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1955 REPORT ON  
ECONOMIC STATISTICS  
OF THE  
JOINT COMMITTEE  
ON THE ECONOMIC REPORT  
TO THE  
CONGRESS OF THE UNITED STATES



JANUARY 5, 1956.—Ordered to be printed

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## JOINT COMMITTEE ON THE ECONOMIC REPORT

(Created pursuant to sec. 5 (a) of Public Law 304, 79th Cong.)

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Mr. DOUGLAS, from the Joint Committee on the Economic Report,  
submitted the following

R E P O R T

[Pursuant to sec. 5 (a) of Public Law 304, 79th Cong.]

The following report of the Joint Committee on the Economic Report was prepared by the Subcommittee on Economic Statistics, composed of Representative Richard Bolling, chairman, Senator John Sparkman, and Representative Henry O. Talle. The report from the subcommittee was approved for transmission to the Congress by the full committee on November 30, 1955, and will be given further consideration by the committee in connection with its report on the 1956 Economic Report of the President. The findings and recommendations presented in this report are based upon hearings and studies conducted by the subcommittee during 1955.

## I. INTRODUCTION

The Subcommittee on Economic Statistics, in accordance with responsibilities assigned to it by the full committee (S. Rept. No. 60), has worked this year in three major areas. One of these assignments involved an examination of a series of studies, which we were especially fortunate in having already going forward when the year began, on statistics of inventories, savings, consumer expectations, plant and equipment expectations, and general business expectations. These appraisals were being conducted by task forces of distinguished consultants appointed by the Board of Governors of the Federal Reserve System pursuant to a request this subcommittee made in our progress report of last year (H. Rept. No. 2628). The reports of these consultant committees were presented to the subcommittee and publicly released in five hearings held July 19 and 26 and October 4 and 5. Panel discussions were held on those days with the members of the five consultant committees in order to review their findings and give opportunity for expression of views by the individual experts.<sup>1</sup>

Another area which the full committee asked the subcommittee to examine deals with current and proposed programs of statistics of employment and unemployment. Hearings were held November 7 and 8 to discuss the development and adequacy of the current programs in the field of employment and unemployment statistics with the heads of the Government departments charged with collecting and processing such statistics.<sup>2</sup> The efforts which have recently been made by these agencies to improve the quality of their statistics were reviewed and the need for additional data or improvements in techniques examined in light of the Joint Economic Committee's use of such data.

The findings and recommendations of the subcommittee in respect to the hearings held on the Federal Reserve Board consultant committee reports and on employment and unemployment statistics are presented in sections II and III of this report.

During the year the subcommittee, aided by the staff, also continued its intensive review of the monthly publication Economic Indicators. Improvements resulting from this review, which was undertaken with the cooperation of the Council of Economic Advisers and the Bureau of the Budget, were completed in the July 1955 issue of Economic Indicators. Beginning with that issue, a new arrangement of charts and tables was also presented. With the cooperation

<sup>1</sup>Hearings on Reports of Federal Reserve Consultant Committees before the Subcommittee on Economic Statistics, Joint Committee on the Economic Report, July 19 and 26, October 4 and 5, 1955 are available from the Superintendent of Documents, Washington 25, D. C.

<sup>2</sup>Hearings on Employment and Unemployment Statistics before the Subcommittee on Economic Statistics, Joint Committee on the Economic Report, November 7 and 8, 1955 are available from the Superintendent of Documents, U. S. Government Printing Office, Washington 25, D. C.

of the Office of Statistical Standards of the Bureau of the Budget, work was completed during the year on the 1955 edition of the Historical and Descriptive Supplement to Economic Indicators. The supply of the first edition was quickly exhausted after it was first issued in 1953, even though nearly 6,000 copies were ordered for sale by the Superintendent of Documents. The 70-page 1955 edition of the supplement, which was distributed to the committee and went on sale November 2, is having an equally favorable reception.<sup>3</sup>

As part of one of its continuing activities, the Subcommittee on Economic Statistics released on August 22 a summary statement on appropriations for the Government's statistical programs for the fiscal year 1956.<sup>4</sup> This statement, which was prepared by the Office of Statistical Standards of the Bureau of the Budget, was based on special analysis I, Federal Economic Statistical Programs, which was developed at the request of the Subcommittee on Economic Statistics for inclusion in the President's annual budget.

The subcommittee has found this type of presentation to be most helpful and looks forward to the inclusion of such an analysis in the President's budget for fiscal 1957. We are gratified by the final congressional action taken on the program as set forth in the President's budget, especially the inclusion of provisions for improving the sample and dependability of our overall employment and unemployment data, improvements in related data on key aspects of current employment changes, and the collection for the first time in a number of years of comprehensive data on farmers' costs and living expenses.

At the same time we find it most unfortunate that no funds were provided for improvement in construction statistics. One of the most important forces in our current prosperity has been the continued high level of construction. In any appraisal of the economic outlook it is essential to know as much as possible about the health of this industry. Failure to provide any of the requested improvements leaves us with inadequate and scattered data which reflect only long-term trends or the largest changes in construction activity. Funds were also denied for certain improvements in our national income series and the analysis of business trends which are also essential to current economic analysis.

In view of the very real need for this additional statistical information for sound and timely decision-making it is to be hoped that a greater understanding for the need of these series by the public and the Congress will lead to a favorable consideration in the next Congress of the budgets for construction and business trends statistics and other needed improvements.

## II. STUDIES BY FEDERAL RESERVE CONSULTANT COMMITTEES

The Joint Committee on the Economic Report has long been interested in the provision and maintenance of adequate and accurate economic data for public and private policymaking. In furthering this interest, the committee in its report on the 1954 Economic Report of the President directed the establishment of a continuing subcommittee on economic statistics. This subcommittee, under the chairmanship of Representative Henry O. Talle, held hearings in

<sup>3</sup> On sale by the Superintendent of Documents, Washington 25, D. C., for 40 cents a copy.

<sup>4</sup> See appendix B, p. 19.

July 1954, on the adequacy of economic statistics and filed a unanimous report with the full committee. The subcommittee report, which was subsequently submitted to the Congress by the full committee (H. Rept. 2628), included the following recommendation:

9. *The Federal Reserve System might well expand its statistical collection and analysis programs where it has special interest and competence.*—The subcommittee is requesting the Federal Reserve to explore, in cooperation with executive agencies, the adequacy of present statistics in three basic areas: (1) Inventories; (2) savings; (3) consumer and business expectations.

