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5 RECOMMENDATIONS

ON PRINCIPLES OF ORGANIZATION AND ADMINISTRATION

1) *That the tasks of collecting, processing, and analyzing statistics be divided among*

Various agencies gathering statistics for use as instruments of management or as byproducts of administrative or regulatory activities.

A single agency, qualified for economical mass enumeration and the efficient use of sampling procedures, serving the public and other agencies of government in repetitive and large scale tasks of primary collection and tabulation.

A small number of agencies devoted to research and analysis in specialized fields and to limited primary collection calling for highly specialized knowledge of subject matter.

A small number of analytical agencies and advisory councils utilizing statistics collected and processed by other agencies.

This division would entail the maintenance of a statistical intelligence system that is decentralized in the analysis and use of statistics and in tasks of collection that call for highly specialized knowledge. Operations of repetitive collection and tabulation not requiring highly specialized knowledge of subject matter would, however, be consolidated and centralized. It is a condition of such centralization that close liaison be maintained between agencies engaged in collection and those engaged in analysis, and that the collection process be jointly planned.

2) *That the collection and processing of all statistics entering into a unified national system of statistical intelligence be subject to the control of a central statistical office, hereinafter called the Office of Statistical Standards and Services. This Office should be responsible for the adequacy of the system as a whole, for its economical operation, for coordinating the*

activities of statistical agencies, and for determining priorities among these activities. (See Recommendations 13 and 14)

3) *That responsibility for the assembly, interpretation, and unified presentation of statistics relating to subject matter fields that cut across departmental and agency divisions be assigned by the Office of Statistical Standards and Services to specific agencies.* The Office of Statistical Standards and Services would assist such focal agencies in matters involving inter-agency relations, and would harmonize the programs of different focal organizations. An organization charged with focal duties would utilize all relevant data, those compiled by other agencies as well as by itself, in administering a unified program of reports and analyses.

In most instances focal responsibilities would be assigned to existing agencies. If no existing agency is clearly suitable in a given case, creation of a new key organization may be recommended by the Office of Statistical Standards and Services.

The prompt development of the focal agency principle, with unequivocal assignment of responsibilities in major problem areas, is one of the urgent needs of the Federal statistical program.

4) *That the activities of the system of national statistical intelligence be subject to annual review by the Executive and Legislative Branches of the government.* This review should comprehend the system as a whole, so that actions with respect to appropriations and the allocation of functions would be based on a view of the whole and an understanding of the relations among the parts.

5) *That the Office of Statistical Standards and Services annually summarize and consolidate the operating expenses and appropriation requests of statistical agencies and appraise them for the benefit of the Bureau of the Budget, the President, and Congress.* This is necessary to ensure proportionality and balance in the collection and analysis of statistical information.

6) *That systematic and continuing liaison be maintained*

between governmental statistical agencies and respondents, to the end that the burden on respondents be minimized.

7) *That in the setting of civil service employment standards and in appointments and promotions due recognition be given to the special character of the work of statistical personnel at upper levels.* The recruitment and maintenance of high grade technicians is essential to the efficiency of the statistical services. Technical and analytical performance cannot be weighed on the same scales with administrative performance. The application to technical or research personnel of grading standards based upon number of persons supervised is especially inappropriate. Employment procedures for statistical personnel should be flexible; tasks of examination and recruitment should be delegated to operating agencies, under the general supervision of the Civil Service Commission.

8) *That, in view of the necessity for objectivity in the collection, organization, and presentation of the facts of national life, the functions of fact finding be clearly distinguished from activities involving the setting of social goals or the promotion of special aid programs.* Statistical agencies should be clearly recognized as representatives of the public, not regarded as agents of special groups or as advocates of special interests.

ON THE DIVISION OF FUNCTIONS AMONG STATISTICAL AGENCIES

9) *That the Bureau of the Census be designated the service agency of the government for the primary collection and tabulation of statistics gathered on a repetitive basis, and for which highly specialized knowledge of subject matter is not required in the collection process.* In the collection of primary data the field offices of the Bureau of the Census should be used to the fullest extent possible by other agencies of government, through inter-agency agreements. This recommendation aims at greater centralization in collection.

10) *That the Office of Statistical Standards and Services designate the responsibilities of the major special purpose agencies in the statistical system and define their respective*

fields of operation. We recommend that these agencies increasingly devote themselves to analysis and research (including the construction of major indexes) in their several subject matter fields, and that they confine the work of collection to nonrepetitive undertakings and to highly specialized repetitive activities not suitable for allocation to the Bureau of the Census.

The following suggestions take account of existing practices and capacities in certain fields in which special purpose agencies operate.

