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THE SYSTEM OF STATISTICAL AGENCIES OF GOVERNMENT FROM which we derive information concerning the structure and processes of our national life has been built up without premeditation in response to a diversity of special needs. Collections of statistics on population, births and deaths, foreign trade, production of primary and manufactured products, natural resources, prices, wages, profits, and national income have been begun at different times since the birth of the nation, to serve varied purposes. Fortuitous factors, passing emergencies, and special interests have played their parts in this development. The statutory bases of the present activities of statistical agencies—some specific, some blanketing wide sectors of national life, some ambiguous, many of them overlapping—reflect the special and unrelated needs that gave rise to the original reports.

Today the activities with which these reports deal are related as they were not when many of the reports were initiated. A closely knit national economy has replaced the diversified and independent or semi-independent producing and consuming units of an earlier time. The operations of the central government have broadened and touch the lives of citizens more extensively and more immediately than they did when many of the reporting agencies were first established.

These and other changes in the underlying processes of national life, making at once for more unified and more complex living and working conditions, have materially modified the needs that are served by a statistical reporting system. We have stressed the bearing of statistical information on contemporary decisions and policies rather than upon historical reviews, and the corresponding changes that have occurred in the techniques employed by statisticians. For these purposes comparisons and interrelations are important. Not only are reports needed that encompass the whole range of

economic and social activities, but coordinated reports are required, reports that permit the study of concurrent changes in related activities. These changing needs bear upon the following summary appraisals.

Positive Accomplishments

It is proper to say at the outset that the foundations of a strong system of statistical intelligence exist today in our Federal government. The reports on economic and social processes that are available to governmental officials and private citizens of the United States are more comprehensive, more accurate, and more detailed than those available at any other time or in any other country.¹ And they are more closely geared to policy formation and to administrative needs. The extent of the coverage of these reports has been indicated in the outline of the elements of the existing system (of course, not all areas are covered with equal adequacy; some of the gaps are suggested below). But elements of strength other than comprehensiveness are to be noted.

Byproduct statistics constitute one of the richest resources of our statistical system. These statistics, which are collected by administrative agencies in the performance of their regulatory or other functions, include the personal and corporate income statistics gathered by the Bureau of Internal Revenue, the extensive materials on employment and earnings gathered by the Social Security Administration, the transportation statistics of the Interstate Commerce Commission, and the financial statistics of corporations yielded by the activities of the Securities and Exchange Commission and the Federal Trade Commission.

Within the last two decades there has been an outstanding development of current reporting, i.e., the collection of quarterly, monthly, and weekly figures bearing on contemporary developments in the life of the nation. This is part of the shift to which references have already been made

¹ Wartime reports for certain industries were more detailed than those now compiled.

from backward-looking to forward-looking statistical work. As a result, businessmen, farmers, representatives of organized workers, students of economic and social affairs, legislators and other public officials can follow contemporary trends in great detail and base decisions and policies upon information that has current relevance.

An increased emphasis upon analysis has been manifest in the last ten or fifteen years. Statistical measurements are more fully interpreted; they are more extensively employed in testing hypotheses, making decisions, and formulating policies. This is in part a result of the statistical expansion during the decade following the first World War and of pressures growing out of the depression of the 'thirties and the war effort of the 'forties. In part it parallels the shift of emphasis from historical study to the appraisal of current affairs. This movement toward increased analysis is reflected in the appearance of agencies such as the Council of Economic Advisers, the Joint Committee on the Economic Report, the Fiscal Policy Division of the Bureau of the Budget, and the National Income Division of the Bureau of Foreign and Domestic Commerce—agencies that collect no statistics themselves, but devote their energies exclusively to organizing and analyzing statistics contributed by numerous collecting and compiling agencies. There are also evident new pressures within the established agencies for the more intensive processing and fuller utilization of statistics they themselves collect.

One striking manifestation of this emphasis on analysis is found in the development and use of aggregative statistics, statistics relating to changes in the national economy or in the national social system as a whole. The pressures of the depression and war years gave the Federal government new responsibilities that entailed the use of national aggregates for employment and wages, national income, public works, production, prices, and fiscal affairs. The result has been the building up of a diversity of measures relating to economic and social change on a national scale. The attempt to

meet demands for such measures has in some cases, it is true, led statisticians to make estimates of doubtful validity. Existing margins of error in some of our aggregative statistics are too large for complacency. Nevertheless the development and use of these measures has been one of the notable scientific accomplishments of the last quarter century.

The level of technical competence in the best of our statistical agencies is high today, much higher than it was twenty or twenty-five years ago, and some of the scientific contributions of statistical technicians in government service have been outstanding. In most of our Federal statistical agencies high professional standards prevail and professional attitudes predominate. Governmental statisticians have made notable improvements in sampling techniques. In substantive fields, too, an experimental spirit has prevailed. Results of this spirit are found in the sharpening of concepts and the improvement of statistics of national income, productivity, money flows, and input-output relations in industry. It is manifest, too, in the attention given to the in-service training of statisticians in some Departments. The statistical training to be had in the Graduate School of the Department of Agriculture is the equivalent of that available in the better universities.

A substantial degree of coordination has been effected in the system of statistical reports and analyses; as will appear from subsequent comments, we are of the opinion that this coordination is still imperfect. But we would emphasize the progress that has already been made in unifying the elements of a system that was originally a patchwork of unrelated parts. Under Executive order and Congressional enactment in the 'thirties and more recently under the provisions of the Federal Reports Act of 1942, the Central Statistical Board and the present Division of Statistical Standards have made substantial progress. Provision in the Federal Reports Act for the centralized clearance of report forms has been a powerful instrument for integrating statistical activities. In addition to the performance of its duties in clearing question-

naires and forms, the Division of Statistical Standards has been an agency of liaison among all Federal statistical agencies. Through various inter-agency committees and through the provision of counsel and advice this Division has been able to bring statisticians together and to eliminate some troublesome conflicts. Much remains to be done but the principle of central responsibility has been recognized and a good beginning made in implementing it.

The space we give to the record of these positive achievements is not a fair index of their importance in the general picture. Our primary concern in this survey must be with remediable defects in the system of statistical intelligence. But in reviewing and appraising these, the foundation of substantial accomplishment should be kept in mind.

Operating Problems and Deficiencies

The present statement of organizational defects and deficiencies in the working of the system of statistical intelligence is the basis of the recommendations presented in the following section. As an aid to the reader the discussion of each problem or deficiency includes a note on suggested modes of amelioration, with a reference to later recommendations.

