

451

REVIEW OF FEDERAL STATISTICAL PROGRAMS

HEARINGS
BEFORE THE
SUBCOMMITTEE ON ECONOMIC STATISTICS
OF THE
JOINT ECONOMIC COMMITTEE
CONGRESS OF THE UNITED STATES
NINETY-FIRST CONGRESS
FIRST SESSION

APRIL 30, MAY 1, AND 15, 1969



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REVIEW OF FEDERAL STATISTICAL PROGRAMS

WEDNESDAY, APRIL 30, 1969

CONGRESS OF THE UNITED STATES,
SUBCOMMITTEE ON ECONOMIC STATISTICS
OF THE JOINT ECONOMIC COMMITTEE,
Washington, D.C.

The Subcommittee on Economic Statistics met, pursuant to notice, at 10 a.m., in room 318, Old Senate Office Building, Hon. Herman E. Talmadge (chairman of the subcommittee) presiding.

Present: Senators Talmadge and Miller; and Representative Conable.

Also present: John R. Stark, executive director; James W. Knowles, director of research; and Douglas C. Frechtling, minority economist. Chairman TALMADGE. The subcommittee will be in order.

In recent months there has been a great hue and cry about questions to be asked in the 1970 census. Members of Congress have received considerable mail protesting questions that will be asked in the census. Many of my own constituents have written to express their objections to such questions as, "Do you share your toilet?" and "How do you enter your living quarters?"

They are concerned about an invasion of their privacy, and the fact that a person who refuses to answer census questions may be faced with prison.

In view of all this interest I think it appropriate that we examine the 1970 census in some detail. We need to examine the census questions and determine whether they are justifiable as a valid governmental function. We must ask ourselves whether these questions are in fact an unjustifiable invasion of privacy.

It goes without saying that a Government as huge as ours cannot function efficiently without accurate statistics upon which public programs can be based. We must not, however, use the need for greater governmental efficiency as a justification for undue invasion of the right of privacy, or as a justification for harassment of the citizen who wants to be left alone.

At this point in the record we will include the announcement of these hearings and list of scheduled witnesses:

MONDAY, APRIL 21, 1969.

CONGRESS OF THE UNITED STATES—JOINT ECONOMIC COMMITTEE, SUBCOMMITTEE
ON ECONOMIC STATISTICS

SENATOR TALMADGE ANNOUNCES HEARINGS ON ECONOMIC STATISTICS

Senator Herman E. Talmadge (D., Ga.), Chairman of the Subcommittee on Economic Statistics of the Joint Economic Committee, announced today that his subcommittee will open hearings on a wide-ranging review of our Federal statistical programs, with particular emphasis on the scope of questions asked in taking the census.

"The hearings will be conducted under the general heading, 'Progress Report on Key Areas of Federal Statistics to Meet the Needs of Public Policy.' The initial two days of the hearings, April 30 and May 1, will be devoted to a review of the status of the United States Census and to an inquiry into 'the nature and necessity of certain questions' asked on the census questionnaire," Senator Talmadge said.

"The Congress has received numerous complaints from the public about some of the questions people are asked during the census. There have been serious allegations of invasions of privacy and pertinent questions raised as to their necessity and propriety," said Senator Talmadge. "It shall be the purpose of these initial hearings to attempt to determine the purpose of such questioning and whether such personal inquiries are necessary and the extent of their intrusion into the private affairs of our citizens," he added.

In releasing a schedule of the upcoming hearings, Senator Talmadge stated:

"Public programs to satisfy the manifest needs of our people and provide for the national defense cannot be carried out at minimum cost and in the most effective manner unless the Members of the two Houses of Congress, as well as the administrators in the Executive Branch, have complete, accurate, and timely information on the state of the Nation.

"This need was recognized by the founders of our country, when they provided in the Constitution for the taking of the census. It has been recognized since that time by extensions of our statistical system as new areas of policy concern created a need for more statistics. It was only three decades ago that the Congress—called upon to legislate a program for the recovery from the worst depression in our history—passed a Resolution providing that the Department of Commerce inaugurate a system of statistics, on a continuing basis, which became the present national income and product accounts.

"Since 1946, when the Employment Act was passed, the Joint Economic Committee and its Subcommittee on Economic Statistics have played a leading role in constantly surveying our statistical system, to probe not only its strength but its weaknesses from a standpoint of public policymaking. It is now time for a new review of these programs.

"We are beginning this review with a consideration of the United States Census. It is particularly timely that these hearings should open with a hearing on this subject of census-taking, since wide-range controversy has arisen in recent years concerning this particular operation.

"The subcommittee looks forward, also, beyond these two days to further hearings covering statistics on both prices and job vacancies handled by the Bureau of Labor Statistics; also the statistical sources of information on nutrition and hunger. Details of these hearings will be announced at a later date."

Following is a schedule of the hearings to be held April 30 and May 1:

SCHEDULE OF HEARINGS

Wednesday, April 30, 10:00 a.m., Room 318 Old Senate Office Building (Caucus Room), Rep. Jackson E. Betts (R., Ohio); Hon. Maurice H. Stans, Secretary of Commerce; Hon. Paul W. McCracken, Chairman, Council of Economic Advisers.

Thursday, May 1, 10:00 a.m., Room 3110 New Senate Office Building, Martin R. Gainsbrugh, Senior Vice President, National Industrial Conference Board; John Gunther, Executive Director, Conference of Mayors of the United States; Harold W. Watts, Director, Institute for Research on Poverty, University of Wisconsin.

Chairman TALMADGE. We are very fortunate in having as our lead-off witness Congressman Jackson E. Betts, who has led the fight to modify the census for some years.

We are honored to have you, Mr. Betts. You may proceed as you see fit, sir.

STATEMENT OF HON. JACKSON E. BETTS, A REPRESENTATIVE IN CONGRESS FROM THE EIGHTH CONGRESSIONAL DISTRICT OF THE STATE OF OHIO

Mr. BETTS. Thank you, Mr. Chairman.

I want to compliment the subcommittee for looking into this subject

and thank you for inviting me over here. I feel flattered to be asked to appear before your committee.

The fundamental issue in the controversy over 1970 census plans is whether this operation can or should be the principal source of basic demographic and economic statistics for our Nation.

As the initiator of legislation nearly 3 years ago to modify one feature of decennial censuses of population, I have had an opportunity to see the issue develop in a constructive way into the context of just what should the census be. Certainly I have advanced some definite ideas of what this activity should not be and that is why I welcome the opportunity to discuss the census before this subcommittee. Far from being a threat to those charged with the responsibility of gathering data needed to form public policy, I believe the present congressional inquiry into the census will have lasting beneficial results.

The decennial census has been described by the Director of the Census Bureau as a combined package program once every 10 years through which the Nation replenishes its supply of essential data.

It is a convenient vehicle upon which to secure statistics on a wide range of subjects. Congress has not closely examined the content, methodology, conduct or penalties attached to the decennial census since 1940. Today Government Printing Office presses roll producing the millions of forms, some containing as many as 86 questions, not to mention the subquestions and only lately have committees of the House and Senate begun to dig deeply into what is planned for April 1, 1970, Census Day, U.S.A.

Over the decades the census has been the calculator of the characteristics of the Nation's population, housing, employment, income and educational levels and so far has served us remarkably well. The short span of time between 1960 and the present finds a markedly different attitude of many persons toward the census. Even Director Ross Eckler acknowledges the Bureau anticipates greater difficulty in conducting next year's census. Why is this the case? This is manifested through the disaffection of many young people toward Government authority, the hostility of militant racial groups to the "Establishment," the resistance of public welfare recipients to another Government count of babies, income and housing conditions, and the fear by civil libertarian minded citizens to dossier centers. It is readily apparent that there are an increasing number of people generally disenchanted with the Federal Government.

Only if we come face to face with the changes in our country—especially as they relate to compulsion, harassment and threats of punishment—can the full impact of amending census policies be appreciated. Before describing what I perceive to be the specific complaints of citizens against the decennial census, let me briefly look to the positive side of this controversy. Happily, the same technology that some fear as a depriver of privacy can serve as a buttress for the anonymity of sensitive facts about many persons. This is why I say there are several options open to Government which will yield more frequent and more accurate population and economic statistics.

The mobility of our citizenry and changing characteristics of several problems requires more frequent national censuses. A quinquennial census has been suggested as a first step. The use of sample household surveys, involving less than three million households conducted be-

tween mid-decade and decennial censuses, is a further possibility. The overall use of scientific sampling procedures to secure a broad range of facts would lessen the dependence of so many Government and private users on decennial reports. A better utilization of existing data sources by the Census Bureau also must be explored.

Determining the proper balance between private rights and public needs is not a synthetic issue, Mr. Chairman. The widespread public outcry for reforms in the census, outpourings of editorial endorsement and 137 sponsors of measures identical or similar to H.R. 20 have a great deal of substance. Regrettably, the Census Bureau has resisted all requests to reexamine the essential purpose and conditions for the 1970 census. Rather, the Bureau has focused its attack alleging the unworkability of a mixed census, that is, some questions carrying a penalty for refusal to answer and others having a voluntary response. Every time the privacy issue is raised as an individual's right to be protected against compulsory intrusion into sensitive personal facts about himself, it is met by further pledges of confidentiality once such facts are extracted and stored in Government files. Preferences to the number and type of questions on the forms bring retorts that they have been there for many decades as though human values and Government needs are a static commodity.

When I have pointed to the offensive criminal penalties of 60 days in jail, a \$100 fine, or both, under title 13, section 221, U.S. Code applied to all questions, I am told on the one hand the penalties are rarely used, and on the other the census would be a shambles without this form of intimidation.

Mr. Chairman, in addition to the fundamental question of what the decennial census should be, I will pose three further inquiries and comment on each.

(1) According to the constitutional purpose of the census, that being enumeration of population for congressional apportionment, is there not an inherent priority of counting people over bathrooms? In the 1960 census some 5.7 million citizens were missed by census takers, a 3-percent undercount nationally which I understand ran as high as 6 or 7 percent in some inner city areas. I have contended that unless we put the full weight of the Census Bureau behind an accurate headcount, especially due to recent Supreme Court decisions, the apportionment of Congress and allocation of over \$17 billion in Federal grants-in-aid can be jeopardized. Another example of the problem of a complete headcount of all citizens is the inclusion of Americans overseas, particularly servicemen and their dependents who are out of the country at the time of the census. There were 1.3 million such individuals in 1960 and because of the overall problems of determining where all of these Americans might live, they were systematically excluded from the count of population in each of the 50 States by the Census Bureau. Here is a place that needs more time and effort by the Bureau, for to deliberately disenfranchise Americans overseas from congressional representation is unconscionable. Unless and until the early and complete count of people is accomplished, I challenge its use for other sundry purposes.

It would be interesting to know how great the statistical error becomes from the response to the first question on the form to the 117th. Mr. Chairman, I have prepared a list of each of the 117 questions

which might be included at the conclusion of my remarks. We would have to start with a built-in 3-percent error and add the 1-percent omission for persons overseas and proceed from there. My political experience tells me that if people fill out questionnaires like they do ballots, the last few questions on the form are many percentage points away from a 100-percent response.

(2) In our Republic, can criminal penalties of \$100 fine and 60 days in jail be justified if a person declines to answer such questions as:

How much rent do you pay?

Do you live in a one-family house?

Do you use gas?

If a woman, how many babies have you had? (Not counting still births.)

How much did you earn in 1967?

If married more than once, how did your first marriage end?

Or who sees an urgent public need in information on:

Do you have an air conditioner?

Do you have a clothes dryer?

Do you have a telephone, if so what is the number?

Do you have a home food freezer?

Do you own a second home?

Does your TV set have UHF?

Even the Assistant Director of Statistical Standards of the Bureau of the Budget, Dr. Raymond T. Bowman, in a recent House hearing had to admit he couldn't justify penalties for such items as your telephone number, whether you have an air conditioner, clothes dryer, and other household equipment.

