONIC ACCOUNTING

The committee has not made more than a cursory inquiry into the potentialities that electronic accounting holds for the national accounts as for many other fields of economic statistics. This neglect does not mean that in the committee's view the introduction on a large scale of electronic accounting in business and government, which may be expected to take place over the next 5 to 10 years, though it may take decades to be developed fully, does not have very important implications for national accounting. Quite on the contrary, the challenges and the promise of electronic accounting for the national accounts are so great that only a group of experts concentrating their attention on this field can, the committee believes, do justice to the problem.

The committee, however, feels justified in making two observations. First, once electronic accounting is adopted by a substantial proportion of large business and governmental organizations—and by means of service contracts possibly also by medium-sized business enterprises—it will become possible to obtain certain types of economic information crucial for the national accounts, as well as for other purposes, with a speed and in detail difficult to visualize under present methods. This applies, in the national accounting field, primarily to data on purchases, sales, inventories, payrolls, capital expenditures, and liquid assets. The speedup of the data, reducing the lag of their availability behind the close of the accounting period to not more than a few days, will be of particular importance for national accounts for quarters and shorter periods. The availability of additional detail in the form of classifications of transactions by commodity and by type and location of buyer and seller, will also be very important in improving the annual national accounts and in developing regional accounts.

Secondly, many of the potentialities of electronic accounting for the national accounts will be realized only if thought is given soon to how best to take advantage of the new data-processing equipment. This involves matters such as the inclusion in the electronic accounting system of items of special interest for the national accounts and uniformity in coding (or at least arrangements under which codes used by

different systems of electronic accounting or by different enterprises can be translated into each other).⁴

The internal recordkeeping of business and government organizations with few exceptions—such as the census statistics—will always remain the main justification for the introduction and development of electronic accounting systems. What is needed is so to arrange matters that the statistics for the national accounts and other statistical programs are furnished as far as possible as a byproduct of these normal bookkeeping processes. For this reason the committee hopes and urges that an intensive study of the impact of electronic accounting on the national accounts and of the fitting of national accounting data into the developing electronic accounting systems will be started as soon as possible. This should be a cooperative undertaking of imaginative economists, statisticians, accountants, management experts, and electronic engineers. The problem of standardization of equipment, procedures, and codes will probably be high on the agenda of such a group study.

⁴ One example will illustrate what is meant. There is a fair chance that within a few years a substantial proportion of all large banks will handle their checks by electronic accounting. This will involve assigning a code number to each account, the number probably to be imprinted in magnetic ink on all checks so that it can be read automatically into the tapes which form the basis of the electronic accounting system. If banks can be induced to add a one digit code to the account number thus classifying depositors into broad groups—corresponding to sectors in the national accounting system such as households, farmers, corporations, and unincorporated business enterprises, nonprofit institutions, government, and foreigners—it will be possible to produce very promptly, at very moderate additional cost to the banks, detailed monthly or even weekly statistics of balances, debits, and credits which will be of great value not only for the national accounts but for many other fields of monetary and economic analysis and policy.