1) THE INCOMPLETE COORDINATION OF THE STATISTICAL ACTIVITIES OF GOVERNMENT

Despite recent progress the activities of Federal statistical agencies are inadequately coordinated today. In some degree this is due to lack of statutory authority on the part of the central agency or, perhaps more exactly, to the fact that the emphasis in the chief existing statute is on one aspect only of the problem of coordination. The clearance of report forms and questionnaires is the largest single task performed by the Division of Statistical Standards. In its mere routine aspects it is a job of substantial proportions. Its performance has inevitably absorbed a major portion of the energies and funds of the Division of Statistical Standards and has diverted attention from other important phases of the problem.

Another reason for incomplete coordination is that the special needs of war and of the immediate postwar period absorbed the time and energies of the staff of the Division of Statistical Standards. Plans for greater initiative on a broader front could not be carried through under the emergency pressures. As a result, tasks the Division would have chosen to undertake have been deferred.

A third reason is the lack of a specific mandate for the performance of certain major coordinating functions and the lack of a program of continuing activities that would oblige the central statistical office and the various elements of the statistical intelligence system to work together in developing a unified program of activities.

Means of correction. We set forth below recommendations providing a clear mandate for an Office of Statistical Standards and Services to exercise over-all coordinating functions. We have proposed duties of a continuing sort (notably the preparation of an annual report to the President and Congress and a consolidated statement of expenditures on statistical activities) the performance of which will ensure a higher degree of coordination than is now achieved.

(See Recommendations 1, 2, 13, 14)

2) OVERLAPPING OF FUNCTIONS AND UNCERTAINTIES CONCERNING AGENCY JURISDICTIONS IN PRIMARY COLLECTION

There are probably few cases of downright duplication in the primary collection of statistics by Federal agencies. One example—field work on prevailing wages—is cited below. It is true that the same primary materials are often used for different analytical purposes by different agencies, and appear in original or derived form in different publications. By prearrangement given respondents sometimes send duplicate report forms to different statistical agencies. But present methods of report form clearance through the Division of Statistical Standards serve to detect and prevent sheer duplication of reporting activities. However, in some cases the discharge of closely related functions by different agencies

comes close to duplication, and even without duplication may involve inefficiency and waste. There are reporting areas in which agency jurisdiction is not clear, and for which inter-agency competition continues. Some reporting areas have been inadequately developed because they fall between stools. From the viewpoint of the user we must note, too, the publication by different agencies of measurements that appear to relate to the same process, but that may be different in coverage, technical derivation, and purpose. Examples of these several deficiencies follow:

Labor force, employment, payroll, and unemployment statistics. These statistics now come from the Bureau of the Census, the Bureau of Labor Statistics, the Social Security Administration, the Interstate Commerce Commission, the Federal Communications Commission, the Employment Service, the Bureau of Mines, the Bureau of Agricultural Economics, the Civil Service Commission, and other agencies. This division of function is deeply rooted in basic activities. The current collection of population and over-all labor force statistics, and of benchmark statistics on the same subjects, is a proper function of the Bureau of the Census. The resources of the Social Security Administration, as an operating agency with continuing administrative duties that necessitate the collection of comprehensive employment and unemployment data, should be utilized to the full. The mandates of the Department of Labor and of the Bureau of Labor Statistics give them clearly defined responsibilities in this broad area. This situation calls for the continuance of divided functions, but with focal responsibilities (see Recommendation 3) and the duty of over-all estimates and interpretations clearly vested in the Bureau of Labor Statistics, under the general coordinating authority of the Office of Statistical Standards and Services.

'Prevailing wage' inquiries by agency field staffs. In hiring manual labor not covered by civil service regulation, governmental agencies are generally instructed by law to pay the prevailing wages in the communities where the

projects—building dams, dredging harbors, constructing roads—are carried on. These agencies thus face the task of ascertaining prevailing wages. No one central agency, adequately staffed for this purpose, is called upon to make these surveys. In general, each agency utilizes its own field staff (usually untrained in such work) to make hasty surveys from lists of questions and samples of respondents worked up on the spot. One result is the most extreme case of duplication to be found in the Federal statistical system (at Loveland, Colorado, representatives of three different agencies called in one day at the same garage to get wage rates of mechanics). Questionnaires and instructions to interviewers are likely to be carelessly drawn under these conditions. Moreover, the data gathered by one agency are usually not made available to others.

Consumption. Information concerning this highly important process is the responsibility of no one agency. Statistics on the activities and welfare of the ultimate consumer are gathered and analyzed by various agencies. As a result, statistics of consumption are inadequately developed and available data are incompletely utilized.

Retail sales and retail prices. These provide a single example within the broad field of consumption. Statistics of retail sales are collected by the Federal Reserve Banks and organized by the Board of Governors of the Federal Reserve System. They are collected also by the Bureau of the Census of the Department of Commerce. There is some division of function here, for the Reserve Banks concern themselves primarily with department stores, the Census Bureau with other retail outlets. However, the administrative arrangements necessary to avoid duplication of collection under these conditions are cumbersome. No good reason exists for dividing the responsibility for collection of retail trade statistics in this manner.

Retail price statistics are gathered by the Bureau of Labor Statistics in preparing its index of consumer prices; they are collected by the Bureau of Agricultural Economics

in preparing its index of prices paid by farmers. These two fields of activity are reasonably distinct since one deals with urban workers, the other with farmers, but differences in concepts and procedures have given rise to some confusion. Labor groups, in particular, feel that the differences work to their disadvantage, at least in periods of inflation. No general and adequate index of retail prices exists.

Construction and housing statistics. This is one of the major problem areas in Federal statistical work. Construction statistics covering different segments are now compiled by the Bureau of Labor Statistics, the Office of Domestic Commerce, and, with reference to farm construction, the Bureau of Agricultural Economics. There is also much activity in this area by private agencies, notably the F. W. Dodge Corporation. In addition, the Census Bureau collects information on existing housing, the Bureau of Labor Statistics compiles data on rents, and the Housing and Home Finance Agency gathers operating information in connection with its programs on public housing, mortgage insurance, and home loans.

Serious difficulties are faced in the collection and organization of construction statistics. Operating units are numerous, their locations widely dispersed; building activities range from minor repairs to the construction of elaborate public works, and comparable units of physical measurement are lacking. Real as these defects are, they do not excuse the present inadequacies of construction statistics or the complex overlappings of agency jurisdictions in this field. Although the need of coordination has been recognized, an integrated and effective system of collection and analysis is still to be realized.