There seems to be considerable ambivalence on the part of Census Bureau officials, the Budget Bureau, and Department of Commerce on the subject of penalties. Last year, Dr. Eckler told me that he had no objection to repeal of the jail sentence. The U.S. Senate passed such a bill but it did not receive final House consideration. Now this year this never-used penalty is firmly supported by the Department of Commerce, so I am told, because the threat of a fine isn't enough to keep people in line in responding to census questions. As I indicated earlier, there are few prosecutions of persons refusing to complete census forms or falsifying information.

I gather this is because the sample taken is so large, a few recalcitrants are tolerable—unless, of course, as Mr. Rickenbacker did, print his feelings about the census in a national magazine—or the penalty is merely a device to get response. Those people who deliberately falsify information on the form are not prosecuted according to Dr. Eckler.

I wish to include in the subcommittee's record a copy of a statement I prepared documenting my case for establishing the principle of voluntary cooperation to census questions. This statement shows the Census Bureau itself already receives a high level of cooperation from citizens in its many periodic surveys and samplings which are voluntary. A study of the 50-State statistical gathering programs revealed that in only two States was population information sought under penalty of fine or imprisonment for noncompliance. The States engage in considerable data collection and have found no need for compulsion to secure satisfactory results. Inquiries were mailed to major private market research organizations in the United States. Private com-

panies, of course, must rely on the voluntary cooperation of the public for the success of their survey work.

Presidents of these commercial organizations were nearly unanimous in their support for the voluntary approach to securing information from the public. Two other papers examine each subject on the forms and indicate there are sources of these facts already in State or Federal files accessible to the Census Bureau thus reducing the need for such a long list of subjects.

The threat of punishment is so offensive to many people, certainly a large percentage of the thousands who have written to me, that they will either choose to be prosecuted or give false answers to many questions. I make this as a statement of fact for if the present law is not amended I intend to complete the form accurately myself and urge others to do likewise. Nevertheless, it appears the Census Bureau is inviting trouble if people are told, not asked, to comply with the Government's need for information.

I do not expect advocates of penalties to be persuaded to drop them just because some people are offended by them. Yet I am most disappointed the Census Bureau flatly refused to test voluntary cooperation for the 1970 census when I suggested this would provide a valuable comparison of voluntary versus mandatory approaches. I am further puzzled that the Secretary of Commerce, in his letter of April 17, would assert that the voluntary answers would render useless statistics—upon what evidence I know not—and then state he will appoint a blueribbon Commission to make a study of just this method of taking the census.

Prof. Charles Fried of the Harvard Law School, in testimony on April 25 before the Senate Subcommittee on Constitutional Rights, told of pressure he had received from Harvard colleagues against a voluntary dimension to the decennial census when it became known that he would appear before the subcommittee. While himself accepting the thesis that census data are vital to the Nation, he questioned the need for criminal sanctions to secure accurate and complete reports. Professor Fried asked these colleagues who are concerned about the 1970 census whether they had any hard evidence that voluntary questioning would produce chaotic results or even be more desirable than the compulsory method. He was provided no evidence that the mandatory approach is superior to voluntary cooperation to census questions.

While I am not a statistician, I believe those of us in Congress charged with determining public policy know enough about information gathering to believe that some skewing of statistical accuracy comes about by either a voluntary or compulsory approach. The resistance of the Census Bureau to give the matter an honest test makes me feel more certain of the weak ground on which they stand.

- Can any information sought on decennial census forms be secured alternatively or is it available from any other public source? Mr. Chairman, I think this is a critical issue for your subcommittee. The Census Bureau says no, but Dr. Bowman who approved the final questionnaire himself recently provided these contradictions:
- As to civil defense needs for data on housing with basements, many cities were surveyed and while considerable duplication would result if an identical question were on the 1970 census form, this subject is to be included.

—Asked why so many subjects relating to housing quality were on the forms as compared to subjects used to determine quality of education or employment, Dr. Bowman thinks it is because legislation establishing the census has housing in its title. As to how the Office of Education can get along with its statistical needs without calling for subjects in the decennial census, whereas departments like Housing and Urban Development cannot, Dr. Bowman offers no explanation.

Anyone who carefully scrutinizes this long list of subjects can take issue with the assertion that each and every item must be included, or that elements of data will be lost for a decade.

Our Government needs to know a great deal about its citizens, their homes, occupations, and educational backgrounds. The people of this country have an obligation to divulge reasonable amounts of such personal facts in the public interest. At what point certain information is legitimate is difficult to define. What I believe the people of this country are asking this Congress to do without delay is first, give the privacy side of this issue a fair hearing, second, attempt to minimize the burden of questions put to the public through the myriad of inquiries generated by Government agencies and finally, appeal to the citizen's sense of community and general good to be derived from his compliance with governmental requests and acknowledge that cooperation is always better than compulsion.

Prof. Arthur Miller of the University of Michigan Law School has spoken frequently on this important issue. Let me conclude my statement by reading his persuasive argument in favor of census reform:

Of course, it is easier and cheaper to let the Census Bureau proceed according to its proposed plan. But in our country ease and cheapness have never been an adequate justification for circumventing or compromising American liberties and freedoms. If they were, we would have adopted universal fingerprinting and internal passports for travel within the United States long ago. Yet we have rejected these forms of government intrusion as inconsistent with the philosophical fiber of our society.

Mr. Chairman, the values we cherish are at stake here so our decisions cannot be taken lightly.

Yesterday, I received a copy of a letter addressed to Representative Charles Wilson from a knowledgeable statistician which I feel, with your permission, should be included in the record of this hearing. It is from Prof. William G. Grigsby, Professor of City and Regional Planning, Institute for Environmental Studies, University of Pennsylvania. On a number of reasoned bases, Professor Grigsby firmly believes that a voluntary portion of the 1970 census would be the best method of conducting this activity and represent enlightened public policy.

Chairman TALMADGE. It is so ordered.

Representative BETTS. And, if it is agreeable to the committee, I would like to offer as part of my testimony some documents which I have here, some statements I made in the House, the questions and sub-questions which were in the 1970 census, and some editorials.

Chairman TALMADGE. Without objection, the materials will be included in the printed record.

(The materials referred to follow:)

UNIVERSITY OF PENNSYLVANIA,
INSTITUTE FOR ENVIRONMENTAL STUDIES,
Philadelphia, Pa., April 24, 1969.

Hon. CHARLES WILSON,
Chairman of the Subcommittee on Census and Statistics,
House Office Building, Washington, D.C.

DEAR CONGRESSMAN WILSON: This letter is in reference to the hearings of your subcommittee on the 1970 decennial census and in particular the issue of whether persons should be required by law to respond to all of the questions which will be asked.

The issue is of special interest and concern to me for several reasons. In my research on urban problems, I rely heavily on Census data. In addition, I worked closely with the Bureau of the Census on the Philadelphia Supplement to the 1956 National Housing Inventory and through this experience came to know and appreciate the high standards which guide the Bureau in its survey research. Finally, the planning and administration of several household surveys, including a recently completed study of the housing and employment problems of 9,000 families in the City of Baltimore, has provided me with some understanding of the many data-gathering problems which the Bureau regularly encounters.

Given this background, my perspective is usually "Census" oriented, as would be expected. I have reached the conclusion, however, that the Bureau's insistence upon mandatory reporting in the 1970 census is almost totally without merit, even from the perspective of the Bureau itself.

In analyzing the point at issue, it is helpful first to understand the reasoning behind the position that the Bureau takes. Frankly, although I have followed some of the testimony, it is not altogether clear to me what the Bureau's underlying concern really is, since it regularly conducts all sorts of surveys on a voluntary-answer basis. The opposition to voluntary reporting in this instance would seem to stem primarily from a prior decision to rely heavily on a mail questionnaire. Response rates to mail questionnaires are typically quite low, and the Bureau could reasonably expect considerable difficulty in obtaining a high rate of completions if it did not have a certain amount of authority behind its request for information. If this is what worries the Bureau, however, the issue which should be resolved is whether a mail survey is feasible, not whether compulsion is necessary and proper.

Even if my interpretation of the Bureau's position is incorrect, there are several compelling reasons for insisting on a voluntary census.

First, assuming that proper follow-up procedures to the mail survey can be implemented, response rates should be higher, not lower, if a voluntary approach is used. Dr. Eckler has expressed the worry that local or national campaigns urging citizens not to respond would undermine a voluntary approach. The real danger is precisely the opposite; namely, that a compulsory approach would generate such campaigns, and on a wide scale. Dr. Eckler and others may be misreading public sentiment and under-estimating the vast changes in attitudes which have occurred since 1960 when: (a) the compulsory aspects of the Census were not broadly recognized; (b) social unrest in the cities was minimal; and (c) inner-city families had not been continually besieged by information gatherers. In 1970, gaining the cooperation of the American public will depend much more on convincing them of the value of their cooperation than on threats of fines or imprisonment.

Second, if the Bureau is forced to rely on compulsion to obtain its answers from a large segment of the population, the validity of much of the information is called into question.

Third, the most widespread resistance will come from persons who are asked to fill out the long form, and there is something patently unfair in exposing this randomly-selected group to extra risks of punishment.

Fourth, if most questions are put in a voluntary category, the chances of easily obtaining responses to the few mandatory questions increase. If all questions are made mandatory, however, resistance to the entire questionnaire stiffens. The Bureau evidently is either: (a) willing to take the risk of not obtaining complete enumeration in order to achieve depth; or (b) unreceptive to the argument that complete enumeration would be imperiled by compulsory procedures. Such confidence, though based on long experience, does not seem entirely warranted.

Finally, *compelling* persons to answer questions about radios, cars, bathrooms, bedrooms, etc. is simply difficult to justify on any grounds. The importance of

information about these items is the necessary condition for their inclusion in the census; it is most certainly not, however, a sufficient condition for making responses compulsory. Indeed, that this issue should even become a matter of serious debate ought to be a matter of general public concern.

I should be happy to expand on any of the above points, if you feel that this would be helpful to you and the other members of the subcommittee, and I would appreciate having this letter included in the record of the hearings.

Sincerely,

WILLIAM G. GRIGSBY,
Professor of City and Regional Planning.

[From the Congressional Record, Oct. 10, 1967]

House of Representatives

THE CENSUS: INVASION OF PRIVACY

Mr. BETTS. Mr. Speaker, the right of privacy is a cherished liberty which is given protection by the Bill of Rights. Yet specific constitutional boundaries of personal privacy remain unclear. Development of an industrial society with vast new technology and Government expansion into many facets of the lives of our citizens has resulted in grave concern for the maintenance of individual rights.

Private citizens, educators, public officials, and civil libertarians have drawn attention to important areas of privacy invasion: psychological testing, listening and watching devices, physical surveillance, and collection and use of personal data. Congress, now alert to the dangers of unbridled Government intrusions on privacy, is beginning to act. Perhaps the greatest single agency collecting personal data of all kinds is the Bureau of the Census. Every decade, all who reside in the United States are required by law to comply with a census of population and housing. Over the years the number and type of questions asked have increased to the point where 67 separate subjects are scheduled for inclusion in the 1970 census.

I believe the 1970 census questionnaires violate the constitutional intent of the decennial census as well as constitute an invasion of the privacy of all Americans. It is this belief which has prompted me to relate these two subjects: the census and personal rights of privacy. The are indeed deeply intertwined as the following discussion will illustrate.

THE CITIZEN AND HIS GOVERNMENT

Basic to this inquiry is the concept of the proper relationship between a government and its citizens. A statement by a jurist, Judge Samuel H. Hofstadter, of the Supreme Court of New York State, is significant:

"In a democracy, we are concerned primarily with the relation of the individual to his government—a just government. And the maintenance of this over-all relationship has greater importance than the isolated search for fact—or even justice—in any specific case."¹

Another constitutional lawyer and able legislator, U.S. Senator SAM J. ERVIN, has referred to the challenge of preserving individual freedom in an age of scientific technology as:

"Many learned people have analyzed the legal and scientific issues raised by the needs to meet certain goals of government in a country as vast and diverse as ours. But they have balanced the interests back and forth until they have lost track of the basic issues of liberty involved.