The Bureau of Agricultural Economics will perform research and analytical duties in handling statistical materials relating to farm life and agricultural operations; it will have continuing responsibility for collecting specialized agricultural statistics.

The Bureau of Labor Statistics will have general responsibility for research and analysis relating to wholesale prices and living costs, employment and unemployment, working hours, wages and payrolls, productivity, and allied subjects primarily involving the activities of wage earners and salaried groups, and for the collection in these fields of specialized statistics not suitable for assignment to the Bureau of the Census. It should be charged with the conduct of 'prevailing wage' inquiries on behalf of all other agencies of government, including the military.

The Bureau of Mines will be responsible for research and analysis in the general field of mineral economics, for the maintenance of necessary commodity and regional specialists and for specialized functions in the collection of mineral statistics.

Units of the Bureau of Foreign and Domestic Commerce will conduct research and analysis utilizing statistics of national income and of industry and trade, with reference to problems of business administration and issues of national policy. Focal responsibility for assembling and interpreting statistics on manufacturing and trade and on in-

vestment processes may appropriately be lodged in a division of this Bureau.

Appropriate divisions of the Public Health Service will be responsible for the repetitive collection of natality, mortality, and morbidity statistics (which should be part of a unified collection program) and for specialized research, analysis, and statistical testing in the field of vital statistics.

The Board of Governors of the Federal Reserve System will be responsible for research and analysis in monetary economics, with focal responsibility for statistics in the broad field of money, credit, and banking.

We would emphasize the strategic importance in a national system of statistical intelligence of a small number of well staffed, objective, skilled, and alert special purpose agencies, qualified to aid the Executive and Legislative Branches of government in interpreting complex social and economic movements, and contributing to public understanding of the conditions of modern life. Such bodies supplement the agency that performs the primary tasks of mass enumeration and tabulation, and support one another in providing a rounded analysis of current changes. It is a major duty of the Office of Statistical Standards and Services to see that these several special purpose agencies and the Bureau of the Census stand in complementary and not in competitive relations, one with another.

11) *That the resources of administrative and regulatory agencies as primary producers of statistics serving important public purposes be more fully exploited, and that the activities of other agencies of collection and analysis be adapted to the work of administrative and regulatory agencies.* Guidance in both matters would be the duty of the Office of Statistical Standards and Services.

12) *That agreements for inter-agency collaboration in collecting or processing statistics and for the performance of stated services by one agency for another be promoted and facilitated.* To this end, the transfer of funds between agencies

should be permitted, on authorization of the Office of Statistical Standards and Services.

ON THE ORGANIZATION AND DUTIES OF THE
OFFICE OF STATISTICAL STANDARDS AND SERVICES
AND ON THE BUDGETING OF STATISTICAL SERVICES

13) *That there be maintained in the Executive Office of the President an Office of Statistical Standards and Services having general responsibility for developing and maintaining a system of statistical intelligence and for its economical management.* It should have powers necessary to the full coordination of the elements of that system and for the enforcement of desired procedures and appropriate standards. This Office should discharge the present duties of the Division of Statistical Standards but should have scope for greater initiative and authority appropriate to a broader role. It would seek to ensure the accuracy, representativeness, timeliness of publication, and comparability with other data of all statistical series serving public purposes. The work of this Office should be largely confined to supervisory and staff functions, with a minimum of routine duties. Its personnel should include men of the highest administrative and technical competence. The head of the Office should be appointed by the President.

14) *That the functions of the Office of Statistical Standards and Services include the following, to be performed subject to the direction of the President:*

a) To discharge the duties now assigned to the Bureau of the Budget under the Federal Reports Act of 1942.

b) To prepare annually for the use of the President, and for submission to Congress, an appraisal and report on statistical needs and statistical services. This report would include

A statement of accomplishments during the year by way of innovations, revisions, economies, and curtailments of activities that have lost significance.

An evaluation of the system of Federal statistical reports, with reference to governmental and private needs in policy

formation, legislation and administration, and in the working of competitive enterprise.

Recommendations for improvements in the statistical reporting system, noting faults to be corrected, economies to be effected, gaps to be filled, organizational modifications, and possible shifts in the allocation of statistical functions.

Suggestions concerning legislation.

A consolidated statement of actual and contemplated expenditures by governmental agencies on statistical activities. This should include the budgets of agencies primarily devoted to the collection and analysis of statistics, with allocated portions of the operating costs of other agencies contributing to the system of statistical reports and analyses. This statement should be formally submitted also to the Estimates Division of the Bureau of the Budget, with recommendations designed to achieve balance among statistical activities and over-all adequacy in the statistical intelligence system.