Water transportation. At least ten Federal agencies collect statistics on water carriers. Three principal agencies (the Corps of Engineers, the Maritime Commission, and the Foreign Trade Division of the Bureau of the Census) have arranged to divide their jurisdiction: the first to inland waters, the second to coastal and related waters, and

the third to ocean waters. Five agencies collect some kind of reports on ocean shipping. Two agencies (the Interstate Commerce Commission and the Immigration and Naturalization Service) gather data on employment on ocean borne vessels.² Three agencies (the Maritime and Interstate Commerce Commissions and the Census Bureau) collect information on commodity movements in foreign trade. The Maritime Commission and the Immigration and Naturalization Service get information on passengers. In addition, the Public Health Service inspects vessels for sanitation, the Coast Guard inspects them for safety, the Department of Agriculture for insect pests and plant diseases. The Customs Bureau receives various reports on vessel documentation and detailed manifests on every movement of cargo into and out of ports and warehouses.

Banking statistics. These are collected by three different agencies—the Board of Governors of the Federal Reserve System, the Federal Deposit Insurance Corporation, and the Comptroller of the Currency. This division of the collection function derives from a division of the underlying functions of bank examination and control. The statistical groups concerned have, indeed, effected a reasonably satisfactory accommodation to the existing division of functions, but the division among agencies of functions so closely related as these is undesirable. Division of collection may be unavoidable under present circumstances, but a single agency should have focal responsibility for the processing and primary publication of these statistics.

Means of correction. Certain of the major duplications in Federal statistical activities derive from duplications in basic functions assigned by law to different agencies. A rewriting of all statutes to eradicate such duplications may well be impossible. A means of correction must be sought through the activities of a central coordinating agency empowered to draw up an over-all program of statistical reporting, in which

² The work of the Interstate Commerce Commission covers regulated domestic carriers only.

the assignments and duties of each agency are made clear, and with specific authority to assign functions among statistical agencies. Greater centralization of primary collection is to be sought. Focal agencies should be given clear responsibility for the organization of statistics in given fields and should have authority to utilize existing agencies to the full in this process of organization. Use of the field offices of the Census Bureau by other agencies should be extended. Extension of inter-agency service arrangements should be encouraged; to this end, the transfer of funds among agencies for the performance of specific tasks should be facilitated, under suitable supervision by the central statistical office.

As a means of preventing duplications growing out of legislative enactments, we urge Congressional consultation with representatives of a central statistical agency when bills involving statistical functions are being considered.

(See Recommendations 2, 3, 9, 10)

3) LACK OF PROPORTIONALITY IN THE EXISTING SYSTEM OF STATISTICAL REPORTS; RELATIVELY EXCESSIVE DEVELOPMENT OF SOME AREAS AND UNDERDEVELOPMENT OF REPORTS IN OTHER AREAS

A system of statistical reports that has developed in piecemeal fashion in response to specific pressures and special needs inevitably lacks balance, in an over-all sense. The system has not been built up in accordance with any systematic program in which the needs for statistical intelligence on different economic and social processes were balanced against one another. As a result, we have in certain areas (e.g., agricultural production) far more detail and far more complete coverage than we have in others (e.g., consumption or investment). This deficiency appears in numerous forms. Perhaps most important is the absence of any scheme of priorities with reference to which expansions and curtailments of statistical activities are effected as resources vary. We lack an over-all set of priorities, in part because no general program of statistical activities has been formulated. Systems of in-

ternal priorities are lacking, too, in most statistical agencies. Expansion within any agency is more often a matter of meeting special needs than of carrying out a carefully planned program, while curtailment often reflects the same conformity to immediate pressures and short term demands.

Means of correction. In subsequent recommendations we set forth proposals concerning the operations of a central statistical office. Among its major tasks should be that of setting up analytical frameworks and preparing programs with reference to which both expansions and curtailments may be rationally carried out. The construction of an annual consolidated statement of expenditures covering all statistical activities is a necessary feature of a program on the basis of which priorities may be rationally established. The task is to assign most economically the resources available for statistical work. Demands for statistics are insatiable, but the resources that can be allocated to them are and must remain limited. If special pressures are not to yield a distorted system, a general appraisal of needs and something approaching a rational over-all allocation of resources are essential.

(See Recommendations 5, 14)

4) LACK OF COMPARABILITY OF STATISTICAL SERIES; FAILURE OF AGENCIES TO DOVETAIL STATISTICS

In a system essentially decentralized a special problem is faced in ensuring the comparability of statistics gathered by different agencies and measuring different processes, although there may be close organic relations among these processes. High significance may attach to the relations among such measures as manhours worked, payroll disbursements, and the physical volume of goods produced. Deficiencies in this respect are not infrequent. They are due to such circumstances as lack of standardization of concepts, definitions, and classifications, collection of related data on sample bases by different agencies without similarity of coverage and of sampling design, and faulty coordination of benchmark and current statistics.

Means of correction. The essential corrective in this case is to be sought through more effective coordination of the activities of different agencies. A central statistical office with adequate authority can see that standardized concepts and definitions are employed by all statistical agencies and can ensure the use of a standard industrial classification. Important steps have already been taken in this direction; a standard industrial classification of value to the whole Federal service has been built up. However, adoption of the standard classification lags; full comparability is yet to be effected.

Centralization of collection, when possible, is one of the best means of achieving comparability of final measurements. As we have seen, there are limits to the degree to which centralized collection is desirable. But there are opportunities today for substantial extension of centralized activities of this sort. When separation of collection functions is necessary it should be the duty of the central statistical office to see that definitions, concepts, selection and coverage of samples are such as to ensure the comparability of results obtained by different agencies.

Another requisite in a system of decentralized activities is the provision of working manuals to serve as guides to different agencies. There is great need today of such manuals of standard procedure in Federal statistical work. Their preparation is a proper function of the central statistical office.

(See Recommendations 13, 14)

5) CONFLICTS BETWEEN PUBLISHED SERIES; LACK OF AUTHENTICATED STATISTICS ON BASIC PROCESSES

The publications of Federal statistical agencies contain numerous examples of apparent discrepancies among statistical measurements and a few examples of real discrepancies.³ Among the apparent discrepancies are the differences between the index of prices paid by farmers for goods used in family

³ The distinction here is between discrepancies due to inadequate published explanations of the series in question (or faulty understanding on the part of users) and fundamental discrepancies in the series themselves.

living constructed by the Bureau of Agricultural Economics and the index of prices of consumer goods constructed by the Bureau of Labor Statistics; the difference between the index of retail prices published by the Department of Commerce and the index of prices paid by consumers published by the Bureau of Labor Statistics. Among real discrepancies are the differences between the Department of Agriculture estimates of food consumption and the Department of Commerce estimates of food expenditures, corrected for price movements. Looking back a few years, we may cite the wide divergences between estimates of unemployment released by different Federal agencies in the early and middle 1930's.

These discrepancies, apparent or real, befuddle public thinking, harass governmental officials and legislators, and bring Federal statistics into disrepute. On basic matters of national importance members of Congress and officers of the Executive Branch should have available to them authenticated statistics that have been reviewed and explained by a single agency.