The Founding Fathers drafted a constitution that was meant to protect the liberty of Americans of every era, for its principles are enduring ones. One of the fundamental aspects of our liberty as free men is the privacy of innermost thoughts, attitudes, and beliefs: this includes not only our freedom to express them as we please, but the freedom from any form of government coercion to reveal them."²

¹ Letter to *Washington Post*, August 6, 1967.

² *Congressional Record*, September 13, 1967, p. S-12912.

Defining the balance of interests³ and determining the equities of the privacy against Government information requirements is clearly the proposition now facing the Congress. We, in the National Legislature, are often presented with two extremes. On one hand it is clear that "in our recordkeeping civilization, the man whose name is not inscribed on the tab of someone's manila folder simply does not exist."⁴ The quest for anonymity—the right to be left alone⁵—is deeply imbedded in the fabric of our culture. It must receive every consideration by all public agencies. Yet no one can reasonably deny the legitimate need for certain data by the Government.

This is one extreme, on the other is ingrained the truisms of Parkinson's laws. Prof. Edward Shils has described the factual hunger of all government bodies: "As the range of government activities widens, and as they reach more deeply into the structure of society, government departments gather more and more information about the persons whom they provide services or whom they seek to control."⁶

Must ours be a "Naked Society" as author Vance Packard grimly depicts? Can we not strike some median according to prudent needs of Government. I suggest one measure against which Government requirements can be checked is to determine the information sought according to its validity as a "public matter."⁷ This method of evaluation, it seems to me, is present in an important bill affecting indiscriminate requirements placed on Federal employees.

PRIVACY AND THE RIGHTS OF FEDERAL EMPLOYEES

Evidence gathered by the Senate Judiciary Committee's Subcommittee on Constitutional Rights revealed that some Government employees and applicants for Government employment are required to disclose their race, religion, or national origin; report on their outside activities or undertakings unrelated to their work; submit to questioning about their religion, personal relationships, or sexual attitudes through interviews, psychological tests, or polygraphs; support political candidates or attend political meetings.⁸ Are these "public matters" about which Federal employees should be compelled to divulge information? These disclosures have resulted in passage by the Senate of S. 1035, a bill now pending before the House Committee on Post Office and Civil Service.

If these requirements for disclosure by Federal employees are not public matters how can very similar questions posed by the Bureau of the Census to all Americans be legitimate requirements? Under present law failure to answer all questions on the decennial census of population and housing may result in 60 days in jail or a \$100 fine, or both—title 13, United States Code, section 221. There are similar items on the long-form census questionnaire regarding employment, marital matters, income and earnings, and detailed information on a person's household.

In its report on S. 1035, the Subcommittee on Constitutional Rights said such legislation was needed to "establish a statutory basis for the preservation of certain rights and liberties of those who work for the Government." The report endorses the views of former Civil Service Commission Chairman Robert Rampeck, who stated:

We (the Federal Government) need better people today, better qualified people, more dedicated people, in Federal service than we ever needed before. And we cannot get them if you are going to deal with them on the basis of suspicion, and delve into their private lives, because if there is anything the average American cherishes, it is his right of freedom of action, and his right to privacy.⁹ (Emphasis added.)

It will be the height of irony if those who work for the Federal Government are given a statutory basis of privacy—and I support this legislation—and the plain old average citizen is denied similar protection.

³ William M. Beaney, "The Right to Privacy and American Law," *Law & Contemporary Problems*, Vol. 31, Spring, 1966, page 256.

⁴ *Ibid.*, Kenneth L. Karst, "The Files"; Legal Controls Over the Accuracy and Accessibility of Stored Personal Data," p. 342.

⁵ See *Griswold vs Connecticut*, U.S. Supreme Court in this case defined a right of privacy as an independent constitutional doctrine and granted the people a right to be left alone.

⁶ *Op. cit.*, *Law & Contemporary Problems*, Edward Shils, "Privacy: Its Constitutional and Vicissitudes," p. 298.

⁷ *Ibid.*, Kenneth L. Karst, p. 349.

⁸ U.S. 90th Congress, Senate, Protecting Privacy and the Rights of Federal Employees. Report No. 534, 1967.

⁹ *Ibid.*, p. 3.

Mr. Speaker, I have introduced H.R. 10952, which would limit the mandatory questions to be included in the decennial census. Only the essential data would be allowed. All other extraneous inquiries, as deemed desirable by the Director of the Census, would be voluntary and presented on a separate plainly identified form. This is in keeping with the constitutional intent of the census as the official enumeration of population for the purpose of determining congressional districting. It would also serve to protect individual rights of privacy.

THE 1970 CENSUS QUESTIONS

Let me list some of the actual questions proposed for the 1970 decennial census of population and housing which will be asked 16 million or more American citizens.

"(If a woman) How many babies has she ever had, not counting stillbirths?

Have you been married more than once?

Did your first marriage end because of death of wife or husband?

Where did you live in April, 1962?

What was your major activity in April, 1962?

Place of birth of parents?

What is the value of this (your) property?

What is your rent?

Last year, 1966, what did sales of crops, livestock and farm products amount to?

Did you work at any time last week?"¹⁰

In my judgment, all of these questions invade personal privacy and have no place on a mandatory, or even voluntary census form.

On October 4, I presented my suggestions on where and how the proposed 1970 census questionnaire should be limited. That Statement can be found in the CONGRESSIONAL RECORD at pages H12943 to H12945.

The following excerpt from that statement gives a comprehensive list of subjects I feel can be excluded:

QUESTIONS TO OMIT

"I would recommend the omission of questions which fall into the following categories: Information of principal use to local communities having little Federal relevance, subjects which are already contained on questionnaires used by other Federal agencies making the need to ask them on a decennial census minimal, questions simply nonessential to a decennial census, and types of information private market research firms should gather because it is primarily of business or commercial interest. A good hard look at each question will reveal that many, if not most, subjects which have been proposed for 1970 fit into these categories. When the long list of questions is separated into smaller units along the lines I have outlined, I believe their omission becomes clearly justified."

Here are the four principal reasons for dropping a large number of questions together with the exact subjects I would omit:

"First, questions essentially of local interest: Place of work, means of transportation to work, number of units at this address, sewage disposal, and source of water.

"Second, questions for other Federal agencies to provide statistics: Self-employment and income last year, farm income, other income, citizenship and year of immigration hours worked last week, hours worked last year, and last year in which worked.

"Third, questions not significant to merit inclusion on a decennial census: State or country of birth, activity 5 years ago, number of children ever born, mother tongue, year moved to this house, place of residence 5 years ago, married more than once, and date of first marriage.

"Fourth, questions of a commercial nature referred to private research organizations for collection of data: Heating equipment, telephone, tenure, vacancy status, months vacant, value, contract rent, trailer, bedrooms, automobile, air conditioning, television, radio, clothes dryer, washing machine, bathroom, dishwasher, and second home."

The complete list of questions contains many more items that similarly could be omitted from at least the mandatory provisions of the census.

¹⁰ From Special Census of Metropolitan New Haven, a pretest for 1970 census, conducted April 5, 1967.

THE COURTS AND PRIVACY

Although the fourth amendment to the Constitution serves to protect the liberty and property of the individual from violation against probable cause, it falls short of protecting the people from the activities of the Census Bureau. In my view the fourth amendment should apply to all invasions on the part of the Government and its employees, of the sanctity of a man's home and the privacies of life. It is not breaking of his doors, and rummaging of his drawers, that constituted the essence of this offense; but it is the invasion of his indefensible right of personal security, personal liberty, and private property, where that right has never been forfeited by his conviction of some public offense.¹¹

The decennial census in the minds of many citizens is an unreasonable search and seizure of information clearly without probable cause or justification as being a public matter.¹² Mr. Justice Black in his dissenting opinion in the *Griswold* case interprets personal privacy in a broad, realistic framework:

"Privacy is a broad, abstract and ambiguous concept which can easily be shrunk in meaning but which also, on the other hand, easily be interpreted as a constitutional ban against many things other than searches and seizures."¹³

Litigation will be forthcoming, no doubt, to further clarify the scope and application of matters of privacy for such definition is sorely needed.

USE OF CENSUS DATA

The foregoing discussion referred to but one phase of the issue of the census and personal privacy. Whether questions are public matters and should be included on census forms are solely related to the Government's input of personal data about our citizens. The compilation and utilization of these statistics is a second vital part of the privacy issue. This problem is explained well by my colleague from New Jersey, Congressman Cornelius Gallagher, a leading spokesman for protecting individual privacy. Congressman Gallagher's statement in opposition to a mid-decade census contained this observation:

"When the private citizen is asked to respond to census questionnaires, he is guaranteed by title 13, section 9 of the United States Code that the information he furnishes to the Government will be examined only by 'sworn officers and employees' of the Census Bureau; that it will be used only for 'the statistical purposes for which it is supplied'; and that it will be compiled in such manner that the data supplied by him cannot be identified as such. The census form itself states that the report 'cannot be used for purposes of taxation, investigation, or regulation.' But it does not state what census data can be used for, and the question of what these data can be used for is becoming an increasingly serious one."¹⁴

Concern over the use or potential use of census data has been the subject of hearings under the chairmanship of Congressman Gallagher and U.S. Senator Long of Missouri. Computer privacy, confidentiality and sharing of census information were carefully reviewed by members of these subcommittees.¹⁵ The magnitude of computer collection and processing of data and the growing threat to privacy are exceedingly well analyzed in a new book by Prof. Alan F. Westin, of Columbia University. This book, entitled "Privacy and Freedom," is worthy of personal attention by every member of Congress and their legislative staffs; Professor Westin writes:

"The issue of privacy raised by computerization is whether the increased collection and processing of information for diverse public and private purposes, if not carefully controlled, could lead to a sweeping power of surveillance by government over individual lives and organizational activity. As we are forced more and more each day to leave documentary fingerprints and footprints behind us, and as these are increasingly put into storage systems capable of computer retrieval, government may acquire a power-through-data position that armies of government investigators could not create in the past eras."

Let me make one point clear, I do not challenge the present statute requiring confidentiality of Census Bureau material. I praise the enviable record the

¹¹ From address by U.S. Senator Sam J. Ervin, Jr., "Privacy and Employment," April 15, 1967, p. 3.

¹² See *U.S. v. Rickenbacker*, C.A.N.Y. 1962. 309 F. 2nd 462, Cert. denied, 371 U.S. 962.

¹³ *Op. cit.*, Senator Ervin, April 15, 1967, p. 5.

¹⁴ *Congressional Record*, August 10, 1967, pages H-10383-84.

¹⁵ Alan F. Westin, *Privacy and Freedom*, Atheneum, New York, 1967, p. 158.

Bureau has had in its history of dealing with hundreds of millions of individual cases. In order that the present requirements for confidentiality may be fully recognized, I refer to title 13, United States Code, section 9(2) which forbids, under penalty of fine or imprisonment, any officer or employee of the Department of Commerce or the Bureau of the Census to :

First. Use the information furnished under the provisions of this title for any purpose other than the statistical purposes for which it is supplied :

Second. Make any publication whereby the data furnished by any particular establishment or individual under this title can be identified; or

Third. Permit anyone other than the sworn officers and employees of the Department or bureau or agency thereof to examine the individual reports.

Census Bureau publications on their work scarcely refer to the principal purpose of collecting decennial population statistics. Any mention of counting the people to determine the number of U.S. Representatives for each State is buried with a hundred other uses for this information. I do not imply this is wrong, but pose this question. Are there limits to the uses of population and housing data collected under penalty of fine or imprisonment at taxpayers expense? To answer that question I refer to three types of Census Bureau uses for population and housing tabulations.