This request includes a thorough review of and basic research into concepts, existing data, sources and procedure for improving these statistics.

On December 14, 1954, the Board of Governors of the Federal Reserve System notified the subcommittee that the recommendation was acted upon favorably. Five consultant committees of outstanding analysts were established by the Federal Reserve Board to carry out the requested studies and were asked to try to complete their findings by June 30, 1955.<sup>5</sup>

Each of these task forces of consultants has been made up of people who use economic statistics intensively, either in public or private affairs, and in many instances are also experienced in dealing with the problems of compiling information. In addition to developing their own collective judgment, the consultant committees surveyed in various ways the needs of active users of this type of information in business and other private organizations, universities, and governments. The subcommittee has been deeply impressed with the very practical and immediate needs which users indicated they have for improved and expanded data. We have also been particularly impressed with the degree to which the consultant groups were cost conscious. There were repeated statements and evidence that these distinguished experts deliberately restricted themselves to recommendations which could be justified on the basis of minimum costs for a maximum of results in the most vitally needed directions.

The reports of the five consultant committees organized by the Federal Reserve Board at the request of this subcommittee contain many recommendations for improvements in both public and private economic statistics. (See Summary of recommendations, appendix A, p. 9.)

Our specific recommendations based on these studies are divided into two groups: Those which can be, and should be acted upon at once; and those to be developed and put into operation over the next several years. Some of these improvements can be accomplished within present budgets. Where additional funds are required, we recommend that the Bureau of the Budget make every effort to include such funds in the President's budget for consideration by the Appropriations Committees of the Congress at this coming session.

#### RECOMMENDATIONS ON IMMEDIATE NEEDS

We strongly recommend immediate action on the following steps to bring economic statistics into line with minimum pressing needs, both public and private. (Page references to a summary of the consultant committees recommendations contained in appendix A of this report are noted after each of these recommendations.)

<sup>5</sup> Copies of this correspondence are reproduced in the Hearings on Reports of Federal Reserve Consultant Committees, pp. 5-8.

*Inventories, shipments and orders.*—Reliable current information on business inventories is an essential element in analyzing economic changes in such areas as output, employment, credit, and prices. Business inventory information was found to be widely recognized by analysts in business, academic, and government positions as of the utmost importance in the shaping of public policies, including monetary and fiscal policies and other policies directed toward economic stabilization and growth; and many business policies, including investment plans as well as current buying and production programs.

We recommend:

(1) The monthly Industry Survey of the Office of Business Economics, covering manufacturers' inventories, shipments, and orders should be strengthened, as for example, through introduction of a new sample design, adequate to reduce errors, to reduce present overlapping between industries, to provide finer detail, and to secure market groupings as well as present industry groups (p. 10).

(2) The Census Bureau's monthly series on retail and wholesale sales and inventories should be enlarged and improved, so as to obtain broad coverage and provide inventory data by market categories corresponding to those for manufacturers (p. 11).

(3) The Federal Reserve statistics on department stores should be expanded to include outstanding orders for major departments and seasonally adjusted data by major departments should be published (pp. 11 and 12).

*Business plant and equipment expenditure expectations.*—Statistics on business plant and equipment expenditure expectations are among the best known indicators of business conditions and prospects. Improvements in this area of economic intelligence are particularly important since the data reveal not merely what has happened but foreshadow what may happen to one of the most dynamic elements in the economy in the foreseeable future. Data of this type have hence become of great importance not only to those engaged in gaging the possible future course of the economy as it may affect the outlook for individual businesses, but also for those of us who are concerned with the problems of maintaining maximum employment, production, and purchasing power in accordance with the objectives of the Employment Act.

We recommend:

(1) A new monthly series on new orders, shipments, and unfilled orders for capital equipment should be developed to complement data secured in the monthly Industry Survey (p. 13).

(2) The basic data on current construction activity should be improved with immediate action concentrated on the areas revealed in our hearings of July 1954 and incorporated in the President's budget of January 1955. (These are largely the same areas noted in the consultant committee report. This is a minimum program and would still leave room for additional improvements to bring data in this area up to fully adequate standards of reliability.)

(3) The sample coverage of the SEC-Commerce data on anticipated plant and equipment expenditures should be expanded to fill the more significant gaps, and to take care of the constant sample bias by sampling new firms at regular intervals (p. 14).



*Savings.*—Users report that adequate statistics of savings are needed because they provide most important information on the sources from which our economy's growth is financed and the channels through which the funds flow. As the task group for this area reported—

\* \* \* In the private area, saving statistics are of particular value in determining investment policies and appraising availability of funds from the capital market. In the field of public policy, saving statistics are of importance in the formulation of tax, monetary, and credit policy, in debt management, and in the operation of social welfare programs.

We recommend:

(1) The responsibility for developing programs in the field of savings statistics and their sponsorship should be lodged in one place within the Federal Government but the actual compilation should be continued on the present decentralized basis (p. 14).

(2) Savings data, as well as other important statistical series, should be improved through extension of the FTC-SEC quarterly Financial Reports, now limited to manufacturing, to cover trade and other types of corporations, and through institution of financial reports for a sample of unincorporated businesses (p. 15).

*Surveys of consumers and business expectations.*—The two consultant committees which surveyed consumer and business expectations data seem to have been inclined to approach their task with some skepticism as to the value of the surveys. Certainly this was true in the field of business expectations. Both these groups, however, came to similar conclusions; namely, that repeated surveys of consumer and business expectations hold such great promise for providing information which will enable better forecasts to be made regarding economic trends and the effect of economic policies and programs that the expansion of data in these two fields is warranted, justifying expenditure of additional funds, both public and private, for these purposes. The statistical surveys of consumer and business expectations should include more frequent and inclusive interim surveys; and should make greater use of reinterviews or resurveys of identical firms or households to check the results of the surveys, to obtain evidence as to reasons for failure to carry out expressed intentions; and to explore means of reducing "response errors" (pp. 16 and 17).

While it was not included in the recommendations of the consultant committee, we suggest that the agencies involved consider providing survey results in the late fall of the previous year rather than the spring of the year covered by anticipations, either by retiming of surveys, if feasible, or by making preliminary surveys prior to the present operations in January and February of each year.