Means of correction. It should be a responsibility of the central statistical office to provide authenticated statistics on request of Congress or of Executive offices. This central office should, moreover, take the initiative in seeing that apparent conflicts between statistical series released by different Federal agencies are reconciled and that real conflicts are eliminated. This does not mean that the central statistical office should have responsibility for basic collection in any case. It should, however, be prepared to utilize and judge the products of all statistical agencies and to provide responsible officials or, on occasion, the public with single series on matters of basic importance.

This responsibility of the central statistical office should include the initiation, on request, of steps to supply new needed statistics. There should be one central office to which an officer of the Executive Branch or a member of Congress can apply, when the need is felt for statistical measures not at the time available. It is of course not to be expected that all such re-

quests can be met, but when the need is important enough the central statistical office should take the initiative in attempting to fill the gap. (A present example is provided by the desire of many Federal agencies for reliable statistics on the distribution of income by size.) The central statistical office should be prepared to receive such requests and allocate to a suitable agency the task of supplying the needed measurements, if this is advisable. A free working fund should be available to the central office for such use.

(See Recommendations 14, 17)

6) DEFECTS OF QUALITY IN STATISTICAL SERIES

Variations in the quality and adequacy of statistical measures covering the range of processes with which Federal statistics deal are inevitable. Deficiencies and imperfections may reflect inherent difficulties at a pioneering stage of collection; they may be due to failure to relate collection to the uses of statistics; they may result from delays in taking account of fundamental changes in the processes to which the measures relate; they may reflect bad workmanship, faulty coverage, or otherwise incompetent performance; they may be due to inadequacy of funds.

Examples of imperfections of the first type are found in some of the aggregative statistics recently developed to define over-all national movements in consumer expenditure, business investment, inventories, retail sales, etc. National income and gross national product figures have been progressively improved, but they still embody rough estimates in some of their details. Useful as these aggregative figures are, they may be misinterpreted and misused if account is not taken of the margins of error involved in their derivation.

Other series, such as the index of industrial production of the Board of Governors of the Federal Reserve System, the Bureau of Labor Statistics' indexes of wholesale prices and of prices paid by consumers, and the index of prices paid by farmers constructed by the Bureau of Agricultural Economics,

need revision, as the sponsoring agencies are well aware. Inadequacies of resources and pressures of other duties in the immediate postwar years have delayed the making of necessary revisions in these and in certain other basic series. As an example of statistics falling short of desirable standards of adequacy, we may cite those available in the field of education.

Means of correction. Basic correctives for deficiencies in quality must be found in unremitting vigilance on the part of the agencies concerned and the central statistical office. Deficiencies of funds should be made good when the needs stand high enough on a scale of priorities. Basically, however, the remedy for deficiencies must be found in the enforcement of high professional standards. Modern sampling techniques provide instruments for checking and verifying statistical measures. These should be utilized to the full. Margins of error will remain wide in some reporting areas because of the nature of the processes and of the evidence available. With publication of the conditions of collection and clear indication of the margins of error attaching to given measures, difficulties of this sort can be frankly set before the user.

(See Recommendation 14)

7) GAPS IN STATISTICAL REPORTS

Any list of gaps in a system of governmental reports will be conditioned by the interests and needs of those who prepare the list and, more generally, by prevalent opinions about the functions of government and the scope of a Federal reporting system. The gaps specified in 1948 would not be at all the same as those that would have been named in 1920, or those that might be set forth in 1958. Recognizing this fact, we note some areas where needs exist today.

Gaps with respect to the needs of economic analysis and the framing of economic policy. A survey completed in 1948 for the Joint Committee on the Economic Report names twelve major areas in which more complete Federal statistics

are needed.⁴ Supplementary estimates by the Division of Statistical Standards indicate the approximate cost of projects designed to remedy these defects. These areas and the corresponding cost figures are listed below:

1) Periodic surveys of consumer purchasing power and demand, sufficient to show the distribution of income and savings available for expenditures by geographic areas and among various consumer groups and income brackets, and current and prospective patterns of consumption and expenditures.

Estimated cost: \$3,000,000 for the first year, \$1,000,000-1,500,000 in each subsequent year.

2) Collection of information on wage earnings of employees in activities not covered by our social security system.

Estimated cost (all areas): \$425,000 a year plus \$70,000 for developing additional current reports.

3) Improvement of the information on returns to capital and management of unincorporated businesses.

Estimated cost: \$100,000 for exploratory work, \$200,000 annually for current program.

4) Collection of more information on employment and unemployment, adequate to reveal geographic differences in employment trends and unemployment rates and to provide data on occupational and other characteristics of the unemployed.

Estimated cost (full program): \$1,100,000 a year.

5) Development of more complete and current information on financial trends in business providing industry totals, data on business operations by size of business, and information on business concentration.

Estimated cost: \$600,000 a year.

6) Taking of an up-to-date census of wholesale and retail trade and services by means of which the current statistics

⁴ Neither the members of the Joint Committee nor the staff members of that body commit themselves to the support of the complete program of studies presented, but they urge the widest consideration of each study mentioned.

on business and distribution may be improved and made more reliable.

(Integrated census programs approved by Congress, 1948; funds for preparatory work on census of business appropriated; consideration of balance of request deferred.)

7) Development of adequate concepts for measuring productivity and collecting data to supply information on the course of changes in productivity.

Estimated cost: \$300,000 a year.

8) Development of data on costs of construction and improvement of data on new housing and nonresidential construction.

Estimated cost of an index of construction costs: \$800,000 a year.

Estimated cost of statistical program on volume of construction: \$3,000,000-5,000,000 a year.

9) Improvement of inventory statistics by covering a larger and more reliable sample which would permit a breakdown of inventories at various stages in the industrial process.

Estimated cost of developing a program: \$100,000.

10) Collection of detailed information on the relation of materials, capital equipment, and energy requirements to the volume of production of finished goods, to permit evaluation of the industrial consequences of production programs.

Estimated cost of developing techniques for such input-output studies: \$1,500,000 for two years, subsequent annual cost low.

11) Collection of fuller information on business intentions with respect to capital expenditures and related data.

Estimated cost: \$100,000 a year.

12) Collection of more current and detailed information on expenditures of State and local governments, for use in preparing estimates for the nation's economic budget.

Estimated cost: \$200,000-325,000 a year.

Other gaps. In addition to the deficiencies specifically set forth by the Joint Committee on the Economic Report we

note without comment other needs stressed by governmental agencies or by user groups.

Actual capital outlays, by size and kind of firm, and by nature of investment.

More elaborate tabulation of corporate balance sheet data.

Review of basic accounting concepts followed by business.

More adequate commodity data (as contrasted with line of trade or industry data) throughout 'private gross national product' sector.

Current data on the inventories of independent stores.