First. This data is sold to Government agencies, private businesses, and anyone else who wishes to purchase it. In fiscal year 1967 the Census Bureau expected to sell \$19,021 million in materials to Federal agencies and \$4.995 million of such data to non-Federal or private organizations. This includes all types of statistical information on file, not just population and housing reports. These are strictly reimbursements for clerical and printing work. No charge is made to pro rate the cost of the original collection and tabulation of one data. Block-by-block information is available on population and housing characteristics. This constitutes a tremendous pool of market research data for business. Are citizens being exploited by commercial enterprises because such localized facts are released? If ZIP codes are required on 1970 forms will this lead to exploitation of people by mail-order firms or door-to-door salesmen who can pinpoint good market areas?

Second. The national data bank, if created, would result in the consolidation of many statistical centers into one. Should population and housing facts submitted by every citizen be used as a basis for longer dossiers containing reports from the Internal Revenue Service, Federal housing loans, welfare programs, social security, and medicare reports, and personal information collected by other Federal agencies? Senator Edward Long noted in hearings earlier this year that—

The names of American citizens already appear 2.8 billion times in government files: Social Security, 1.5 billion; police records, 264.5 million; medical history, 342 million; psychiatry history, 279 million; court actions, 19 million; security reports, 17.6 million; and others, including personnel and employment questionnaires.¹⁶

According to Carl Kaysen, chairman of a task force in 1966 which recommended creation of a single statistical agency, information from 21 principal statistical gathering agencies, spending \$122 million in fiscal year 1967, would be collected, stored, analyzed, tabulated, and published by such a center.¹⁷ What limits would such a data bank have and how would privacy be protected?

Third. In addition to consolidation of data in a single statistical center, the interchange of facts about particular citizens among or between agencies must be prohibited. At the present time I understand some of the reports filed with the Internal Revenue Service are given to the Census Bureau but that no reciprocal arrangement is possible. Do the citizens have any right to limit the transfer and circulation of decennial census reports? Once the population characteristics have been tabulated, should this information be drawn upon by any other Federal statistical user? These are questions I am not aware have been raised about the many uses of census reports. To me they are relevant to personal privacy and should be answered through hearings by committees of the Congress.

¹⁶ New York Times, March 15, 1967, p. 48.

¹⁷ Report of the Task Force on the Storage of and Access to Government Statistics, Executive Office of the President, Bureau of the Budget, October, 1966, p. 3.

CONGRESSIONAL ACTION IMPERATIVE

A statutory basis is essential to insure that rights of personal privacy are guaranteed. There are three specific courses of legislative action the House and Senate must take, as I see it, to see that rights of privacy will be more than a hackneyed slogan only to be violated by an overcurious government. Except for the bill to protect rights of Federal employees from unwarranted disclosure, action appears distant for other such protective legislation. I see the following three courses of action as most important:

1. LIMIT MANDATORY CENSUS QUESTIONS

The scope of mandatory census questions must be severely limited. This can be done by adopting my bill, H.R. 10952, or by the Congress establishing a clear and binding requirement on the Census Bureau as to subjects for compulsory questioning. A hearing is scheduled on the proposed 1970 census questions on October 18 before the Subcommittee on Census and Statistics, Committee on Post Office and Civil Service of the House. This may be a start in the direction of curing invasion of privacy through the census.

2. DATA BANK CONFIDENTIALITY

The Gallagher and Long hearings on privacy and computer technology indicate a need for new protection against violation of confidentiality if a data bank is created. The Kayser report contained this statement:

At the present time different agencies view the problem of the right to privacy very differently. In some agencies the policy of protecting the privacy of the information reported by individuals and businesses is formally stated and protected by law; in such instances the enforcement of such policies has also been found to be very good. In other instances, formal policies regarding disclosure have not been set up, and in many of these cases the protection depends on the judgment of those who are in charge of the different programs involved. Understandably, the growing decentralization of statistical programs has thus led to considerable unevenness in the nature and enforcement of disclosure rules. It is quite possible that without some overall policy which can be responsibly supervised major violations of individual privacy may take place.¹⁸

The Joint Economic Committee in a report issued in August called attention to the privacy question, even though the committee recommended establishment of such a consolidated data facility.¹⁹

These have been the major warnings against deferring action on a National Statistical Center until proper safeguards to protect personal privacy can be enacted by Congress. Plans are moving forward, however, to centralize Federal statistical information. I recently asked Dr. Raymond T. Bowman, Assistant Director for Statistical Standards, Bureau of the Budget, to tell me if studies are currently underway on this proposal, whether legislation is needed to formalize such a data center and when it might be sent to Congress. Dr. Bowman responded as follows:

BUREAU OF THE BUDGET,
Washington, D.C., October 3, 1967.

HON. JACKSON E. BETTS,
House of Representatives,
Washington, D.C.

DEAR MR. BETTS: Below I provide brief answers to the three questions which you raise in your letter of September 27.

1. Currently the Bureau of the Budget—with the participation of the statistical agencies—is attempting to formulate the details of purpose, content, organization and operations of a Federal Statistical Data Center. Particular attention is being given to finding ways to insure that such a Center would not pose threats to personal or business privacy.

2. The Bureau of the Budget has indicated to Committees of Congress that any proposal for a Statistical Data Center would be presented to the Congress for legislative authorization. There is, at this time, no target date for advancing a formal proposal.

¹⁸ *Ibid.*, p. 7.

¹⁹ U.S. 90th Congress, Joint Committee Print, *The Coordination and Integration of Government Statistical Programs*, Joint Economic Committee, August 1967.

3. The detailed language of a legislative proposal to insure that a Federal Statistical Data Center would not make available to the public or governmental agencies any information about individual persons or businesses has not been developed as yet.

Please call on me if you have further questions.

Sincerely,

RAYMOND T. BOWMAN,
Assistant Director for Statistical Standards.

Time is short. It would be a tragedy to see a data center initiated before proper confidentiality is assured. Let citizen protection precede establishing a data center, not follow it. Congress must develop legislation to secure the rights of privacy for our citizens from potential misuse of a data bank.

3. OMNIBUS RIGHT OF PRIVACY BILL

The need for development of an inclusive bill to protect private rights against encroachment or harassment by the Federal Government is at hand. There may be aspects of such legislation which should be considered separately such as the wiretapping issue now under active consideration. Yet no legislation is pending on a number of facets of the privacy issue. Interest and expertise are growing.

A well presented challenge to Congress has been advanced by Prof. William A. Beaney:

"Whether legislatures can be induced to maintain a systematic review of administrative behavior affecting privacy is doubtful. It would be helpful, for example, if one or more subcommittees maintained a constant surveillance of the information gathering activities of government. There may be plausible reasons for accumulating more and more information about each citizen, in order to improve efficiency of tax collection or to permit planners and administrators in other agencies to carry out their functions more efficiently, since any government agency operates more rationally when provided with adequate information. But clearly there are data that lie outside the pale of government concern and other matters that must be treated as confidential and with stringent safeguards of confidentiality.

Mr. Speaker, so often the eerie implications of George Orwell's "1984" come to mind. In January of this year author Vance Packard provided a current interpretation of his own to the impending dangers 17 years hence:

"My own hunch is that Big Brother, if he comes to the United States, will turn out to be not a greedy power-seeker but a relentless bureaucrat obsessed with efficiency."

[WJBK-TV editorial, Detroit, Mich., June 26, 1968]

TELLING ALL—OR ELSE

Some powerful people in Washington are getting set to ask you some nosy questions like these:

How much money do you make? Please include details on all sources, including alimony, welfare, investments and pensions. What's your property worth or how much rent do you pay? What do you own in the way of dishwashers, TV and radio sets, automobiles, or perhaps a second home? What are the facts on your marital, employment, educational, and military background? Where was everybody in your family, including your grandparents, born?

Unless Congress blows the whistle soon on eager Census Bureaucrats, that's the extent of which you'll have to tell all in 1970—or face a \$100 fine or 60 days in jail. And there are more than 100 other intimate questions in the \$200 million census project—including with whom do you share your bathroom?

Ohio Congressman Jackson Betts is leading a fight to limit mandatory questions to name, address, age, sex, race, marital status, and who's visiting in your home at the time of census. Mr. Betts' bill would make the more obnoxious snooping strictly voluntary.

But the Congressman tells TV2 that Census Bureau pressure has his bill in trouble. That's where a short, angry note from you might help. If you agree that the census should be restored to its original purpose—counting people, not grilling them—let your Senator or Congressman know about it now, while there's still time.

[From the Fort Wayne (Ind.) News-Sentinel, June 1, 1968]

A CENSUS—NOT AN INQUISITION

Provisions for a decennial census of residents were made in the drafting of the Constitution of the United States of America. The purpose of the census, as it was written into the Constitution, was a good one—the apportionment of Congressional representation. As such, it was a tool of democracy.

In nearly 200 years, the census has undergone vast changes, and when the next census is taken, in 1970, it will much more closely resemble a marketing survey than a serious effort on the part of the Government to achieve proportional representation.

Under penalty of the law, some citizens will be required to answer as many as 120 questions covering such diverse topics as the individual's marital, educational, employment and military histories; his income, to the dollar, from all sources; the value of property owned by him or the rent he pays; the nature of bathroom facilities and with whom they are shared; and his possession or non-possession of a long list of appliances such as dishwasher, television sets, radios, automobiles; and whether or not he owns a "second" home.

Many people, including Congressman Jackson E. Betts, Ohio, feel that the Government intrudes far too deeply into the personal life of the individual in requiring, under the threat of a \$100 fine or 60 days in jail, the answers to such questions. They are particularly concerned in light of the proposals to establish a governmental "data bank" containing all information which is given or comes to the government on each and every person in the Nation. Answers to the 120 questions would provide a substantial "backbone" for the dossier of each person.

To end the proliferation of questions and the invasion of privacy, Congressman Betts has introduced a bill (H.R. 10952) which would limit to eight the questions which the citizens would be required to answer, under penalty. Those questions cover his name, address, relationship to the head of the household, sex, date of birth, race, marital status, and the number of visitors in the household at the time of the census.

It would seem sensible to turn marketing surveys over to marketing professionals in private industry and limit the census to its constitutional intent. Especially, the individual should not be required by law to answer the extraneous questions. Congressman Bett's measure should be passed.

[From the Chicago (Ill.) American, May 28, 1968]

"BIG BROTHER" AGAIN

Someday in 1970, a stranger will knock on your door and ask you 120 questions about your income, down to the last dollar; details of your educational, marital, employment, and military history; with whom, if anyone, you share your bathroom and kitchen facilities; and every item of furniture you have in your home.

Those are only a few of the compulsory questions scheduled for the 1970 census, and refusal to answer them carries a penalty of \$100 fine or 60 days in jail. The questions—and the penalty for silence—are sure to raise the hackles of many Americans who cherish the right to privacy. They've already irritated some congressmen, including Rep. Jackson E. Betts [R., O.], who has urged his fellow lawmakers to change the rules. We agree with him.

Noting that many of the questions intrude on personal privacy, Betts told the House he sees "no justification for the mandatory requirement that forces all citizens to provide such information."

Betts says that in 1960 the census bureau failed to count 5.7 million Americans, and he predicts the undercount in 1970 will be even greater unless the forms are simplified and most questions put on a voluntary basis. We don't know where he got his figures, but the compulsory questions seem hardly calculated to encourage full cooperation.

Betts' alternative is a combined mandatory-voluntary census which would allow the citizen to decide if questions are too personal. Compulsory questions under a bill he has introduced would be limited to name and address, relationship to the head of the household, sex, date of birth, race, marital status, and the number of visitors in the home at the time of the census. It makes sense; as Betts says, the purpose of a census is to count people.