#### RECOMMENDATIONS ON LONGER RUN NEEDS

The grouping of the following recommendations under a longer run program reflects the technical difficulties involved and the developmental work required to carry them out rather than any evaluation of them as less important or less pressing. They are therefore recommended not for a dusty shelf of a distant tomorrow but as areas in which work should begin immediately so that the final steps can be carried out when technically feasible.

(1) Studies should be undertaken of (a) means for estimating the proportion of inventories and associated data that are defense related; (b) needs for, and costs of, current statistics on inventories other than in manufacturing and trade; (c) means of meeting needs for measures of physical volume of inventories both in aggregate and in selected detail.

(2) In the field of savings, effort should be directed at (a) segregating incomes, expenditures and savings for at least four main groups—nonfarm households, farmers, unincorporated business firms, and private nonprofit institutions—all now included in the aggregate figures for the so-called personal sector; (b) developing current data on the gross as well as net savings by type; and (c) developing a sources-and-uses-of-funds statement on a quarterly basis, at least for the corporate sector.

(3) The National Science Foundation should investigate the possibilities of a program of research grants for studies recommended by the five task forces as particularly promising.

(4) The need for promptly available facts on the related aspects of consumer behavior being great, the Budget Bureau should review the various federally sponsored programs in the field to see specifically how data on consumer stocks, expenditures, finances, and anticipations might be collected most efficiently and made more adequate for present uses.

(5) The possibilities for developing new and earlier anticipatory statistics on business spending should be explored by the appropriate agencies.

We commend to the attention of the Office of Statistical Standards, the Bureau of the Budget, and the respective executive agencies other recommendations of the five consultant committees which we have not specifically mentioned above. These recommendations constitute the collective judgments of some of the outstanding experts in their respective areas and are deserving of serious consideration. We request that the Bureau of the Budget report to this subcommittee at the end of this fiscal year, or before, as to the progress of their review and any actions which have been taken concerning the recommendations of the five task groups.

#### RECOMMENDATIONS ON PRIVATE STATISTICAL PROGRAMS

In addition to our recommendations regarding Government statistics we recommend that private groups undertake to increase their contributions to our national system of economic intelligence. To this end we commend to them the various recommendations of the five subcommittees concerning the activities of private agencies in these fields. We specifically recommend for their consideration and action:

(1) Increased support for and coordination of work on the measurement of business expectations, perhaps through a single body backed not only by those working in the field, such as Dun & Bradstreet and McGraw-Hill, but also by users groups from business, industry, financial institutions; labor unions, etc.

(2) Increased support for surveys of consumer expectations.

(3) Efforts to develop ways to more fully utilize and coordinate statistical work of trade associations, to provide data of general

usefulness without undue burden to the associations and possibly at some saving to the public.

(4) Research projects by doctoral candidates and others, assisted where necessary by foundation grants, along lines suggested in these task force reports.

(5) Organization of a continuing private group interested in all aspects of the measurement and interpretation of business and consumer expectations to act as a clearinghouse for information and as sponsor of conferences of experts where methods can be appraised and research results reviewed.

### III. EMPLOYMENT AND UNEMPLOYMENT STATISTICS

The Joint Committee on the Economic Report, through this subcommittee and in hearings and reports of the full committee, has expressed a continuing interest in the adequacy of all economic statistics. But there are few, if any, statistical series which are studied and analyzed with more care and interest than those dealing with employment and unemployment. It is imperative that these series be as sound as possible and that there be a maximum of confidence in their reliability.

In the first general hearings held by the Subcommittee on Economic Statistics on July 12 and 13, 1954, a number of steps were outlined for improvements in major statistical areas including employment and unemployment. The President's budget for fiscal 1956 carried requests for funds to carry out many of these improvements, most of which were granted. A brief series of hearings to learn from representatives of the Government departments charged with collecting and processing employment and unemployment statistics the kind of improvements they already had underway or were planning in connection with their programs for 1956 was included in the plans for this subcommittee's activities during the year.

We have been much impressed with the many steps outlined in the testimony which these representatives presented during these hearings which were held on November 7 and 8. We have been equally impressed with the free and frank statements of deficiencies which still exist and the proposals by the agencies to correct these deficiencies as far as their personnel and funds would permit.

We also commend the studies on the problem of concepts, definitions, and comparability of data which have been carried out by the Subcommittee on Review of Concepts of the Interagency Committee on Labor Supply, Employment and Unemployment Statistics. These materials were prepared by technicians who know well not only the problem of concepts and definitions but the everyday problem of collection and presentation of their data. The Subcommittee on Economic Statistics is most interested in following through with the operating departments their final actions on the Interagency Committee report.

The subcommittee is especially concerned that, as we develop our concept of the labor force, adequate account be taken of shifts in the patterns of employment. The concept of the labor force now in use is a great improvement over the techniques developed during the depression. At the same time, we point out the need for making sure

that we are reducing as far as possible any tendency to underestimate the problem of unemployment in periods of depression or recession.

As was announced at the beginning of the hearings, and in the subcommittee's press release of November 6, it is the desire of the subcommittee to solicit written comments on the materials presented at the employment and unemployment statistics hearings from a selected group of interested organizations and individuals. We look forward to further analysis of the departmental presentations after these detailed comments have been received.

#### IV. RECOMMENDATION FOR FURTHER COMMITTEE STUDY

Our recent hearings have revealed again that a principal use of economic data by private users as well as public agencies is in preparing quantitative economic projections as an aid in policymaking. Some of these projections are more in the nature of unconditional forecasts, while others are statements of the probable outlook on the basis of stated assumptions. The need for quantification of projections has been emphasized on many occasions. Only by such efforts can economists and policymakers adequately review previous economic analyses in a scientific way. Improved economic projections can contribute to economic stability, and a survey of economic projections and methods for making them should be of great value. As a first step, we recommend that during 1956 a survey be made by the subcommittee of procedures and methods used by Government agencies, for example, in projecting Government revenues and expenditures by the Treasury Department and the Bureau of the Budget, in preparing and disseminating outlook materials by the Department of Agriculture, in estimating the following year's construction activity by the Departments of Commerce and Labor, and in coordinating such work by the Council of Economic Advisers.

Hearings conducted this fall by four other subcommittees of the Joint Economic Committee have revealed areas of deficiencies in our statistics which the subcommittee will wish to consider further—with a view to incorporating additional recommendations for study or action in the committee's next annual report.