For use in preparing its report and the consolidated statement of costs, the Office of Statistical Standards and Services should receive from each agency whose activities come within its purview an annual report, including a program of statistical activities proposed for the coming fiscal year and a statement of contemplated expenditures. This budget should indicate the order of priorities, in the judgment of the agency in question, of the activities for which funds are sought.

c) To allocate functions among statistical agencies.

d) To act on requests from officers of the Executive Branch or Congressional committees for statistical information not supplied by currently available reports; in collaboration with operating statistical agencies to initiate steps to obtain such information, when feasible within the limits of available resources. The Office of Statistical Standards and Services should have authority, for such purposes, to arrange reimbursement of funds among agencies within the government for the per-

formance of special work. The Office should also, on request, provide the President, the Cabinet, Congress, and the Council of Economic Advisers with validated statistics on economic conditions and trends and on other national affairs; to this end the Office should evaluate, combine, and reconcile reports from different statistical agencies.

e) To sponsor programs of in-service training for statistical personnel.

f) To collaborate with specified agencies (designated in subsequent sections of this Report or to be designated by the Office of Statistical Standards and Services) in

Maintaining a central mailing list of respondents for the use of all Federal agencies (see Recommendation 23)

Maintaining a catalogue of current statistical series (see Recommendation 24)

Designing and publishing the annual Statistical Abstract and a monthly Statistical Digest (see Recommendation 26)

g) In consultation with representatives of the National Security Resources Board and of the armed services to formulate a program for a national system of industrial and social statistics adequate to meet the demands of war or of other national emergency; to determine the relative urgencies of needs for such statistics; to initiate at once basic censuses and current series requisite to such a program.

15) *That the Committees on Appropriations of the House of Representatives and of the Senate, and other Congressional committees, request representatives of the Office of Statistical Standards and Services to testify before them concerning all appropriations for statistical purposes and all legislation involving statistical functions. This is not intended to preclude or in any way to replace the appearance of representatives of individual agencies.*

16) *That each year the Office of Statistical Standards and Services place before the Committees on Appropriations of the House and the Senate a statement concerning preparatory work proposed for the coming fiscal year on major censuses*

and other large scale tasks of collection or tabulation. This statement should be accompanied by a time schedule of proposed future expenditures on the major undertakings in question. In this, and in its general supervision of statistical activities, the Office of Statistical Standards and Services should seek to achieve all possible stability in the operations of statistical agencies, aiding the President and Congress to check wasteful expansions and, by restricting statistical activities to projects of a high order of priority, forestalling drastic curtailments.

17) *That when Congress shall have approved a program of statistical reports and analysis which, in its judgment, can best be executed through the collaboration of several agencies, the appropriation of requisite funds be made to the President, to be allocated by him on recommendation of the Office of Statistical Standards and Services. Further, we recommend that a general fund of at least two hundred and fifty thousand dollars be made available each year for the general improvement of the system of statistical intelligence and for special studies dictated by emergency needs, this fund to be assigned to the President for such use or uses as he may determine, upon recommendation of the Office of Statistical Standards and Services.*

ON THE RELATIONS OF FEDERAL STATISTICAL AGENCIES WITH
RESPONDENTS AND ON THE BURDEN ON RESPONDENTS

18) *That the Advisory Council on Federal Reports, established and supported by respondents to Federal inquiries, continue to operate, concerning itself as at present with the technical aspects of report forms and not with issues of policy.*

19) *That the Office of Statistical Standards and Services provide for and enforce the consolidation of reporting operations and the greater centralization of collection functions.*

20) *That provision in law be made to relieve any Federal agency or officer of any requirement under existing law directing the collection of reports from the public if substantially equivalent information that will meet the needs of such*

agency or officer is available from other reports to any Federal agency.

21) *That in order to minimize the burden of Federal reports upon small business enterprises present efforts aimed at simplifying forms and questionnaires to be submitted to such enterprises be continued and extended.* It should be the duty of the Office of Statistical Standards and Services to see that report forms are adapted to the capacities and resources of such concerns and are so related to the longer forms to be used by large enterprises that returns relating to major items can be compared or combined.

The Office of Statistical Standards and Services, after consultation with the Advisory Council on Federal Reports and with representatives of interested Federal agencies, should determine the size limits (expressed in number of employees or amount of annual sales) with reference to which small enterprises shall be defined.