He sounded an ominous note in referring to a proposed federal data bank, a

computer system to combine information from various government agencies to develop a complete file on any individual. That sounds too much like a police state for comfort. We don't want Big Brother or anyone else watching us that closely.

[From the Congressional Record, Oct. 16, 1967]

THE CENSUS: COHERENT PLAN FOR NATIONAL DATA GATHERING NEEDED

Mr. BETTS. Mr. Speaker, a principal argument used to justify the 67 subjects proposed by the Census Bureau for the 1970 decennial census of population and housing is that such data are needed by public and private organizations and would otherwise be unavailable. In the previous statements I have presented to substantiate my position that the decennial census should be vastly changed, three separate issues were analyzed.

I sought to show that both a mandatory and a voluntary approach to parts of the decennial census are feasible. In another position statement I reviewed all of the proposed subjects for the 1970 census questionnaires including where items could be omitted, dropped to a smaller sampling or deferred for current surveys which the Census Bureau conducts frequently. Invasion of personal privacy and the census was the subject of my third statement. In order to meet Census Bureau arguments for retention of their 67 subjects in 1970 on the basis of Federal information needs, let me address myself to this proposition.

DETERMINE FEDERAL STATISTICAL NEEDS

A nation investing billions of dollars in research and hundreds of millions on gathering information from American citizens should conduct these undertakings with some logically consistent plan of attack. I am unconvinced that such a coherent national data accumulation plan exists whether within the Federal Government, State statistical agencies or private and university information collection activities. It seems to me that an inventory of essential statistics on population, employment, education, income, housing, et cetera, should be developed by the Bureau of the Budget which now has authority to approve questionnaires. The scope and validity of these requirements should receive at least oversight review by Congress. This is a minimum assignment, I believe, to untangle the data gathering machinery of departments and agencies which have exhibited octopuslike growth in recent years.

Such an inventory of Federal statistical requirements could encompass the needs of colleges and universities, nonprofit enterprises, and private business so long as a public purpose is related to the initial collection of data. If the departments and agencies of the Federal Government—except for security, defense and law enforcement organizations—would identify information demands both required and collateral and these lists were correlated into an aggregate principal statistical research, centers such as the Census Bureau could proceed in a more purposeful manner to collect only that information. In my opinion this would result in a major reduction in census inquiries from those now proposed.

DEVELOP NATIONAL PROGRAM

Once an inventory of important Federal statistical needs was developed, it would be necessary to identify all existing sources of data collected by Federal, State, and private agencies willing to cooperate in such a consolidated program. We must bring about maximum utilization of all existing bodies of data before plunging further into unrelated interrogation of segments of the American public and business. I do not believe that reaching this assessment would be difficult.

A review of the 1970 census questions brings the immediate thought to mind: Do any Federal agencies have current data on some of the subjects now on the census questionnaire thus minimizing the need for the Census Bureau to include them? It seems clear that the Internal Revenue Service, Bureau of Immigration and Naturalization, Department of Health, Education, and Welfare, Department of Agriculture, Department of Labor, Veterans' Administration, and other Federal installations do possess such statistics, transferable without identifying any individual, if required by the Census Bureau.

After all questions properly deemed matters of public need are evaluated and a thorough review of existing sources of information amassed by Federal depart-

ments and agencies, decisions could be reached as to how all remaining facts should be collected. I am uncertain, as I expect many of my colleagues are, as to what determines whether departments and agencies conduct their own surveys for particular information, the project is contracted to the Census Bureau, or private or university research organizations are allowed to bid on the proposal. Qualitative factors such as the competency for the assignment as well as quantitative factors such as cost, no doubt receive consideration. Yet I am not aware of firm, public policies existing for each department and agency concerning their surveys and polling programs.

CONCERNS FOR THE CONGRESS

The Congress must become involved in the major propositions concerning information collection by the executive branch for at least three reasons: It is a multimillion-dollar investment by the taxpayers annually, urgent questions as to the maintenance of personal privacy are involved, and determinations are needed as to the adequacy of information collected in terms of national objectives. Various House and Senate committees are charged with parts of this responsibility and in recent years a number of significant hearings have been held. No definite policy directions that I am aware of have been given to the executive branch. I hope before the adjournment of the 90th Congress several bills will become law in this field. There are four facets to this problem I would point to as arenas where Congress can help develop a coherent plan for national data procurement:

First. Full utilization of existing statistical services within the executive and greater consolidation of that data for intergovernmental users is the logical first step in the plan. This proposal embodies the creation of a national data bank. The greater efficiency and savings from such a facility plus increased information availability do not, however, overshadow its major weakness. I refer to the invasion of personal liberty which can result when extensive personal data are concentrated in one master information system. Foolproof statutory safeguards must precede the creation of a data center. Once protection against misuse of personal facts is guaranteed, this consolidated statistical unit has great possibilities for assisting every segment of American society.

Second. The 50 States are rapidly expanding their collection of all types of data useful to every level of government. Under the auspices of the Council of State Governments an individual or agency in each State has been designated for intra and interstate data processing coordination. Any national data center on the Federal level should be accessible to State governments. Maximum benefits can accrue to the State only if some coordination or standardization of present projects is developed.

An interstate compact on statistics and data processing might serve as the forum for State officials to plan greater integration of information systems. There should be greater Federal statistical information available in automated form to the States. Increasing such sharing of data will necessarily initially involve cooperation among the States. This is far more desirable, as I can see it, than for the Census Bureau or officials of a national data center to negotiate information exchange or transfer separately with every State. Early State action could mean expanded access to a center data operation, if Congress is aware of the particular needs and automatic data processing capabilities of the States when a national data center is established.

Third. Whether any current surveys on population, housing, education, employment, or business now conducted under Federal auspices could or should be contracted to a private market research firm cannot be overlooked. I asked 200 market research firms if their organizations could successfully conduct some of the projects now handled by the Census Bureau. It was not surprising that the overwhelming response was "Yes." I was impressed, however, with the reasons given for the belief that more Federal survey work should be shared with private enterprise. Let me provide actual quotes from several representative letters:

PRINCETON, N.J.,
September 8, 1967.

HON. JACKSON E. BETTS,
House of Representatives,
Congress of the United States,
Washington, D.C.

DEAR CONGRESSMAN BETTS: I am keenly interested in the problem you pose. The government can conduct some types of surveys better than private market-

ing research firms, such as ours. But, not from the point of view of technology. The decennial census would probably represent too great a project for any or all private firms. Also, there are some studies made by the government, requiring an answer by the respondents, that obviously could not be done by private marketing firms.

On the other hand, there are a great many surveys that not only could be done as well by private firms, and at a fraction of the cost. If all expenses were honestly taken into account, I believe that private research firms could conduct most of these surveys for about one-third or one-half of the amount spent by the government. My own fear is that the government will continue to build up its survey machinery and in time will take over more and more of the work that now goes to commercial research firms. From the point of view of quality, the government certainly has no advantage except that it can spend excessive amounts whereas commercial firms must normally work within much smaller budget requirements.

As the head of a market research firm, I should add that we have never been very much interested in getting survey assignments from the government because of the time and the money and the difficulties of fighting the Washington bureaucracy. It requires a lot of time of a lawyer, of accountants, etc., even for minor contracts. Moreover, it is always difficult to get money out of the government when the job is completed. In dealing with private industry, a simple contract is enough and we can expect to be paid on the completion of the study and the delivery of the report. In our experience this is not the case in dealing with the government. Often months go by before some minor detail is cleared up. All of this makes for work for the bureaucrats but it is discouraging to those who could do surveys for the government at substantial savings to taxpayers.

Sincerely,

GEORGE GALLUP,

Director, American Institute of Public Opinion.

NEW YORK, N.Y.,
September 5, 1967.

Congressman JACKSON E. BETTS,
House of Representatives,
Washington, D.C.

DEAR CONGRESSMAN BETTS: It is my opinion that private marketing research organizations can compete favorably for the studies undertaken by The Census Bureau for the benefit of government. This has application to studies in other areas of government as well. The Department of Agriculture has demonstrated the success of this approach in a number of studies in which they have utilized private organizations.

Most sincerely,

A. EDWARD MILLER,

President, Alfred Politz Research.

RICHMOND, VA.,
August 14, 1967.

HON. JACKSON E. BETTS,
House of Representatives,
Washington, D.C.

DEAR MR. BETTS: We cannot admit to an unprejudiced viewpoint, but are convinced that private marketing research organizations could successfully contact some of the census projects. Our organization has, from time to time, attempted to persuade the Department of Commerce that this could be done—but to no avail. Insofar as I am aware, the Commerce Department is one of the few in the federal government which relies almost exclusively on its internal personnel for information gathering and other kinds of research.

Sincerely yours,

J. ALBERT FABER,

President, Southeastern Institute of Research, Inc.

URBANA, ILL.,
September 18, 1967.

HON. JACKSON E. BETTS,
Washington, D.C.

DEAR SIR: You asked my opinion on the matter of having private market research firms undertake some of the projects now being done by the Census Bureau. I am quite confident that any one of a number of private research firms could do such work and perhaps do it as effectively as a government agency. I would guess that in a number of instances the contract price for research done by private firms would be lower than the cost of having it done by a government agency. This would be particularly true for special projects where a government agency is not already tooled up to conduct such research investigations.

Sincerely,

C. H. SANDAGE,
President, Farm Research Institute.

WATERLOO, IOWA,
September 19, 1967.

HON. JACKSON E. BETTS,
House of Representatives,
Washington, D.C.

DEAR MR. BETTS: As to your second question: yes, certainly, in my opinion, private interviewing organizations could successfully contract many of the Census Bureau surveys.

Sincerely yours,

GLADYS L. WALKER,
Director, Black Hawk Research Bureau.

DETROIT, MICH.,
August 1, 1967.

HON. JACKSON E. BETTS,
House of Representatives,
Washington, D.C.

DEAR MR. BETTS: We firmly believe that the Federal Government is in fact in competition with us along with many tax supported universities and also, in fact, we are being deprived of potential business which would yield the government additional tax revenue.

Respectfully yours,

RICHARD W. OUDERSLUYS,
President, Market-Opinion Research Co.

Mr. Speaker, one approach to an objective review of the polls or surveys which might be contracted to private organizations was presented by Mr. Henry Brenner, of the Home Testing Institute:

MANHASSET, LONG ISLAND, N.Y.,
August 16, 1967.

HON. JACKSON E. BETTS,
House of Representatives,
Washington, D.C.

DEAR MR. BETTS: I would like to suggest a possible course of action to you.

1. To get from the Bureau of the Census and other Government bodies (Department of Agriculture, for one) that conduct "marketing research" surveys a list of the studies that have been completed during a recent twelve month period along with a description of:

- (a) The purpose of the study;
- (b) The design of the study;
- (c) A report of the study.

2. Then I would suggest that this material be forwarded to 15 or 20 heads of marketing research firms or other individuals involved in non-governmental marketing research activities.

3. Those who wish to would then be given an opportunity to discuss with you and other interested Congressmen and officials of Government bodies involved the capability of marketing research firms to undertake studies similar to those conducted by the Government bodies.

Cordially,

HENRY BRENNER,
Home Testing Institute/TvQ, Inc.

Mr. Speaker, the officers of the major trade associations for the marketing and opinion research industry should be asked to provide suggestions on the formation of industry-academic committees to advise Congress, the Bureau of the Budget or specific agencies. There is a need for a better understanding of where lines are drawn separating federally conducted research efforts from those contracted with private firms. Such a determination might expand, decrease or not materially affect the amount of Federal research work. This would not be the objective of such a determination. It would be to set a standard everyone understood and to follow that course in future decisions.

Fourth. A broad, inclusive program of Federal statistical research must include nonprofit research organizations and universities. These institutions, important statistical users amass much information, also develop new research technology. It is true that some new techniques and methodology are now shared and this should continue. A closer relationship between these loci of vast information should not become one of domination by the Federal Government or reluctant cooperation from the nongovernment sector. This is a relationship to be considered as part of an overall national statistical plan.