# APPENDIX

## APPENDIX A

### SUMMARY OF RECOMMENDATIONS OF CONSULTANT COMMITTEES ON ECONOMIC STATISTICS SPONSORED BY THE BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM AT THE REQUEST OF THE SUBCOMMITTEE ON ECONOMIC STATISTICS<sup>6</sup>

#### *Recommendations of the Consultant Committee on Inventory Statistics*

##### GENERAL RECOMMENDATIONS

1. We recommend that agencies compiling inventory statistics review the instructions now given to respondents and, where necessary, make them more detailed and specific with respect to (a) the nature of the figures desired, and (b) the information to be supplied by the respondent regarding the nature of the figures reported.

2. We recommend exploration of the possibilities of securing assistance from interested professional organizations in obtaining information on current accounting practices for inventories and in developing standards for reporting inventory information.

3. We recommend that agencies compiling inventory statistics explore intensively all potential means of speeding publication of the figures and adopt those for which the gains in time are commensurate with money and other costs.

4. We recommend that agencies compiling inventory statistics review their present descriptive material and, where necessary, modify it to provide, in accessible form, detailed descriptions of the purposes, nature, methods, limitations, potential errors and appropriate applications of the data; that they revise the descriptions as frequently as necessary to keep them up to date; and that they refer to such descriptions in all current releases.

5. We recommend that agencies compiling related sets of inventory statistics work closely together to avoid differences in results not due to differences in purposes; and that they provide clear explanations in their descriptive material of the nature and significance of differences related to purposes, with as close an approach to full statistical reconciliation as is feasible without undue cost.

6. We recommend that agencies compiling inventory statistics publish periodically lists of all releases on inventories or employ other devices to insure that users are familiar with all the information developed on the subject by the agency; and that agencies compiling monthly or quarterly figures make tabulations of back data readily available to users, preferably in pamphlets also including descriptive material.

<sup>6</sup> Excerpt from Hearings on Reports of Federal Reserve Consultant Committees.

7. We recommend that Government agencies compiling inventory statistics strive to integrate their efforts more closely with those of private statistical organizations engaged in similar work by offering technical advice and assistance, by undertaking to provide benchmark data for additional selected monthly series compiled privately, and by exploiting privately produced data in Government compilations to the maximum extent warranted by their nature and quality.

8. We recommend that the appropriate Government agencies actively explore the possibilities of partial or complete financing by private groups of new Government compilations of inventory and related information; that they undertake such compilations where arrangements can be developed which are agreeable to both parties and equitable to others whose interests are affected; and that results of such compilations—as well as other compilations—be made available to anyone outside the Government be made simultaneously available to the general public, except where national security considerations are involved.

9. We recommend that appropriate arrangements be made to provide the necessary strong leadership and guidance to the Government's work in the field of inventory data.

#### RECOMMENDATIONS ON VALUE DATA—MANUFACTURING

10. We recommend that a new sample be developed for the monthly Industry Survey of the Office of Business Economics, covering manufacturing inventories, sales, and orders. The new sample design should be adequate for the purposes discussed in this report and strenuous efforts should be made to achieve and maintain high response rates, including personal visits where necessary.

11. In view of the very considerable proportion of inventories reported to the Internal Revenue Service on a basis other than the calendar year, we recommend review for each industry group of the advisability of using these data as benchmarks for the monthly Industry Survey and, where feasible and necessary, appropriate modification of adjustment procedures. We shall recommend below (No. 14) that the Census Bureau's Annual Survey of Manufactures be used in place of Internal Revenue Service figures for annual benchmark purposes in the Industry Survey; the recommendation here is intended to apply only until such a change is made.

12. We recommend with respect to the Industry Survey that overlapping between manufacturing and nonmanufacturing and among manufacturing industry groups be reduced; that finer detail for significant subgroups and industries be developed; and that efforts be made to develop a "market" grouping of the data supplementary to the industry grouping. The market grouping should be in terms of the following categories, with such further product differentiation within categories as may prove feasible: finished manufactured goods, subdivided into producers' equipment, consumers' durable goods, and consumers' nondurable goods; and unfinished manufactured goods, subdivided into construction materials and unfinished goods destined for further manufacture. Recommendations Nos. 13 and 14 are made to help achieve these ends, which will also be served by recommendation No. 10 above.

13. We recommend that negotiations be conducted with selected manufacturing companies chosen by prior analysis of diversification

in company activities, with a view to determining the types of detail they can readily provide on a monthly basis. Arrangements should be made for the regular submission of such detail where it will facilitate attainment of the stated objectives.

14. We recommend that the data of the Census Bureau's Annual Survey of Manufacturers, rather than of the Internal Revenue Service's Statistics of Income, be employed for annual benchmark purposes in the industry survey. This change in the source of benchmark information is preferred to the modification in adjustment procedures recommended in No. 11 above; the earlier recommendation is intended to have effect only as long as the use of Internal Revenue Service data may be continued.

15. We recommend that studies be undertaken of means for estimating the proportion of manufacturers' inventories and associated data that are defense-related. If feasible, estimates should be published at times when high levels or changes in level of defense activity make such information particularly significant.

#### RECOMMENDATIONS ON VALUE DATA—TRADE

16. We recommend an expansion of the scope of the inventory data collected in the Census Bureau's monthly Wholesale Trade Report to include manufacturers' sales branches and other nonmerchant wholesalers, in addition to the presently covered merchant wholesalers.

17. We recommend that the "kind of business" categories of the Standard Industrial Classification, such as "dry goods," "drugs," and "paper" wholesalers, be continued as one basis for classifying wholesale inventory and related data, but that when feasible this be supplemented by a grouping of the figures for wholesalers into "market" categories corresponding to those described for manufacturers. (See recommendation No. 12.)

18. We recommend that a regular annual survey of wholesale trade be instituted, similar to the one conducted by the Census Bureau for 1953 but covering nonmerchant as well as merchant wholesalers.

19. We recommend that the scope of the Census Bureau's monthly Retail Trade Report, which now covers sales of all types of stores and inventories of chainstores, be expanded to provide inventory data for independent retail stores other than department stores.

20. We recommend that the "kind of business" categories of the Standard Industrial Classification, such as "grocery stores," "department stores," and "lumberyards," be continued as one basis for classifying retail inventory and related data, but that when feasible this be supplemented by a grouping of the figures for retailers into "market" categories corresponding to those described for manufacturers. (See recommendation No. 12.) In this supplementary grouping, data for department stores should be distributed to the appropriate market categories.