Further industrial breakdown of new orders, especially in the consumer goods field, and more information on unfilled orders.

Current consumer budgets for revision of the consumers price index; wider local coverage is needed (i.e., for small and medium size cities).

Occupational distribution of wage information and division into union and nonunion wages.

More information on employment and wages in nonmanufacturing industries.

Statistics on actual annual earnings, related analyses of guaranteed wage problems.

Data on working conditions, industrial health and hazards, and occupational mortality.

Information on problems of the aged and disabled, information on recipients of public assistance and cause of dependency.

Expanded reports on marriage and divorce.

Information on changes in curricula of schools, trends in characteristics of school population, resource material, and instructional aids.

Resumption of nationwide fish surveys; collection and dissemination of data on commercial fisheries.

Improved foreign trade statistics. Current data on imports and exports are below proper minima; statistics on air cargo are not compiled; more information on trade with individual countries is needed; additional data on exports under foreign assistance programs are required.

Improved statistics of agriculture. Annual enumeration of sample areas would contribute to accuracy and completeness of data for intercensal years.

Improved transportation statistics. Data covering movement of traffic by all forms of transport are inadequate. There are no records of the activities of contract air carriers; there are inadequate records of the activities of non-certified common carriers. In motor trucking there are no data concerning use or details of services performed; we know little about the impact of trucking upon the national economy and other forms of transport.

More adequate price data for use in estimating the current value of changes in business inventories. Because of a reduction in its budget the Bureau of Labor Statistics has discontinued its wholesale price series on construction machinery, general and auxiliary machinery, and machine tools.

Means of correction. The preceding statements indicate the nature of the continuing demand for additions to statistical reports. These are not to be taken as recommendations. Not all these gaps can or should be filled, for the total cost might exceed available resources. A unified program of Federal statistical activities, a consolidated statement of expenditures, and the establishment by a central agency and by individual agencies of priorities in statistical work are essential in the appraisal of such needs.

(See Recommendation 14)

8) INADEQUATE USE OF STATISTICAL MATERIALS FROM ADMINISTRATIVE AND REGULATORY AGENCIES

The facilities of the agencies of government that produce a wealth of statistics as byproducts of their administrative and regulatory duties are inadequately used. If the statistical activities of these agencies were more carefully geared to general statistical needs, more useful statistics could be collected with little additional burden on the administrative agencies and without carrying their activities beyond those proper to their primary responsibilities. Furthermore, statistics at present collected by these agencies are incompletely exploited. The files of the Social Security Administration contain data on employment, earnings, and related matters that are not now organized or published. Modest expenditures on the analysis of these materials would yield results out of all proportion to the costs involved.

Means of correction. The planning of statistical activities by administrative agencies in collaboration with the central statistical office would facilitate fuller use of the statistical resources of these agencies. The central statistical office should advise also with administrative agencies concerning the use of their collected materials. The working fund proposed for the use of the central statistical office should be utilized in part on studies designed to make available the body of statistical materials now in the files of administrative and regulatory agencies.

(See Recommendations 11, 17)

9) DEFICIENCIES OF STATISTICAL TRAINING AND OF SUBJECT MATTER EXPERIENCE AMONG LOWER AND MIDDLE GRADE PERSONNEL

The top administrators of most governmental agencies who have come before the Commission panel have impressed us with their general ability and technical competence, as well as with their desire to do effective jobs. But the impression of experts within and without government is that the lower

echelons of supervisors are less adequately staffed and that some of the personnel are weak in the knowledge of industry conditions and subject matter fields. The directors of major collecting agencies in general concede the justness of this criticism, but state that their ability to control the quality of their personnel is restricted by civil service regulations.

The standard complaint among statistical agencies is that these agencies must adopt the kind of administrative pyramid that prevails in nonstatistical agencies. This is considered inappropriate, because analytical work calls for proportions of analysts and helpers quite different from the proportions of supervisors and unskilled employees in nonstatistical agencies. This argument has merit.

Means of correction. More effective adaptation of civil service requirements to the special needs of agencies employing technical personnel is desirable; closer relations with colleges will improve the recruitment process; fuller development of programs of in-service training will provide better workers at all levels.

(See Recommendations 7, 14)

10) UNEVEN DEVELOPMENT AND APPLICATION OF MODERN TECHNIQUES OF COLLECTION AND ANALYSIS

Certain Federal statistical agencies have pioneered in the improvement of sampling techniques and the development of the powerful methods of modern statistics. Others have lagged in using these techniques. Some unevenness is to be expected, since the tasks of agencies and the capacities and interests of their personnel differ. Although the Division of Statistical Standards has striven for uniformity, and has provided technical service to other statistical agencies of government, standards of performance still vary rather widely.

Means of correction. The central statistical office should have responsibility for taking the initiative in achieving and maintaining high technical standards in all Federal statistical agencies. It should not only provide technical service on request but should have authority to correct deficiencies on its

own initiative. However, leadership voluntarily accepted is most effective for these purposes.

(See Recommendations 13, 14)

11) **BURDEN OF FEDERAL REPORTING ON RESPONDENTS; DUAL OR MULTIPLE APPROACHES TO RESPONDENTS**

Because of the division of functions among collection agencies, with employment the concern of one agency, production the concern of another, sales (in some cases) the concern of yet another, income and profits the concern of another, individual respondents are often called upon by different Federal agencies for reports on business operations. In particular we note the separate approaches of the Bureau of the Census, in its current reporting of production, retail sales, and related information and the Bureau of Labor Statistics, in its reporting of employment, wages, hours, and prices. The complete elimination of such multiple approaches is not to be expected, but more could be done toward the consolidation of reports serving the needs of different agencies. Not only is economy to be sought by such consolidation; comparability of reports on different phases of business operations would be materially improved, and such comparability is essential in an effective statistical intelligence system.

Even without avoidable multiple approaches to respondents many business organizations feel that the costs of meeting the demands of Federal agencies for statistical information are excessive. There must, of course, be demands of this sort in a modern state. The needs of government and citizens alike for information on economic and social activities must be recognized. But we believe that these burdens can be effectively reduced. The Federal Reports Act of 1942 brought material improvements in this respect. Not the least important feature of its administration by the Division of Statistical Standards is the full participation of an Advisory Council on Federal Reports supported by business interests.

Means of correction. Improvement is possible through the consolidation and standardization of reporting opera-

tions, the standardization of definitions and accounting requirements, the facilitation of inter-agency service, and the reduction of demands upon small business enterprises, corporate and noncorporate.

(See Recommendations 6, 18-23)

12) INADEQUATE SERVICE FEATURES IN THE PRESENT ORGANIZATION OF STATISTICAL AGENCIES

Three basic services that should be readily available in a national statistical intelligence system are not now provided: a central catalogue of statistical series, a standard identification of the statistical series constructed and published by Federal agencies, and a central mailing list available to Federal statistical agencies.