Mr. Speaker, there are many ramifications of any commentary on improving the information gathering apparatus in the United States. I feel my remarks as they pertain to the Census Bureau and the 1970 census questionnaire lend support for the passage of H.R. 10952. I will let the experts consider the other aspects of my suggestions to strengthen the vital information sources in this country.

[From the Congressional Record, Sept. 28, 1967]

House of Representatives

THE CENSUS: COMPULSORY VERSUS VOLUNTARY APPROACHES

Mr. BETTS. Mr. Speaker, the 1970 decennial census of population and housing is now in its planning stages. The chairman of the Subcommittee on Census and Statistics of the Post Office and Civil Service Committee, Congressman GREEN of Pennsylvania, has indicated this subcommittee will meet later this year to examine the proposed questions to be asked the American people on that census. In anticipation of this review of the census questionnaires, justification for including many subjects and the mandatory nature of this inquiry, I have investigated many facets of data gathering operations of the Bureau of the Census.

As I see it, there are four principal areas of concern which confront the Congress as the 1970 census approaches. First is the concept and use of mandatory features of this census; second deals with nonessential questions included in recent censuses and proposed for continued use; third relates to the rights of privacy infringed upon by this extensive public interrogation by the census; and fourth is the matter of competition with private market research firms or nonprofit institutions in the conduct of many census projects.

For the purposes of this discussion, let me initially consider the matter of compulsion which is sometimes said to be the vital and prime source of providing complete and accurate decennial census statistics. The latter three areas of concern which I mentioned will be presented in succeeding reports.

Section 221, title 13, United States Code, provides penalties—\$100 fine and up to 60 days in jail—for noncompliance with various censuses—including the decennial Census of Population and Housing—conducted by the Bureau of the Census. An examination of the theory behind this mandatory provision, the number of violators prosecuted in recent years, and the deterrent effect it is contended to have on compliance, would be useful at this point.

Statements and correspondence I have received from Dr. A. Ross Eckler, Director of the Bureau of the Census, indicate that in his opinion the penalty provision and official nature of the census forms lend significantly to maximum compliance by the general public. The mandatory provision prompts greater cooperation with enumerators and would similarly result in better response when the mail-out/mail-back method of conducting future censuses is employed, Dr. Eckler contends. The mandatory rule also is said to discourage organized local opposition to the census.

In order to receive an overall view of this provision, I asked the Attorney General and Director of the Census their policy toward enforcement of this penalty section:

What has been the policy or attitude of the Department of Justice (Bureau of the Census) toward the enforceability of this statute and what steps have been taken to provide procedures for the Bureau of the Census and its enumerators to apprehend violators? How many incidents or cases of violations of Section 221 were reported to the Department of Justice in conjunction with the 1960 census and how many individuals were actually prosecuted under this provision?

Fred M. Vinson, Jr., Assistant Attorney General advised me on September 8, 1967, that:

"Whenever the Department of Commerce feels that the facts surrounding a refusal to furnish desired census information justify prosecution, the file in each case will be forwarded by the department to the appropriate United States Attorney. In all instances of refusal to answer Census questionnaires affecting companies, businesses and other organizations, the United States Attorney should make certain that efforts have been made to persuade the delinquent to comply with the Census Bureau's report. Prosecution should be instituted under 13 U.S.C. 224 if the delinquent persists in refusal to supply the required census data."

The Justice Department has no record of how many prosecutions were requested in conjunction with the 1960 census, but at least two convictions were reported, Mr. Vinson indicated.

It appears from the response I received from Acting Director, Bureau of the Census, Robert F. Drury, that no figures are available on the number of persons refusing to give information to an enumerator, or the number of cases involved in informal counseling with local U.S. attorneys. I can only conclude that the need to pursue the enforcement provision is minimal, reflecting well on the attitude of the American public on filling out census questionnaires. This is not to say the American people like these requests but nevertheless they patriotically have complied with them.

The Bureau of the Census has focused its fears frequently on the "vulnerability of the decennial census to organized local groups" who would thwart its completeness and/or accuracy. Dr. Eckler on August 2 wrote me:

"A major concern with your proposal (H.R. 10952) for eliminating the mandatory reporting requirement for certain of the questions asked in the decennial census lies in possibility that organized local or national campaigns urging citizens not to answer particular census questions, which certainly are in prospect if the law is so changed, undoubtedly would make part of the census results unusable."

Shortly thereafter, I asked Dr. Eckler to document the basis upon which he made that assertion:

"You referred to the vulnerability of the decennial census to local efforts to discourage public cooperation and that the penalty provision for compliance was vital to maintain a high level of participation. Would you give me whatever experience you have had with efforts to thwart full participation with the Bureau in decennial censuses? How extensive have these revolts been and what effect have they had on a local or regional collection of statistics?"

Dr. Eckler's reply of August 9 gave not one instance where any groups of citizens had organized on a local or national level or been in collusion to sabotage a decennial census or a portion thereof. In his letter Dr. Eckler referred to scattered resistance by businesses to form requirements and one instance of city government officials opposing a certain questionnaire, but completely failed to show that his charge of organized local efforts working against a census has any validity.

Mr. Speaker, I believe this contention, that people will not cooperate if a portion of the decennial census is voluntary is a smokescreen for complete unwillingness to allow the principle of volunteerism in the gathering of data by the Federal Government. I asked Dr. Eckler to test this principle, to conduct a pilot project to determine the variance in response between a survey where the

respondents believe or are told their participation is required under penalty of law from a survey where compliance is clearly stated as being voluntary. I suggested that perhaps such a test case could be conducted in one of your periodic mail surveys which would not require a great deal of additional effort or expense. The answer I received was less than enthusiastic. Dr. Eckler wrote:

"To carry out a pilot project of the type you suggest in your letter of July 19 poses some operational problems which are not readily dealt with."

Even if testing the principle of volunteerism with a special pilot project is ruled out by Dr. Eckler, the Bureau of the Census already admits that wholly satisfactory results are possible with this approach.

Let us look at results from sample surveys and quote the Bureau of the Census:

"In addition to the decennial censuses, the Census Bureau regularly conducts many household surveys, covering a variety of subjects. Among the most important is the Current Population Survey, which has been conducted monthly for over 20 years and serves as the source of the official government statistics on total employment and unemployment. A sample of approximately 52,000 households throughout the Nation is visited each month in connection with the survey, and the results are published by the U.S. Department of Labor. Households are selected for the survey by address only, using scientific sampling methods. Each household is visited once a month for four consecutive months one year, and again for the same time period a year later. This technique permits us to obtain the needed information while minimizing the inconvenience to any one household."

Participation in the Current Population Survey is voluntary. However, we have had cooperation over the years from the vast majority of the people contacted. Fewer than 2 percent, on the average, refuse to participate in the survey. In some other surveys the refusal rates have been higher, depending in part on the nature of the survey.

Now these results may not bear on a 100-percent census, but I believe they would prove feasible for a 20-percent, 15-percent, or a 5-percent sampling undertaken to secure data in a decennial census. In almost every communication I have received from the Census Bureau, officials praise "the demonstrated cooperation by the American public."

The American people, if I am any judge of their character, are more than willing to cooperate with the Federal Government to provide the basic, essential information to meet constitutional requirements on population and other facts about themselves. There is little disagreement that questions seeking this information should, if necessary, carry penalties for noncompliance. Our citizens do object, however, to harassment, invasion of privacy, or questioning which has no public purpose. That is why I wish to limit the number of mandatory questions and require a separate, voluntary form for any extraneous inquiries the Census Bureau wishes to pose. I believe this plan would work.

In reviewing the Census Bureau's reasons and justifications for mandatory provisions covering any and all questions they care to ask, I find their rationale faulty both in theory and practice. To provide documentation to this position, in addition to the logic the facts themselves reveal, let me turn to two other major statistics gathering sources in the United States. I refer to the 50 State governments and the large number of private market research firms in this country.

STATE CENSUS VOLUNTARY

Many State agencies conduct censuses and surveys to obtain vital information for the operations of State government. In order to learn the extent of such State statistics gathering activities, the U.S. Bureau of the Census itself in 1965 submitted a questionnaire to numerous agencies in each State to determine the scope and type of work they have undertaken. The principal emphasis of this census questionnaire was on population and housing information of the same type that appears on the decennial Federal census. Here is a summary of the reports the Bureau of the Census received:

In all but one State, North Dakota, some State agency reported making population estimates for counties of other local areas. In a number of instances, census counts rather than estimates are available. Thus, the State of Kansas takes a State census every year as of March 1. Massachusetts takes one in years ending in 5; the results of the last one, taken as of January 1, 1965, have recently become available. The Washington State Census Board counts the population in selected places and supplements these counts with estimates of the population of

other cities and towns. In all other instances, the data reported here represents population estimates derived by various methods.

As in earlier surveys, the State departments of health led other types of Statewide agencies in the preparation of local population estimates. Out of a total of 66 different State agencies making such estimates, 27 were departments of health. This is approximately the same number of State departments of health reported as preparing estimates in our earlier surveys. State universities are the second most important source of such estimates; 21 such agencies reported making population estimates. Ten of these were Bureaus of Business Research at State universities and the remainder were represented by Departments of Sociology and newly established Population Study Centers. Other types of agencies preparing estimates were: economic development commissions (6), employment security commissions (4), State planning commissions (3), and other agencies. These agencies include the State Census Boards in Oregon and Washington. In the State of California, population estimation is the responsibility of the Population Research Unit in the Department of Finance. In Utah, an inter-agency committee has the responsibility for such estimates.

Table A below summarizes the sources of population estimates by type of agency preparing such estimates. The results from the earlier surveys are also shown for comparative purposes. In general, the changes reported over time are truly representations of shifts in responsibility of preparing such estimates. It is quite possible, however, that the increase in the total number of agencies reporting work in this area since 1960 reflects the more extensive coverage of the 1965 survey.

TABLE A.—STATE AGENCIES¹ MAKING POPULATION ESTIMATES FOR LOCAL AREAS, PERIODIC SURVEYS, 1955-65

Agency	1965	1960	1957-58	1955
Total.....	66	57	62	46
Department of health.....	27	27	30	31
State university.....	21	16	19	9
Bureau of business research.....	10	10	15	7
Other department.....	11	6	4	2
Planning commission or economic development agency..	9	5	3	1
Employment security office.....	4	2	4	-
Other.....	15	7	6	3

¹ Includes California State Department of Finance, Kansas State Board of Agriculture, Utah Population Committee, Washington State Census Board, and the Office of the Secretary of the Commonwealth of Massachusetts (census every 10 years).