21. We recommend that the Federal Reserve statistics for department stores by major department, which now cover stocks and sales, be expanded to include data on outstanding orders for selected departments or groups of departments of general analytical interest.

22. We recommend that, for selected departments or groups of departments of general analytical interest, the Federal Reserve department-store data on sales and stocks by department, and the data (pro-

posed in recommendation No. 21 above) on outstanding orders by department, be published on a seasonally adjusted basis as well as without seasonal adjustment.

#### RECOMMENDATIONS ON VALUE DATA—OTHER SECTORS

23. We recommend that further studies be made by an appropriate agency of the needs for, and the cost of, current statistics on book values of inventories for sectors other than manufacturing and trade.

#### RECOMMENDATIONS ON VALUE DATA—INTERNAL REVENUE STATISTICS

24. We recommend that beginning-of-year and end-of-year inventory figures be included regularly by the Internal Revenue Service in the planned alternate-year tabulations of Statistics of Income data for noncorporate business.

25. We recommend that end-of-year corporate inventory figures now tabulated by the Internal Revenue Service in Statistics of Income be supplemented by tabulations of the reported beginning-of-year inventories from the same returns, to assist users of inventory and other data in dealing with problems of changes in the degree of consolidation and classification of companies in the Statistics of Income data.

26. To help implement recommendation No. 11 above, we recommend that the Internal Revenue Service make tabulations of the volume of manufacturing corporation inventories, classified by major industry group, according to the fiscal periods to which the data relate. Such tabulations would be of value also for other purposes.

#### RECOMMENDATIONS ON VALUE DATA—GROSS NATIONAL PRODUCTS STATISTICS

27. We recommend that the significant intermediate results of the calculations culminating in the published GNP series on change in business inventories be regularly published at a time and to the extent warranted by improvements in the basic data employed. Pending publication of these intermediate results we recommend that each quarterly release of the GNP inventory change figure be accompanied by a brief note explaining the relationship between the GNP inventory change figure and OBE book value data for manufacturing and trade, and including a summary statistical reconciliation of these data.

28. We recommend that to the extent feasible on the basis of available data and consistent with national security considerations, net changes in selected categories of Federal Government inventories be shown in the GNP tables as a component under "Government expenditures."

#### RECOMMENDATIONS ON PHYSICAL VOLUME DATA

29. We recommend that a pilot program of study and experimentation be undertaken by appropriate agencies with a view to meeting needs for physical volume measures of inventories at aggregate levels and in selected detail as expeditiously as possible. Areas in which study may be usefully initiated are specified in the three following recommendations.



30. We recommend that attempts be made to improve the information available for deflating inventory value figures by obtaining additional information about (a) accounting practices, turnover rates, and other factors influencing the values assigned to individual commodities in business accounts; (b) the appropriateness of available price information for inventory deflation; and (c) feasible means of securing additional reports of prices paid for goods in stock for use in inventory deflation.

31. We recommend that experiments be undertaken in constructing physical volume indexes for significant broad sectors or types of products. These should be initiated on the basis of existing physical volume data for individual commodities and any data collected in accordance with recommendation No. 32 below. Such experiments would help to indicate the additional data needed for more satisfactory measures. Experimental indexes may well make some use of deflated value information, where data in physical units cannot yet be obtained.

32. We recommend that studies be made of the feasibility of developing satisfactory physical volume inventory and related data for individual commodities of outstanding importance, and for significant sequences of commodities at several stages of fabrication and distribution. Initial studies might properly be concerned with inventories of steel and textiles in various positions, and the sequence following them, since fluctuations in production, consumption, and inventories of these commodities are often of great significance to the economy.

### *Recommendations of the Consultant Committee on Business Plant and Equipment Expenditure Expectations*

#### EQUIPMENT PURCHASE EXPECTATIONS

1. A new monthly series should be developed on orders, shipments, and unfilled orders for capital equipment.
2. The desirability should be explored of compiling quarterly forecasts of new business by capital equipment producers.
3. Also deserving of exploration are the possible advantages and the feasibility of a series on new authorizations for capital commitments.

#### PLANT CONSTRUCTION EXPECTATIONS

1. Improvements should be made in the reporting of building permits so as to extend coverage and develop more accurate estimates of the real cost of proposed work. The lag in publication should be reduced.
2. Special surveys should be made of anticipated expenditures for construction by State and local government bodies and by public utility companies.
3. Private contract reporting agencies should be encouraged to carry on improvements in their data and should be urged to adopt the classification system used by the Department of Commerce.
4. Encouragement should be given to efforts to develop data on future construction from reports on work in the planning stage in architects' offices.

5. A study should be made of the feasibility of obtaining data on mortgage loan commitments from lending institutions as a means of obtaining information on anticipated construction.

#### PLANT AND EQUIPMENT EXPENDITURE EXPECTATIONS

1. The sample coverage of the data on plant and equipment expectations should be expanded to fill in the more significant gaps, and the desirability of modifying blowup procedures should be investigated.

2. Detailed tests should be carried out periodically to check the predictive accuracy of the data.

3. Special surveys should be conducted to study the factors affecting the predictive accuracy of the data, as well as factors affecting investment decisions generally.

4. The feasibility of providing additional breakdowns of plant and equipment expenditure expectations should be investigated, with initial emphasis on improving the available data segregating plant and equipment.

5. The desirability of altering the timing of collection of the annual survey data on expectations, and changing the period covered by the quarterly data, should be explored.

6. The predictive value of longer term capital programs, i. e., those covering more than 1 year, should be further studied.

7. Finally, it is recommended that an exploratory survey of farmers' intentions to invest in plant and equipment be carried out to determine the value of such information to supplement the available data covering nonagricultural business.

#### *Recommendations of the Consultant Committee on Statistics of Savings*

Provision of sustained leadership presents a more difficult problem which is aggravated by the fact that statistics of saving generally are only a byproduct and minor activity and hence sometimes a step-child of the different agencies that produce them. The committee, therefore, recommends that the responsibility for formulating and developing programs in the field of saving statistics and their sponsorship be lodged in one place within the Federal Government—but necessarily in one of the agencies now producing statistics of saving—but that the actual compilation of statistics be continued on the present decentralized basis. It is beyond the committee's responsibility to suggest the exact form which such arrangements could or should take, but the principle of centralization of responsibility is, in the committee's opinion, essential to the realization of its objectives.