Means of correction. A catalogue of statistical series, with full accompanying descriptions of the series listed, should be available to all users, governmental and private. Each series should be identified by a serial classificatory number which should be given with the series in all releases or publications. If the series changes in composition or character its identifying number should be changed. A central mailing list of business and industrial enterprises and of other entities that are called upon to report to Federal agencies should be maintained. The use of such a central list would not only be economical but would help to ensure the comparability of statistical series constructed by different agencies and could be a means to reducing the burden on respondents. Its existence would not preclude special purpose lists meeting specific needs of individual agencies.

(See Recommendations 23, 24)

13) DEFECTS IN PUBLICATION

We here note faults of three types:

- a) Failure to publish collected data of general interest and utility.

Not all statistics collected by governmental agencies should be published. Certain statistics that serve operating

purposes are of limited interest and utility beyond the immediate purposes of the agency concerned. In many cases, however, bodies of statistical materials of considerable public value have been kept in the files of Federal agencies and not made available to other Federal and private agencies. Statistics compiled by the Social Security Administration and by the Weather Bureau are examples. Publication costs are usually but a small fraction of the original costs of compilation (cf. Table 4 and App. D). Consequently the extra charges of publication would be relatively small. Application of a rational scale of priorities would often justify the publication of such bodies of generally useful statistics.

There is, of course, danger of a converse sort—that statistics that have ceased to be of value or that are too detailed to be of general interest are published at an expense not justified by their utility. A central statistical agency should concern itself with positive wastes of this sort, as well as with wastes due to inadequate exploitation of collected materials.

b) Delays in publication.

When statistics are to serve primarily an historical purpose, the timing of publication may not be a major concern. But when reports are of current interest and are needed for decisions on contemporary issues, promptness in publication becomes a major requirement of a good reporting system. Many current statistics are published promptly; for others the lags in publication are so great as materially to lessen their usefulness.⁵ Table 8 provides a general conspectus of present publication schedules for a selected list of economic series.

c) Full descriptions and statements of the limitations of statistical series are not published.

⁵ Technical factors often necessitate a considerable lag in the final compilation of statistics especially in cases where the number of respondents is large or where complete returns from all respondents are essential. This is true of freight commodity statistics, assembly of which by the Interstate Commerce Commission must wait upon extensive processing by the individual carriers.

TABLE 8
Lags in the Public Release of Selected Economic Time Series
Issued by Federal Agencies

SERIES, AGENCY, AND COLLECTION PERIOD	INTERVAL BEFORE RELEASE ^a		
<i>Production</i>			
Cotton reports, crop condition ^b	BAE	M	1 week
Cotton reports, prod. est. ^c	BAE	A	1 week
Cotton reports, acreage ^d	BAE	A	1 week
Coal production	BM	W	1 week
Milk, poultry, & egg prod.	BAE	M	9-11 days
Industrial prod. index (prelim.)	FRB	M	3-3½ weeks
Electric energy prod.	FPC	M	3½-4 weeks
Mineral production	BM	M	1 month
Domestic pulp & paper prod.	BC	M	5 weeks
Glass containers prod.	BC	M	6½ weeks
Gray iron castings prod.	BC	M	6½ weeks
Metal cans prod.	BC	M	6½ weeks
Sulphuric acid prod.	BC	M	6½ weeks
No. & value of livestock ^e	BAE	A	6½ weeks
Industrial prod. index (rev.)	FRB	M	7 weeks
Synthetic organic chem. prod.	USTC	M	1½-2 months
Shoe production	BC	M	2 months
Synthetic organic chem. prod. (prelim.)	USTC	A	8 months
Synthetic organic chem. prod. (final)	USTC	A	1-2 years
<i>Construction</i>			
Value of new construction	BLS	M	1-5 days
<i>Transportation</i>			
Revenues & expenses, Class I R.R.	ICC	M	1 month
Revenue miles flown	CAB	M	1 month
Op. data, main telephone carriers	FCC	M	2 months
Op. data, teleg., cable, & radio teleg.	FCC	M	2 months
Ton., passenger-miles, Class I R.R.	ICC	M	9 weeks
Fin. & op. data on Classes A & B telephone carriers (prelim.)	FCC	A	8 months
<i>Prices</i>			
Wholesale price index (28 commod.)	BLS	D	1 day
Wholesale price index (weekly)	BLS	W	3 days
Prices rec. & paid by farmers ^f	BAE	M	12-15 days
Wholesale price index (prelim.)	BLS	M	3½ weeks
Marketing margin series ^g	BAE	M	5 weeks
Consumer price index ^h	BLS	M	5½ weeks
<i>Stocks of commodities</i>			
Department store stocks index	FRB	M	1 month
Wholesale inventories (prelim.)	BFDC	M	5 weeks
Wholesale inventories, % change	BC	M	6 weeks

^a Interval between end of period to which data refer and date of press release or date when mimeographed reports are ready to go into the mail.

^b Aug.-Dec. on the 1st. ^c On Dec. 1. ^d On July 1. ^e As of Jan. 1.

^f As of the 15th.

^g Percentage of consumers' dollar going to the farmer.

^h Week including 15th.

SERIES, AGENCY, AND COLLECTION PERIOD		INTERVAL BEFORE RELEASE ^a
Retail inventories (prelim.)	BFDC M	6½ weeks
Retail inventories (rev.)	BFDC M	9½ weeks
Wholesale inventories (rev.)	BFDC M	10½ weeks
<i>Merchandising</i>		
Department store sales index	FRB W	5 days
Farm cash receipts (prelim.)	BAE M	1 week
Retail trade, % change (prelim.)	BC M	15 days
Total retail sales (prelim.)	BFDC M	3 weeks
Retail trade, % change (detailed)	BC M	30 days
Farm cash receipts (rev.)	BAE M	5 weeks
Wholesale sales (prelim.)	BFDC M	5 weeks
Total retail sales (rev.)	BFDC M	5½ weeks
Wholesale sales, % change	BC M	6 weeks
Wholesale sales (rev.)	BFDC M	10½ weeks
<i>Foreign Trade</i>		
Exports & imports, value	BC M	6-9 weeks
Export & import indexes, volume	BFDC M	2½ months
<i>Population, Employment, Income</i>		
Unemployment	SSA W	11 days
Farm employment ¹	BAE M	11-13 days
Total civilian labor force ¹	BC M	4 weeks
Placements, referrals, applications	USES M	1 month
Nonfarm employment (prelim.) ^b	BLS M	5 weeks
Hours & earnings (prelim.) ^b	BLS M	5½ weeks
Labor turnover	BLS M	8 weeks
Employment & payrolls (detailed) ^b	BLS M	9½ weeks
Hours & earnings (detailed) ^b	BLS M	11½ weeks
National income	BFDC Q	3 months
Employment & payrolls	SSA Q	6 months
Employment & payrolls	SSA A	1½ years
<i>Financial Status of Business</i>		
Number of employers	SSA Q	2½ months
Working capital, all corp.	SEC Q	3 months
Financial condition, mfg. corp.	SEC ^c Q	3½ months
New & discount'd bus. & bus. transfers	BFDC Q	4-5 months
<i>Savings and Investments</i>		
Consumer credit, over-all data	FRB M	1 month
Consumer credit, detailed data	FRB M	4-5 weeks
Vol. & compos. of indiv. savings	SEC Q	2½-3 months
Expenditures on plant & equipment	SEC Q	3 months
<i>Money and Banking</i>		
Balance sheet items of reporting member banks	FRB W	1 week
Assets & liab. of all banks ¹	FRB M	1 month
Condition of national banks	CC SA*	2 months
Call reports	FRB SA*	2-2½ months