22) *That there be undertaken, on the initiative of the Office of Statistical Standards and Services with the collaboration of all interested Federal statistical agencies and with the participation of experts from outside the government service, the following studies, looking toward the submission of recommendations for legislative and executive action designed to lighten burdens on respondents and to promote economy and efficiency in the statistical services:*

- a) To determine to what degree provisions concerning the confidential character of certain reports to Federal agencies make for duplication of activities and for heavier burdens on respondents; to explore means by which such information can be placed at the disposal of other Federal agencies under rules affording proper protection to individual respondents.
- b) To identify and define differences in the procedures required under tax and regulatory laws affecting business enterprises, corporate and noncorporate. In particular, attention should be given to requirements for calculating depreciation charges, estimating capital gains and losses, estimating net income, and determining other items in balance sheet and

income accounts. This study should lead to recommendations for the standardization of practices, definitions, and procedures required of business enterprises in conforming to Federal statutes.

c) To explore means of coordinating and unifying the statistical reporting systems used by Federal and State governments for their several purposes. In so far as private reports (e.g., accident reports to insurance companies) cover subjects with which governmental reports also deal, representatives of interested private organizations should be brought into this investigation in order that general standardization of report forms used for both public and private purposes may be advanced.

23) *That the Bureau of the Census, in cooperation with the Office of Statistical Standards and Services and the Social Security Administration, create and maintain a general mailing list of respondents and related industrial and business directories for the use of all Federal administrative, regulatory, and reporting agencies.* With due regard for specialized needs, this would be the master mailing list for obtaining statistical reports. It should include such master samples as are necessary for coordinating the sampling operations of Federal statistical agencies. Existing laws should be amended to permit the Bureau of the Census to issue lists showing names, addresses, and business and size classifications of firms covered by its censuses of business and industry.

ON THE RELATIONS OF FEDERAL STATISTICAL AGENCIES WITH
USERS AND ON SERVICES RENDERED THE USERS OF
STATISTICAL REPORTS

24) *That the Office of Statistical Standards and Services and an appropriate agency to be designated by it have joint responsibility for creating and maintaining a catalogue of continuing, current statistical series collected or compiled by Federal agencies, with adequate explanatory notes concerning the sources and precise meanings of the data.* This catalogue

should, initially, be confined to published materials in selected important subject matter fields. In its preparation a numbering code should be established for the precise designation and identification of every continuing statistical series maintained by Federal agencies. Each series should carry its code number in all releases and formal publications.

25) *That the Office of Statistical Standards and Services, in coordinating the publication of statistical series, prepare a general program designed to eliminate waste and minimize duplication in the issuance of mimeographed and printed reports, and a schedule of the timing of publication of current statistics.* In supervising the publication program the Office should require that the conditions of collection of basic statistics be described and that the degree of reliability of all statistical measures be indicated. To prevent undue lags in publication, the Office should check the maintenance of the publication schedule.

26) *That the Office of Statistical Standards and Services collaborate in publishing an annual Statistical Abstract and a monthly Digest of Statistics.* Compilation and publication should in each case be the duty of an operating agency, but the Office of Statistical Standards and Services and the designated agency should have joint responsibility for the content and organization of the official publication. The Office of Statistical Standards and Services should inquire into the feasibility of sectional publication of the official monthly digest, different agencies being charged with responsibility for specific divisions, all designed after a common pattern.

27) *That close liaison be maintained between statistical agencies and users of governmental statistics.* Existing advisory councils represent labor and business groups in specific fields of statistical interest; professional societies have sponsored a Census Advisory Committee and occasional special purpose committees. This system should be extended and strengthened. Such councils and committees should bring the needs of users to the attention of Federal offices, provide disinter-

ested professional advice, and subject the statistical work of governmental agencies to continuing critical appraisal.

The initiative in creating such bodies may come from individual agencies, from outside groups, or from the Office of Statistical Standards and Services. That Office should have responsibility for maintaining an effective system of advisory councils and boards of review. Funds allocated to the several statistical agencies should be available for meeting the expenses of members of such councils and boards, when required, and for per diem compensation.

28) *That the costs of statistical services of primary benefit to special groups be shifted in part to these beneficiaries.* To this end we recommend that individual agencies be authorized to accept funds from private sources in payment for special services, and to credit such receipts to related appropriation accounts. Each such acceptance should be subject to the authorization of the Office of Statistical Standards and Services and to certification by that Office that the service in question is not inconsistent with the public interest. In furtherance of this economy the Office of Statistical Standards and Services, after a general inquiry into existing procedures, should determine what statistical series may appropriately be gathered at public expense and what series should be continued only on the basis of reimbursement from private sources.

The recommendations set forth above have as their objective an ordered, economical development of governmental statistical activities. We must anticipate continuing needs of a high order of priority for statistical intelligence on the basic processes of national life. These needs will generate continuing pressures, coming from within the structure of government and from without, for expanding statistical services. But the resources to be devoted to governmental activities will be limited. To forestall wasteful increases in the costs of statistical services, instruments of efficient management must be provided and lines of systematic development laid down.

As means to these ends we propose a central office with adequate authority and funds, a division of functions that will eliminate overlaps and areas of doubtful jurisdiction, and a program that will unify the activities of the diverse elements of the system of statistical intelligence.