This is an impressive report of what our States are doing themselves in the field of data gathering. However, it was not revealed in this Census Bureau report whether such State agencies have been given mandatory powers to secure such data from citizens and businesses. So, I wrote to the attorneys general of the 50 States to ask that question. The replies are significant. I received 45 responses and only in Massachusetts and Missouri did the attorney general indicate statutes existed requiring public compliance with agencies seeking general population and housing information. My two questions to the attorneys general and their responses are presented in the following table:

SURVEY OF STATE STATUTES AFFECTING CITIZEN COMPLIANCE WITH INFORMATION-GATHERING AGENCIES

State	Question 1—Is there a statute in your State which requires compliance (under penalty of fine or imprisonment) on the part of individual citizens or businesses to provide information sought through surveys and censuses by State information-gathering agencies?			Question 2—Does your State have any statutes restricting the information-gathering or investigatory authority of State agencies (other than police) which might be considered as recognizing certain personal or corporate rights of privacy?		
	Yes	No	Statute	Yes	No	Statute
Alabama.....		X	.....		X	.....
Alaska.....		X	.....		X	.....
Arizona.....		X	.....		X	.....
Arkansas.....		X	.....		X	.....
California.....		X	.....		X	.....
Colorado.....	X		School census, board of education.		X	.....
Connecticut.....		X	.....		X	.....
Delaware.....		X	.....		X	.....
Florida.....		X	.....		X	.....
Georgia.....	X		School census only.....		X	.....
Hawaii.....		X	.....		X	.....
Idaho.....		X	.....		X	.....
Illinois.....	X		Agriculture statistics.....		X	.....
Indiana.....		X	.....		X	.....
Iowa ¹.....			.....			.....
Kansas.....		X	.....		X	.....
Kentucky.....		X	.....		X	.....
Louisiana.....		X	.....		X	.....
Maine.....		X	.....		X	.....
Maryland.....		X	.....		X	.....
Massachusetts.....	X		Population.....		X	.....
Michigan.....		X	.....		X	.....
Minnesota ¹.....			.....			.....
Mississippi.....		X	.....		X	.....
Missouri.....	X		Population.....		X	.....
Montana.....		X	.....		X	.....
Nebraska ¹.....			.....			.....
Nevada.....		X	.....		X	.....
New Hampshire.....		X	.....		X	.....
New Jersey.....		X	.....	X		May not ask creed, religion, or politics.
New Mexico.....		X	.....		X	.....
New York.....	X		School census, board of education.	X		Civil rights law, protecting personal confidence and privacy.
North Carolina.....	X		do.....		X	.....
North Dakota.....		X	.....		X	.....
Ohio.....	X		Military census.....		X	.....
Oklahoma.....	X		Title 2 (sec. 35); title 2 (sec. 11-8).		X	.....
Oregon.....		X	.....		X	.....
Pennsylvania.....		X	.....		X	.....
Rhode Island.....	X		Labor and education census.....		X	.....
South Carolina.....		X	.....		X	.....
South Dakota.....	X		Veneral disease census.....		X	.....
Tennessee.....		X	.....		X	.....
Texas.....	X		School census.....		X	.....
Utah ¹		X	.....			.....
Vermont.....		X	.....		X	.....
Virginia.....		X	.....		X	.....
Washington.....		X	.....		X	.....
West Virginia.....		X	.....	X		Individual agency controls.
Wisconsin.....		X	.....		X	.....
Wyoming.....		X	.....		X	.....

¹ No response.

Mr. Speaker, except for two States and a few others requiring data on school-age children, our State governments can operate extensive statistical gathering programs without the "benefit" of mandatory compliance. This speaks well for our States and reflects clearly against the U.S. Bureau of the Census arguments that it cannot assure census accuracy without threats of prison or a fine to the respondent for noncompliance. The States do have similar "officiality" that is deemed important and succeed with public cooperation, not fear of punishment. There are several hundred companies operating with neither the force of law nor color of officiality. They must rely solely on public good will to succeed. Let us look at their views on the question of compliance.

PRIVATE RESEARCH FIRMS SUCCEED WITH VOLUNTARY SURVEYS

Required to conduct their total operations without Government prestige or compulsion, market research firms should be in a good position to evaluate the necessity and desirability of forced participation in the census. I wrote to nearly 200 firms across the country to learn their thinking on the subject. This question was presented to the president of each company:

"In the surveys and polls you undertake, both through interviews and by mail, do you receive a high response yielding meaningful results based on the willingness of respondents to cooperate? I wish to contrast your dependence on voluntary response with mandatory compliance utilized in many Census Bureau surveys."

The responses I have received, now numbering more than 100, are most useful and enlightening.

The overwhelming answer to my question was to affirm the principle of volunteerism as a desirable and effective method of surveying, in some cases it is considered more accurate than results of mandatory questioning. A few company presidents accepted the present status of the law but by a 5-to-1 ratio the expression of preference for the voluntary approach was endorsed. Several different reasons were given for this viewpoint. I would like to provide actual statements quoted verbatim from the letters I received to describe the thinking of private market research organizations toward voluntary data gathering.

The overall conclusion by these specialists in market research and statistics was that total reliance on public cooperation for the accuracy and success of their canvassing provides no disadvantage and is no impediment to successful operations. I think the following excerpts from letters will illustrate this point:

HUNTINGTON WOODS, MICH.,
August 15, 1967.

HON. JACKSON E. BETTS,
House of Representatives,
Washington, D.C.:

We have virtually no trouble with respondent cooperation in undertaking the many studies with which we are involved every year.

MILTON I. BRAND,
President, Brand, Gruber & Co.

NEW YORK, N.Y.,
August 31, 1967.

HON. JACKSON E. BETTS,
Congress of the United States,
House of Representatives, Washington, D.C.:

With respect to our own work, as you correctly point out, there is no obligation for anyone to respond to any questions asked by us, nor do we seldom offer payment or other incentive to do so. Nevertheless, we find a high level of cooperation among both business organizations and private individuals. As you may know, most of our studies contain some kinds of information that might well be considered difficult to obtain—income or sales volume, for example. Although the rate of refusal on these questions may be slightly higher than on less confidential data, it is rarely in excess of 8 per cent of those interviewed.

ARTHUR B. DOUGALL,
Chairman of the Board, Stewart, Dougall & Associates.

PRINCETON, N.J.,
August 29, 1967.

HON. JACKSON E. BETTS,
House of Representatives,
Washington, D.C.:

We do not feel that the questions that you have raised regarding confidentiality or respondent's freedom to refuse an interview are important differences between Census work and the work of our own organization. We feel that given the type of studies that we do, these are not important limitations to our work.

JOSEPH C. BEVIS,
Chairman of the Board, Opinion Research Corp.

NEW ORLEANS, LA.,
August 22, 1967.

HON. JACKSON E. BETTS,
House of Representatives,
Washington, D.C.:

In reply to your request for direct comment on two specific subjects, I have found the willingness to cooperate almost universal. We obtain no more than an average of 1% (in some rare exceptions no higher than 2%) of the persons we interview uncooperative. We have never considered refusal to cooperate a factor of significant degree in any of the surveys we have conducted.

IRVING A. FOSBERG, Ph. D.,
President, The Psychological Service Center of New Orleans, Inc.

SOUTH WINDHAM, MAINE,
September 6, 1967.

MR. JACKSON E. BETTS,
House of Representatives,
Washington, D.C.:

We depend entirely on voluntary response, and would have it no other way.

MRS. RUTH W. MALONEY,
Northeast Market Research.

CINCINNATI, OHIO,
September 5, 1967.

HON. JACKSON E. BETTS,
House of Representatives,
Washington, D.C.:

I certainly do not understand why mandatory response under law is necessary for Census Bureau surveys. It has been our experience that we may expect a 95% voluntary cooperation whether our interviews are made over the telephone or person-to-person.

JAMES C. MOLER,
Executive Vice President,
Burgoyne Index, Inc.

CHICAGO, ILL.,
September 14, 1967.

MR. JACKSON E. BETTS,
House of Representatives,
Washington, D.C.:

No, we do not suffer from not having this "advantage." (mandatory compliance). In fact, our rate of refusal for personal contacts with the public is so very low that we do not consider it a handicap of any significance. If we were retained to conduct an investigation or a census of the population for the United States Government, we could simply state that the information was required by law, and I am certain that we would get just as much cooperation (and maybe more) than numerators hired directly by the Department of Commerce.

ROBERT E. ELRIOK,
Chairman, Elrick & Lavidge, Inc.

DALLAS, TEX.,
August 14, 1967.

MR. BETTS,
Washington, D.C.:

In twenty-six years of research work, we have never found that our clients suffer from our inability to employ the Government's powers to demand answers.

JOE BELDEN,
President, Belden Associates.

DALLAS, TEX.,
August 15, 1967.

MR. JACKSON E. BETTS,
8th District, Ohio, House of Representatives,
Washington, D.C.:

In answer to your letter of August 9th, we of course receive high response and meaningful results from the surveys we make on a voluntary basis. If we didn't we would be out of business.

CECIL B. PHILLIPS,
President, MARC, Inc.

SAN FRANCISCO, CALIF.,
August 16, 1967.

HON. JACKSON E. BETTS,
Congress of the United States,
Washington, D.C.:

I have been in the marketing research business for over eleven years and, contrary to some opinions, I have found that the general public welcomes the opportunity to answer questions and express opinions if approached with courtesy and dignity.

CLIFFORD V. LEVY,
President, Far West Surveys.

WEST HARTFORD, CONN.,
August 16, 1967.

HON. JACKSON E. BETTS,
House of Representatives,
Washington, D.C.:

In our experience, we have found that there is a high degree of cooperation on the part of respondents; providing, of course, that they have the time and the ability to answer questions. Our work covers a broad area of subject matter but even in the case of very personal questions, we find respondents cooperative. The refusal rate is less than one half of one percent. It should be pointed out, however, that we are careful to tell the respondent all we can about the purpose of the study, the need for their opinion and the fact that their name will not be used in any way. Our opening remarks always include that "we are not selling anything."

A. C. BOURGET,
President, The Marketing Service Co., Inc.

MINNEAPOLIS, MINN.,
August 22, 1967.

HON. JACKSON E. BETTS,
House of Representatives,
Washington, D.C.:

We certainly do receive a high response yielding meaningful results in the surveys and polls we conduct, by mail, by telephone, and by personal interview.

There are always a few who refuse to reveal such data as the family income, but almost invariably, these are less than five percent of the total people interviewed. We have always been able to analyze the results and interpret the meaning of the survey, in spite of this small refusal.

BERT RUSSICK,
President, Mid-Continent Surveys.

MINNEAPOLIS, MINN.,
August 22, 1967.

Congressman JACKSON E. BETTS,
House of Representatives,
Washington, D.C.:

Your first outline to me about willingness of respondents to cooperate does not bother me at all. I believe that people, by in large, are willing to be interviewed as long as we treat them in a businesslike manner. We are making a tally now of these 3,300 questionnaires to see really how many people did refuse to do the job. I would expect my trained interviewers to be able to complete any study for the

Census Bureau with respondent's willingness and cooperation every bit as high as and probably more so than if these people were being called on by a person only hired for that one study. I can't imagine it posing any problem at all to me.

In this last year I have operated in every state in the Union. I have done thousands of questionnaires in Canada, Mexico, Hawaii; and now, we are getting ready to work in the United Kingdom, Belgium and France.

Mrs. MARIAN S. McCULLOUGH,
President, Winona Interviewing Service, Inc.

CHICAGO, ILL.,
August 11, 1967.

HON. JACKSON E. BETTS,
*House of Representatives,
Washington, D.C.:*

As far as secrecy is concerned, this should be the least of your worries because a reputable private agency cannot do work for all the large food companies, as we do, and have a large mouth. We are constantly working on new products, product concepts, and the like, and what we do is always confidential and secrecy is about as natural as getting up in the morning. So, in short, we do have the strictest degree of confidentiality even though there is no law that says we have to keep our findings secret.

ALBERT W. HACHMEISTER,
Vice President, Jackson Bee Angell & Associates, Inc.

NEW YORK, N.Y.,
August 17, 1967.

JACKSON E. BETTS,
*Congress of the United States,
House of Representatives,
Washington, D.C.:*

The non-response on personal interviews and telephone interviews, when contact with a respondent is made is relatively minute.

Certain questions relative to income have a higher non-response than less personal questions, but even this non-response is not of a significant nature.

Mail surveys have various percentages of returns depending on the interests of the subject matter, and the amount of inertia (on the part of the respondents) in taking the physical time to answer the questions and mailing the questionnaires. However, of those questionnaires returned, the nonresponse is negligible.

GEORGE FINE,
Market Research Service.

Several company presidents thought the mandatory features of census questionnaires unnecessary because the official Government format and documentation are adequate to gain the cooperation of any reluctant, respondents. Two examples of these replies follow:

CHERRY HILL, N.J.,
August 29, 1967.