#### PERSONAL SAVING

Of the statistics now available in the field of personal saving, further development and expansion of the estimates of aggregate saving and its components by the balance-sheet approach (used, e. g., by the Securities and Exchange Commission) give most promise of meeting the demands of business, government, and university users. To permit intelligent analysis of the figures, much more of the underlying data, as well as detailed descriptions of methods and sources, should be currently made available to users.

*Monthly indicators of saving.*—In addition to the present quarterly and annual statistics, a set of monthly indicators of personal saving

should be developed. They would not be as comprehensive or as elaborate as the data now made available, but could be released within 3 to 4 weeks after the end of the month.

*Saver groups.*—(1) The statistics of personal saving need to be presented separately—in the aggregate and by components of saving—for at least four groups of savers—nonfarm households, farmers, unincorporated business firms, and private nonprofit institutions—all of which are now commingled in one aggregate for personal savings.

(2) Among the steps which should be explored in effecting this separation is the breakdown, on the basis of institutional records, of items like saving through bank deposits, savings and loan associations, life insurance, United States savings bonds, and common stocks.

(3) Of the different groups of savers, the saving statistics of unincorporated business firms are most urgently in need of thorough improvement. This may require development of current financial reports from a sample of such firms.

*Forms of saving.*—(1) Need for improvements in the statistics is greater for saving through real estate other than 1- to 4-family dwellings, through privately held mortgages, and through securities that are not distributed by the investment-banking machinery.

(2) Some forms of saving not now segregated should be shown separately, particularly saving through private pension funds and pension funds of State and local governments.

(3) Estimates should be provided of personal saving in the form of consumer durables.

(4) The statistics should show, wherever possible and relevant, the gross flows of funds involved in the saving process—e. g., purchases and sales of a given type of security—rather than only the net balance of transactions.

(5) Saving through retirement of outstanding debt should be estimated separately from dissaving in the form of incurrence of new debt, particularly in the case of mortgage debt.

(6) Contractual forms of saving, including contractual debt repayment, should be shown separately in the statistics.

*Sample surveys of household saving.*—While these surveys hold out great promise for a better understanding of saving practices of households, considerable additional experimentation will be required before the value of survey data as supplements to measures of aggregate saving can be regarded as established. This will call for a number of special studies designed to test reliability of the data and to explain apparent discrepancies with estimates of saving from other sources. These studies are particularly needed for households in the upper and very low income groups.

#### CORPORATE SAVING

The estimates of sources and uses of funds, which are now available only on an annual basis for all nonfinancial groups together, should be developed to the point where (a) they can be put on a semiannual and later a quarterly basis; (b) figures are available separately for major industry groups; and (c) they can be presented separately for large, medium-sized, and small corporations. Probably the most promising approach is the expansion of the Quarterly Financial Reports, now collected by the Federal Trade Commission and the Securities and

Exchange Commission for manufacturing corporations, to include corporations in trade, mining, and service industries, and possibly in construction and real estate, and the collection of similar data for different groups of public utility and financial corporations with the assistance of the supervisory agencies.

#### GOVERNMENT SAVING

Estimates should be prepared on the saving of Federal, State, and local governments along methods parallel to those now applied to the saving of households, corporations, and unincorporated business firms. This will involve the segregation of capitalizable expenditures (separating those of military character) and the development of depreciation allowances for the different types of tangible assets owned by the Government. Once these figures are at hand, estimates of aggregate national saving, not yet available on a consistent basis, will become possible.

#### *Recommendations of the Consultant Committee on Consumer Survey Statistics*

If no appreciable increase in the present budget for the Survey of Consumer Finances is feasible, we recommend:

1. That the Survey Research Center regularly draw half of its sample for the Survey of Consumer Finances from the sample of the previous year and thus secure reinterview data for testing both expectational and memory statistics.

2. That periodic conferences be held with respect to the scope, methods, and analysis of the Survey of Consumer Finances. University research workers and users of survey data from the fields of business, labor, and agriculture might well be invited to participate.

3. (a) That the Federal Reserve Board or the Survey Research Center make special arrangements with particular research centers to undertake analytical research on survey data;

(b) That procedures be established to provide research workers with adequate access to survey data, and in view of the fact that a similar problem confronts many Government agencies, that a committee of the American Statistical Association study the problem of how to make original data of Government agencies more readily available to research workers.

4. That the surveys provide data that are comparable over as long a period as is feasible.

5. That published data be accompanied by indications of sampling errors whenever feasible, and that a detailed discussion of sampling errors be made available to technical users.

6. (a) That the interim survey use a sample that overlaps in whole or in part the sample of the previous Survey of Consumer Finances;

(b) That the questions on expectations, intentions, and attitudes be consistent in the two surveys;

(c) That statistics from the interim surveys be republished as part of the reports on the Survey of Consumer Finances;

(d) That the published reports of the interim surveys include relevant data from the annual surveys.

7. That the Bureau of the Budget and the agencies engaged in conducting surveys cooperate to eliminate avoidable inconsistencies and to explain justifiable differences in the various survey statistics.

We believe that additional Federal and private funds can usefully be spent on consumer surveys, but it is not our province to suggest how much. Additional expenditures for the Survey of Consumer Finances and related surveys can usefully be incurred for—

1. A larger and more stratified sample.
2. More frequent and inclusive interim surveys.
3. More extensive reinterviews.
4. More inclusive publication of survey results.
5. More complete financial data.
6. More information concerning stocks and acquisition of durable goods and houses.
7. More analysis of results and experimentation in methods.
8. More checks on accuracy of survey results.

*Recommendations of the Consultant Committee on General Business Expectations*

TRUING UP OF EXISTING DIRECT EXPECTATIONS SERIES

1. Present survey organizations should make a serious effort to include a substantial element of before-and-after data from identical firms. This recommendation is directed in the first instance to compilers of expectations data, but collectors of historical data (e. g., inventories) should also consider the possibility of collecting expectations. Where current sampling routines do not yield a substantial overlap of identical firms, consideration should be given to special call-back samples.

2. Current samples should be more fully stratified by industry and size, and sample sizes increased to the extent necessary to permit such breakdowns. Supplementary sampling should be undertaken when necessary to fill in the upper size strata of the business population. Experiments in the recombination of such breakdowns with appropriate weights to approximate the business population at large should be undertaken.

3. Compilers should recognize the need for more complete quantification of expectations data on a time-series basis. Experimentation with techniques of seasonal adjustment is also desirable, with the aim of eliminating back-comparisons with the corresponding time period a year earlier.