¹ As of the 1st.

¹ Week including the 8th.

^c This report is issued jointly by the Securities and Exchange and the Federal Trade Commissions.

¹ As of the last Wednesday.

TABLE 8 (concl.)

SERIES, AGENCY, AND COLLECTION PERIOD			INTERVAL BEFORE RELEASE ^a
Assets & liab. of insured banks (prelim.)	FDIC	SA	2-2½ months
Earn. & div. of national banks	CC	SA	3 months
Earn. & div. of insured banks (prelim.)	FDIC	A	4 months
Earn. & div. of member banks	FRB	SA	4-5 months
<i>Government Finance</i>			
Individual income tax data (prelim.)	BIR	A	2 years ^m
Corporate income tax data (prelim.)	BIR	A	2¼ years ^m
<i>Official Compilations</i>			
<i>Minerals Yearbook</i>	BM	A	2½-6 months
<i>Statistics of Electrical Utilities</i>	FPC	A	8-9 months
<i>Statistics of Railways</i>	ICC	A	17 months ⁿ
<i>Statistics of Communications</i>	FCC	A	19 months
D: daily	W: weekly	M: monthly	Q: quarterly
SA: semiannually	SA*: two or more per year	A: annually	
BAE: Bureau of Agricultural Economics	FPC: Federal Power Commission	FRB: Board of Governors of the Federal Reserve System	
BC: Bureau of the Census	ICC: Interstate Commerce Commission	SEC: Securities and Exchange Commission	
BFDC: Bureau of Foreign and Domestic Commerce	SSA: Social Security Administration	USES: United States Employment Service	
BIR: Bureau of Internal Revenue	USTC: United States Tariff Commission		
BLS: Bureau of Labor Statistics			
BM: Bureau of Mines			
CAB: Civil Aeronautics Board			
CC: Comptroller of the Currency			
FCC: Federal Communications Commission			
FDIC: Federal Deposit Insurance Corporation			

^m Periods are for preliminary press releases. Final volumes in greater detail appear much later. As of June 1948 the latest published volumes were those for 1942. The amount of work is the main cause of delay, especially for the war and immediate postwar years. The lag between preliminary releases and published reports is gradually being reduced.

ⁿ Final 1946 printed edition issued April 1948. The reports were due from the railroads March 31, 1947; all the data were sent to the Government Printing Office in August 1947.

To these three faults we add the absence of a coordinated publication program. In general, in our Federal statistical system decisions concerning publication are made by each agency. This is true not only with respect to the data initially collected by individual agencies. Many agencies publish

selections of materials collected by other Federal agencies. Thus we have in the *Federal Reserve Bulletin* statistics on production, prices, wages, employment, national income, etc., as well as statistics relating more immediately to monetary and credit problems. Similarly, the *Monthly Labor Review* published by the Bureau of Labor Statistics, the *Survey of Current Business* published by the Bureau of Foreign and Domestic Commerce, the *Agricultural Situation* published by the Bureau of Agricultural Economics, *Economic Indicators* published by the Joint Committee on the Economic Report, and other publications contain diverse materials drawn from many Federal agencies. Much of the apparent overlapping of these various publications is fully justified. Federal Reserve authorities must take account of the whole economic picture in formulating credit policies; the Council of Economic Advisers must include a wide range of economic processes in their surveys; the businessman, the labor official interested in industrial relations, and the farm adviser must all take a wide view of economic and social phenomena. Nevertheless, more effective coordination of publication procedures would make for economy and for greater effectiveness in the dissemination of statistical data.

Means of correction. Central review of publication practices and procedures is essential. This must be effected without vesting in a single central agency complete control over publication. Our general recommendation is that a publication program and schedule be drawn up by the central statistical agency, with the close collaboration and cooperation of all the other agencies concerned. The publication schedule should set forth time standards for the publication of all important current and annual statistical series. Failure to meet time standards should be reported to the central statistical office, which should have general responsibility for seeing that the schedule is adhered to. Officials of the Government Printing Office should participate in the preparation of such a schedule and should cooperate in its maintenance. (The Department of Agriculture has been highly successful in

framing and maintaining such a schedule of publication for its own statistical series.) The publication program should provide for the systematic division of functions among agencies in respect of publication. Justifiable duplication should be authorized and all unnecessary duplication eliminated.

The central statistical office should, during the first year of its existence, request reports from statistical agencies specifying all important bodies of statistics collected but not published, with indications of appropriate priorities in respect of publication. On these reports and its own studies the central statistical office should base recommendations concerning publication of data heretofore unpublished and possible restrictions on data previously published.

(See Recommendations 25, 26)

14) INADEQUATE COORDINATION OF FEDERAL-STATE ACTIVITIES

At many points Federal and State activities related to the collection, compilation, and analysis of statistics are interdependent. Statistics collected by the United States Employment Service, the Social Security Administration, the Office of Education, some of those collected by banking authorities, statistics on crime and on public health, and others are composites of Federal and State operations. Extensive as these interrelations are, however, they are incomplete and suffer materially from lack of common standards and practices among the States and between the States and the Federal agencies, and among Federal agencies having relations with the various States. Moreover, Federal reporting requirements do not in all cases coincide with the administrative, informational, and research needs of the States. Federal relations with State agencies are sometimes such as to weaken State initiative and responsibility.