4. The present serious wastage of useful information should be avoided. Descriptions of survey procedures should be complete and kept up to date. Cross tabulation of data should be compiled and made available on request, if not necessarily published, on the before-and-after experiences of individual firms, the covariation of causally related items such as sales-inventory expectations, and comparisons of expectations with current levels of related variables.

FULLER ANALYSIS OF EXISTING BODIES OF DATA ON DIRECT EXPECTATIONS HERE AND ABROAD

5. An illustrative list of possible studies is presented in chapter VII, and other specific suggestions are offered in chapters III and IV, of the consultant committee report. These prospective areas of additional research appear to have the further advantage of requiring only modest resources to bring them to completion, thereby increasing their

attractiveness to educational and other institutions with limited research budgets.

6. A special survey conducted by the committee suggests the presence of untapped possibilities in data regularly compiled by trade associations. Of 437 trade associations that provide economic or statistical services for their members, three-fifths reported that they regularly assemble and disseminate information on the future prospects of the economy as a whole, of their own industry or trade, or of both. Of these, 100 professed to supply direct measures of expectations for their own industry or trade, and 38 to supply such measures for general business. The existence of paydirt in this area deserves fuller investigation than the committee was able to give it.

#### TRUING UP AND FULLER ANALYSIS OF INFERENTIAL MEASURES OF EXPECTATIONS

7. A thorough study, covering as long a time span as possible, should be made of the timing history, particularly at cyclical turning points, of the several inferential measures of business expectations reviewed in this report.

8. More refined classification of data should be attempted as the most promising method of segregating complicating factors in data on business births, business deaths, and new orders.

9. The 22 individual commodity prices represented in the BLS Index of Spot Market Prices might profitably be restudied to determine the extent to which the effect of supply factors could be eliminated and leads improved.

10. The following possibilities for the development of new inferential series should be investigated:

(a) Forward investment commitments (based, perhaps, on expansion of the series already set up for life-insurance companies).

(b) Bond-price differentials.

(c) Exploratory study for some nondurable goods industry not currently reporting new orders with the aim of developing an index that could play the role of new orders in analysis.

#### EFFORTS AT THE DEVELOPMENT OF NEW DIRECT-EXPECTATIONS DATA AND THE CREATION OF AN EXPLICITLY EXPECTATIONAL ECONOMICS

11. Possible new approaches to direct expectations include:

(a) Plans of individual firms from the comptroller point of view (cash flows planning), in contrast to the point of view of production and inventory plans.

(b) Regional expectations statistics such as those compiled by several of the Federal Reserve district banks.

(c) Systematic development of a body of data on production schedules.

12. Coordinate basic research is necessary on the techniques of business forecasting and decision making; this research should be undertaken by balanced teams representing such mutually reinforcing disciplines as economics, business practices, psychology, and sampling and interview techniques.

13. The theory of expectations developed over the past quarter century should be thoroughly reworked. In recommending simultaneous work on all three fronts—data, business practice, and theory—

we are impressed with the fact that a high payoff on any one is likely to be heavily dependent on concurrent progress in the other two and cannot be guaranteed independently of such progress.

#### WAYS AND MEANS FOR AN INTEGRATED PROGRAM OF BASIC RESEARCH

14. Serious consideration should be given to the organization of a continuing private group interested in all branches of expectational economics (similar perhaps to the Conference on Research in Income and Wealth), with collaboration of experts on field surveys, group decisions, etc.

15. Funds for such research might well be provided from private sources, but public interest may also warrant Government support, particularly for the truing up of existing private series.

16. Among other objects, a research organization of the sort proposed should seek to place resident observers or "interns" in the various survey organizations now compiling expectations data, here and abroad, and to the extent feasible, in business enterprises as well.

#### APPENDIX B

EXECUTIVE OFFICE OF THE PRESIDENT,  
BUREAU OF THE BUDGET,  
Washington, D. C., August 12, 1955.

HON. RICHARD BOLLING,

*Chairman of the Subcommittee on Economic Statistics of the Joint Committee on the Economic Report, House of Representatives, Washington, D. C.*

MY DEAR MR. CHAIRMAN: In reply to your request of August 9, I am enclosing a summary showing final 1956 appropriations for major Federal economic statistical programs. We have also shown the extent to which the expected increases were granted. This summary has been prepared by our Office of Statistical Standards, and includes all the programs described in Special Analysis I of the 1956 Budget Document.

We appreciate the continued interest of the Joint Committee on the Economic Report in the development of the Government's statistical program.

Sincerely yours,

ROWLAND HUGHES, *Director.*

#### FINAL 1956 APPROPRIATIONS FOR FEDERAL ECONOMIC STATISTICAL PROGRAMS

Final appropriations for fiscal year 1956 allowed increases totaling \$2,616,000 for current economic statistical programs, as compared with requested increases totaling \$4,722,000. The increases were included in the proposed 1956 programs of a number of agencies as a "governmentwide effort to improve statistics in those areas where our work has been most handicapped by incomplete information," as stated by the President in his 1956 budget message.

Areas in which improvements will be made this year as a result of the increases allowed are statistics on employment and unemployment, agricultural marketing research, estimates of farmers' expenditures, crop and livestock estimates, and the economics of farm production. Funds were added by the Congress for additional work in agricultural economics and statistics for projects which had not been included in the budget request—a study of acreage diversion, a study of the price spread between the farmer and the consumer, and establishment of a crop-reporting program in Hawaii.

No funds were allowed for the interagency program designed to improve and expand statistics on construction and housing. Other areas in which the budget requests were denied include additional data on wages and industrial injuries, development of State-by-State data on State and local government finances, and an increase for analysis of national economic trends. Reductions were made in the amounts requested for a number of other current programs and for the periodic census programs.

The 1956 budget recommendations for major statistical programs were summarized in a separate statement included in the 1956 Budget Document as Special Analysis I. Inclusion of this separate statement followed the recommendation

made last year by the Subcommittee on Economic Statistics of the Joint Committee on the Economic Report, that a section on economic statistics be included in the President's annual budget. Final action on the programs which were included in Special Analysis I is summarized below by broad subject areas. The 1955 appropriation, 1956 budget estimate, and 1956 appropriation for each of the agencies whose programs are included, in whole or in part, in this summary are shown in a separate table.

*Appropriations for major economic statistical programs, by agency*

[In thousands]

Agency	1955 appropriation	1956 budget estimate	1956 appropriation
<b>Current programs:</b>			
Department of Agriculture:			
Agricultural marketing service—Marketing research and agricultural estimates.....	\$10, 223	\$10, 981	<sup>1</sup> \$11, 046
Agricultural research service—Economics of production, included under "Farm and land management research".....	1, 369	1, 469	<sup>2</sup> 1, 557
Department of Commerce:			
Bureau of the Census.....	6, 200	7, 400	6, 900
Business and Defense Services Administration—Construction statistics, included under "Industry divisions".....	140	940	140
Office of Business Economics.....	900	1, 000	900
Department of Health, Education, and Welfare: Public Health Service—National Office of Vital Statistics.....	1, 295	1, 395	1, 395
Department of Labor: Bureau of Labor Statistics.....	5, 350	6, 845	6, 065
Department of the Treasury: Internal Revenue Service—Statistical reporting.....	1, 685	1, 685	1, 582
Federal Trade Commission: Financial reports, included under "Economic and financial reports".....	133	268	193
Securities and Exchange Commission: Preparation of operational and business statistics.....	126	160	156
<b>Total, current programs.....</b>	<b>27, 421</b>	<b>32, 143</b>	<b>29, 934</b>
<b>Periodic census programs: Department of Commerce, Bureau of the Census:</b>			
Census of agriculture.....	16, 000	6, 000	5, 500
Censuses of business, manufactures, and mineral industries.....	8, 430	4, 655	4, 000
Intercensal housing survey.....		500	0
<b>Total, periodic census programs.....</b>	<b>24, 430</b>	<b>11, 155</b>	<b>9, 500</b>
<b>Total, major economic statistical programs.....</b>	<b>51, 851</b>	<b>43, 298</b>	<b>39, 434</b>

<sup>1</sup> Includes \$65,000 not in budget estimate, added by Congress for study of price spread between farmer and consumer and crop-reporting program in Hawaii.

<sup>2</sup> Includes \$100,000 not in budget estimate, added by Congress for study of effects of acreage diversion on farm income and the general economy.

**CURRENT PROGRAMS**

*Increases requested and allowed, by broad subject areas*

[In thousands]

Program	Increase	
	Requested for 1956	Allowed for 1956
Employment and unemployment, wages, industrial injuries.....	\$1, 883	\$1, 165
Prices and price indexes.....	285	285
Construction and housing.....	965	0
Production and distribution.....	925	1 876
Population and vital statistics.....	100	100
National income and analysis of business trends; State and local governments.....	364	99
Electronic equipment development.....	200	100
<b>Total, major current programs.....</b>	<b>4, 722</b>	<b><sup>2</sup> 2, 616</b>

<sup>1</sup> Includes a total of \$165,000 added by Congress, not included in the Budget requests, for specific studies relative to agricultural problems.

<sup>2</sup> Difference between 1955 and 1956 appropriations for major current programs is \$2,513,000, including adjustment of \$103,000 in Internal Revenue Service for savings made possible through Univac.



*Employment and unemployment, wages, industrial injuries.*—Most of the increases requested for specific programs directed toward improvement of statistics on employment and unemployment were allowed. The increases received will make possible a significant increase in the size of the Census Bureau's current population survey and greater dependability of its labor-force data. In the Bureau of Labor Statistics the new funds will provide for additional study of the characteristics of the unemployed and the causes of unemployment; work toward a unified Federal-State statistical program on labor turnover by States and areas; development of a series on overtime hours worked in manufacturing industries; development of additional industry detail on employment, hours and earnings for selected nonmanufacturing industries; and work on a new edition of the Occupational Outlook Handbook.

Programs in this area for which increases were not allowed for 1956 include BLS proposals for extension of community wage surveys and wage studies in particular industries, an annual report on collective bargaining, expansion of work-injury statistics and accident-cause studies, and development of adequate national statistics on workmen's compensation.

*Prices and price indexes.*—The increase requested and received in this area will provide for a major survey by the Agricultural Marketing Service of farmers' expenditures for family living and farm production. Information from this survey will be used in determining whether the index of prices paid by farmers needs to be revised or reweighted, and also in analysis of farm income and farm practices.

*Construction and housing.*—No funds were allowed for the proposed program to expand and improve statistics on construction. The coordinated program was included in the budget requests of the Business and Defense Services Administration and the Bureau of Labor Statistics. In addition, the request for \$500,000 for an intercensal housing survey, included under "Periodic census programs," was also disallowed.

*Production and distribution.*—For the Agricultural Marketing Service, requests for further market research and improvements in the estimates of crop and livestock production were allowed, and additional funds were provided for a study of the price spread between the farmer and the consumer (\$50,000) and for establishment of a crop-reporting program in Hawaii (\$15,000). In the Agricultural Research Service, an increase for work on the economics of production was approved, and an additional \$100,000 provided for a study of the effects on farm income and the general economy of acreage reductions imposed on 1954 and 1955 crops.

In the Bureau of the Census, less than half the amount requested for annual surveys of manufactures and of retail trade was allowed.

*Population and vital statistics.*—Approval was given to the request for an increase to enable the National Office of Vital Statistics to reduce the time lag in publishing reports of vital statistics.

*National income and analysis of business trends; State and local governments.*—Most of the increases requested in this area were denied. Part of the increase requested for the financial-reports program conducted jointly by the Federal Trade Commission and Securities and Exchange Commission was allowed, but not sufficient to provide for all the improvements requested. No increase was given to the Office of Business Economics to expedite use of the results of the business censuses now being taken in the national income-product accounts; and no increase was allowed the Bureau of the Census to develop annual State-by-State estimates of State and local government finances, to supply information needed in this area.

*Electronic-equipment development.*—An appropriation of \$200,000 was requested by the Bureau of the Census for development of specialized electronic equipment for use in the economic censuses scheduled for 1958 and in the 1960 decennial censuses. Half of this amount was allowed.

#### PERIODIC CENSUS PROGRAMS

In addition to the requests for current programs, the budget estimate for 1956 included a total of \$11,155,000 for periodic census programs; \$6,000,000 for completion of the 1954 census of agriculture, of which \$5,500,000 was allowed; and \$4,655,000 for completion of the 1954 censuses of business, manufactures, and mineral industries, of which \$4,000,000 was provided. The \$500,000 requested for an intercensal housing survey was not allowed.