Means of correction. The standardization of practices and the improvement of procedures involving joint activities of Federal and State governments promise not only substantial improvement in the quality and coverage of statistical records but also a more equitable division of the costs of

statistical activities between Federal and State agencies. When common standards have been worked out and generally applied, a division of costs may be effected under which the States carry a larger proportion of the burden of collecting local statistics and the Federal government carries the burden of national aggregates and of broad regional aggregates. The uneven development of State standards and practices stands in the way of generally satisfactory arrangements of this sort. Under the leadership of Federal authorities substantial improvement of standards and the achievement of a satisfactory common level are possible. The central statistical office should take the initiative in formulating a program of Federal-State activities for improving and standardizing statistical activities in which both Federal and State governments are concerned. Representatives of State agencies should participate fully in preparing such a program.

(See Recommendation 22)

15) INADEQUACY OF PLANNING TO MEET THE NEEDS OF NATIONAL EMERGENCIES

Every great national emergency, whether it be such a depression as that of the 1930's or a major war, makes heavy new demands upon the statistical services. When the Federal government is obliged to undertake new tasks such as promoting a program of public works, extensive unemployment relief, farm support on a nationwide scale, or programming a major war effort, up-to-the-minute, comprehensive, accurate, and detailed statistical information is essential. In the past these needs have largely been met by *ad hoc* improvisations, improvisations that have been ultimately effective but that have entailed delay, waste, and excessive burden on respondents.

Means of correction. Many emergency needs can be foreseen and plans made for meeting them. In the statistical field the best preparation for such emergencies is the development of a thoroughly adequate system of statistical reports and analysis serving the ordinary nonemergency needs of the na-

tion. However, it should be the responsibility of the central statistical office to anticipate, as far as possible, the special needs of war or of depression. In consultation with other interested agencies, including the military, a program for meeting these needs should be drawn up. Such a program will involve the curtailment of some ordinary activities and expansion to provide additional services to meet emergency needs. A flexible program, reviewed and modified from time to time, should be on file ready for implementation if an emergency develops.

(See Recommendation 14)

16) OBSTACLES TO INTER-AGENCY TRANSFER OF FUNDS AND
LEGAL LIMITATIONS ON THE ACCEPTANCE OF COMPEN-
SATION FOR WORK DONE FOR PRIVATE INTERESTS

It is often desirable, under the conditions existing in our present reporting system, for one agency to perform the tasks of collection or tabulation for another. A notable example of an arrangement of this sort is the proposal to have the Bureau of the Census and the Bureau of Agricultural Economics sponsor jointly an annual sample census of agriculture. There should be full freedom, subject to the general supervision of a central agency, for the extension of such arrangements, since they make for greater efficiency in the performance of allotted tasks. Reimbursement of one agency by another is at present permitted, but administrative and other blocks impede the development of free and full interchange of services.

A somewhat similar problem arises in connection with the performance of services by Federal agencies for private business enterprises or private associations of other sorts. The Bureau of the Census and other agencies are often called upon to prepare special tabulations or to perform other services of a private nature. There is, of course, danger that public interests may suffer in performing tasks for private interests. Often, however, the information desired by a private concern, for which that concern is willing to pay full costs, would be useful also for public purposes and to citizens at large. Under

present laws most agencies are seriously restricted in activities of this sort. Even when compensation may be accepted from private interests the sums so received cannot usually be credited to related appropriation accounts.

Means of correction. Freedom for inter-agency services and for the acceptance of funds from private interests for the performance of specific tasks is desirable when such arrangements are clearly in the public interest. Indeed, as regards the receipt of funds from private interests, there are possibilities that substantial proportions of the cost of maintaining statistical services can be borne by interests immediately benefited, to the relief of the public purse. An essential condition of any such arrangement, however, should be the approval of each case by the central statistical office and certification by that office that the arrangement does not in any way conflict with the public interest.

(See Recommendations 12, 28)

17) BUDGETARY UNCERTAINTIES AND RESULTING INSTABILITIES

The system of annual appropriation of funds for the support of Executive activities is deeply rooted in the American system. There are, of course, good reasons for this procedure and for the continuing checks upon the uses to which tax receipts are put in the conduct of government. However, for activities in which some long range planning is needed, the system has serious operating disadvantages. Thus the Bureau of the Census must make plans well ahead of time for the conduct of its basic censal enumerations every 5 or 10 years. In lesser degree, most of the other major statistical agencies must make advance commitments if their major programs are to be carried through. An unexpected reduction of funds often leads to the loss of funds previously committed. Recurring budgetary uncertainties lead also to administrative instabilities and tend to lessen operating efficiency.

Examination of the actual historical record of appropriations for given agencies indicates reasonable continuity and dependability of budgetary appropriations. Recent post-

war reductions inevitably bulk large in the present thinking of the officers of statistical agencies. The pains of retrenchment are still fresh in their minds. Recurring uncertainty is, however, a very real fact. Planning and programming would be more soundly based and morale would be higher if the degree of uncertainty could be reduced.

Means of correction. To the degree possible under existing legislative practices, appropriations for major censuses should be made far enough in advance to permit full and adequate preparation by the Bureau of the Census. The basic quinquennial and decennial censuses are recognized activities about which there is no fundamental question. Advance commitments are strongly recommended.

The preparation of a consolidated statement of expenditures on statistical activities will give opportunity for detailed and critical review of the programs of statistical agencies by a central statistical office. It is to be hoped that much of the necessary elimination of doubtful budgetary requests can be effected by the central statistical office. With wisdom in the operations of this office, and with Congressional review of the over-all progress of statistical activities (see the discussion under the following heading), it should be possible to reduce materially the uncertainties now felt by individual agencies.

(See Recommendation 16)

18) FAULTY RELATIONS WITH THE CONGRESS

Perhaps just as serious as the difficulties due to piecemeal development of the system of statistical agencies are the difficulties arising from the lack of a generally employed procedure by which Congress and its committees can view the statistical reporting system as a whole and judge the relative urgencies of various programs. Nine subcommittees of the House Committee on Appropriations and nine subcommittees of the Senate Committee on Appropriations review the programs and budget proposals of statistical agencies, although the activities of these agencies are all closely related

and interdependent. When the appropriations of certain agencies are expanded without reference to action on related statistical programs of other agencies, the system of statistical reporting as a whole may be thrown seriously out of balance. The same thing can happen when the budgets for statistical purposes of certain agencies are cut without reference to action affecting the interrelated activities of other agencies. In dealing with our closely knit economic and political systems statistical intelligence must be viewed and maintained as a unit. The lack of instruments by which Congress may be informed about the needs of this system as a whole and enabled to maintain proportionality and balance among the elements of this system is a serious defect.

Means of correction. We propose that the duties of the central statistical office include the preparation of a comprehensive annual report on the statistical services as a whole and a consolidated statement of expenditures covering all statistical activities of Federal agencies. This report should be submitted to Congress and made available to the committees on appropriations. Moreover, we urge that Congress and its committees utilize this central office in considering appropriations for statistical purposes and in drafting legislation involving statistical activities.

(See Recommendations 4, 5, 15)