Congressman JACKSON E. BETTS,
*House of Representatives,
Washington, D.C.:*

It is believed that the Census Bureau would, through personal interviews, receive a high level of response and meaningful results on a voluntary basis from both individuals and business. This has been our experience in both consumer and industrial/commercial surveys. Generally, people will cooperate as long as their doing so is not detrimental to them. An invaluable advantage in the case of the Census Bureau's survey work, is that the "official" stamp of the Federal Government is present.

HUGH F. BRESLIN,
Director, Arthur S. Krantzley & Co.

NEW YORK, N.Y.,
August 14, 1967.

HON. JACKSON E. BETTS,
House of Representatives,
Washington, D.C.:

In reply to your letter of August 9, I would like to say that our refusal rate from the general public of answers to our questions has been very small . . . less than 5% on the average. I feel sure that if a census enumerator were to ask any sort of question of the general public, an answer would be given without the threat of punishment. The mere fact that the enumerator was representing the government would be sufficient to give even greater attention to the questions than if she were coming from a private research company. I doubt whether many people now realize that they would be penalized for failure to answer the questions.

LEE ANDREWS,
President, Andrews Research, Inc.

A third view expressed by these market research experts was that the mandatory nature of decennial census questions may even distort the accuracy of such reports. I agree with this thesis. To demand compliance from a citizen is meaningless if the information given is not accurate or complete.

WEST END, N.J.,
August 15, 1967.

HON. JACKSON E. BETTS,
Congress of the United States,
House of Representatives,
Washington, D.C.:

Mandatory compliance in Census Bureau surveys may yield responses that are neither reliable nor honest. Private market research organizations, if they are any good at all, will be able to do two things that would help the Census Bureau: (1) Use qualified people who will be able to secure cooperation from respondents; (2) validate the results obtained, so that it will be really useful.

Mrs. MIRIAM EISENBERG,
Motivation Analysts, Inc.

CHICAGO, ILL.,
August 8, 1967.

HON. JACKSON E. BETTS,
House of Representatives,
Washington, D.C.:

The point was raised in your letter about whether government identification helps survey responses. Let me say emphatically, "no". We find that our refusal rate as a private survey company generally runs well below 7 percent. Equally important, we think government identification on many surveys produces a strong bias which may produce seriously misleading data.

DAVID K. HARDIN,
President, Market Facts, Inc.

ST. LOUIS, MO.,
August 21, 1967.

Congressman JACKSON E. BETTS,
House of Representatives,
Washington, D.C.:

Under most circumstances voluntary information has more reliable, usable response than forced answers. Obviously voluntary answers cannot be obtained from the total market. However sampling techniques can be used which do give a high degree of statistical reliability to the total answers obtained.

ROY ST. JEAN,
Edward G. Doody & Co.

Several of the firms from whom I received replies are or have been Government contractors. It is clear from their statements they are satisfied with the techniques of research using only voluntary questioning and that the Federal department or agency for whom they undertook the project believed such an

approach is sound. In a real sense, then, we find Federal agencies using private contractors who must employ only voluntary data gathering techniques and the Bureau of the Census relying largely on compulsory methods. I think this inconsistency should be fully explored. Here are excerpts of letters on this point:

PHILADELPHIA, PA.,
August 9, 1967.

HON. JACKSON E. BETTS,
House of Representatives,
Washington, D.C.:

Certain private marketing research firms such as Chilton Research Services are conducting and do indeed have, the particular research capability and technical qualifications to conduct nationwide surveys among such highly specialized populations as engineers, psychiatrists, educators, and farmers, as well as surveys among consumers in households.

Private marketing research organizations are in fact doing this kind of work every day both for business and industry and for the Federal Government. Since these companies must be competitive in terms of cost, accuracy and reliability, they must function at the highest level of efficiency possible or they do not stay in business. American businessmen using these services, who in their own highly competitive fields, require maximum efficiency cause these research organizations to be creative. It is my opinion that certain of these private research facilities can undertake or participate in the many projects with which the Bureau of the Census is involved.

It is my view that the present clients of Chilton Research Services do not suffer in any way from our inability to apply the penalties of the law for not responding to questionnaires seeking legitimate information. Where information is given freely and willingly it may be more reliable and may demonstrate greater finesse and technique to elicit information than where there is the possibility of threat or penalty for not replying.

JOHN H. KOPRON,
Vice President and Director, Chilton Co.

Finally, there are those market research firms whose management feel that my recommended approach, through the adoption of H.R. 10952, is a desirable change in present law and census practice.

SAN FRANCISCO, CALIF., September 5, 1967.

Mr. JACKSON E. BETTS,
Eighth District, Ohio,
House of Representatives,
Washington, D.C.:

We would suggest that Census surveys might be conducted in such a way that only the basic Constitutionally required information be obtained by a complete census, while the additional information could be obtained from sub-samples of the population, perhaps at more frequent intervals, thereby diminishing the burden on individual citizens while at the same time providing society with vitally needed estimates of important population parameters.

MERVIN D. FIELD,
Field Research Corp.

PEEKSKILL, N.Y., September 12, 1967.

HON. JACKSON E. BETTS,
Congress of the United States,
House of Representatives,
Washington, D.C.:

I believe that the Census Bureau should obtain its basic information by the interview methods that are currently in use, and on an involuntary basis. However, I believe that the information that an individual is required to give, on this mandatory basis, ought to be limited, as you have suggested in your bill and speech. Information going beyond this basic data can, I believe most expeditiously be garnered by reuse of sample surveys. The Bureau of the Census, The Department of Commerce, and other organizations within the government, are well acquainted with the use of sampling surveys and their limitations statistically and

mathematically, and I believe, could gather most of the information which is sought in the census by the use of such methodology.

WILLIAM CAPITMAN,
President, the Center for Research in Marketing, Inc.

Of all the letters I received, the following paragraph succinctly summarizes the wholesome and apparently abundantly successful approach taken to market research firms by men and women in this profession:

"All Marketing Research studies are based on the premise that, 'It is the basic right of every individual to refuse to be interviewed, once he has agreed to the interview it is his basic right to refuse to answer any questions he feels are an invasion of his privacy.' In addition to this all work is of a highly confidential nature and respondents are assured their answers will never be seen or used by anyone other than the people directly connected with the research study. We find by adhering to these principles that a well trained personable interviewer capable of establishing and maintaining rapport, not only encounters few refusals but provides respondents with an interesting and enjoyable diversion from their days activities.

"In my opinion there is never a need for a threat of fine or imprisonment for one's refusal to answer questions—properly conducted interviews can elicit these answers without concern or threat."

Mr. Speaker, this analysis is only part of the reasoning and documentation I plan to advance in support of H.R. 10952. I would welcome assistance from any of my colleagues in attempting to protect the privacy and freedom from harassment of the American people. When a hearing is scheduled on the 1970 census question plans, I hope many Members will afford themselves the opportunity to speak for their constituents, because all our citizens are involved in a decennial census.

[From the Congressional Record, Oct. 4, 1967]

House of Representatives

THE CENSUS: PREPARING THE QUESTIONS FOR 1970

Mr. BETTS. Mr. Speaker according to the Bureau of the Census, 67 subject items are currently proposed for inclusion in the 1970 decennial Census of Population and Housing. This list was prepared July 31, 1967, and I have the impression any revisions by the Census Bureau will be to expand the number of inquiries rather than omit any questions. Sixty-seven subjects, however, are translated into many more particular questions when they actually appear on the official questionnaire. The sample form used in New Haven in April contained 120 items for citizens to check or fill in where applicable, and the North Philadelphia form, distributed only last week, raised 94 inquiries.

I have been advised that the Subcommittee on Census and Statistics of the House Post Office and Civil Service Committee this month will consider subjects proposed for the 1970 census, the justification for each question, as well as the format to be used in the questionnaires. If no formal committee recommendations are made or legislation reported, in all likelihood the Director of the Bureau of the Census will go forward with plans for such an extensive, compulsory public interrogation in 1970. I have introduced a bill, H.R. 10952, to limit the mandatory questions to seven: name and address; relationship to head of household; sex; date of birth; race or color; marital status; and visitors in home at time of census. A separate form, marked voluntary, could accompany the required census questionnaire for citizens to complete. Questions not essential to the basic enumeration of population as provided in the Constitution to determine congressional districting but deemed useful to Government agencies could be included on this second form. I do not propose to set aside 50 or more of the questions currently planned for the 1970 census without good reasons which I shall present in this statement.

Mr. Speaker, it is not my wish to engage in a battle with the Bureau of the Census, the Bureau of the Budget, statistics users organizations, numerous businesses or Federal agencies which utilize data gathered through the decennial census. If cast in that role, may I state for the record that my overriding interest is that Congress should scrupulously examine the questions to be

asked all Americans in 1970 and take a formal position on this list. Further, I feel that the Director of the Census should be required to give more convincing justifications, if there be such, for the excessive number of questions he proposes to present in 1970. Let me again set forth criteria I feel should guide the preparation of decennial censuses.

Each proposed subject item or specific question should be evaluated in terms of these paramount considerations:

First, is this question of prime importance to compiling facts on the basic characteristics about residents in the United States?

Second, does this question invade the privacy, harass, or will it tend to result in noncompliance by the respondent?

Third, could this question be deferred to a smaller sample, an annual sample survey or omitted so private research organizations can compile such data?

The overall questionnaire should be evaluated as to the likelihood of maximum response, the cost benefit ratio of questions asked, priorities of principal Federal information needs, and the possible extension of Federal authority into citizen rights of privacy.

In applying these criteria to determine which questions are proper subjects for the decennial census, I have concluded that the number of questions should be cut drastically. I have tried to avoid oversimplifying an analysis of the proposed decennial census questions by placing each inquiry in one of four categories: Complete count; omit; drop to smaller sample; or defer to a later survey. The following table provides the subjects which have been proposed by the census, the percent of households to be canvassed for each question, a capsule summary of their justification, the year the subject was first collected, and my recommendations as to the disposition of the question in 1970.

1970 CENSUS OF POPULATION AND HOUSING SUBJECT ITEMS PROPOSED FOR INCLUSION IN 1970 COMPARED WITH 1960 CONTENT—Continued

	1960 (per- cent)	1970 (per- cent)	Census justification	1st col- lected	Betts recommendation		
					Com- plete count	Omit	Drop to smaller sample
POPULATION ITEMS							
Relationship to head of household.....	100	100	Classify population.....	1880	X	-----	
Sex.....	100	100	.....do.....	1790	X	-----	
Color or race.....	100	100	.....do.....	1790	X	-----	
Month and year of birth.....	100	100	.....do.....	-----	X	-----	
Marital status.....	100	100	.....do.....	1890	X	-----	
State or country of birth.....	25	25	Internal migration.....	1850	-----	X	
Years of school completed.....	25	25	Education planning.....	1850	-----	-----	X
Number of children ever born.....	25	25	Fertility measure.....	1890	-----	X	
Activity 5 years ago.....	-----	25	Employment survey.....	1970	-----	X	
Employment status.....	25	25	Supplement work data.....	1880	-----	-----	X
Hours worked last year.....	25	25	.....do.....	-----	-----	X	
Weeks worked last year.....	25	25	.....do.....	-----	-----	X	
Last year in which worked.....	25	25	.....do.....	-----	-----	X	
Occupation, industry, and class of worker.....	25	25	.....do.....	-----	-----	X	
Wage and salary income last year....	25	25	Economic development....	1840	-----	-----	X
Self-employment income last year:							
Single item.....	25	-----	.....do.....	1940	-----	-----	X
Farm and nonfarm separately.....	-----	25	.....do.....	1940	-----	-----	X
Country of birth of parents.....	25	20	National origins.....	1850	-----	X	
Mother tongue (or language now spoken in home).....	25	20	Bilingual groups.....	1910	-----	X	
Year moved into this house.....	25	20	Migration.....	1940	-----	X	
Place of residence 5 years ago.....	25	20	Measure mobility.....	-----	-----	X	
School enrollment (and public or private).....	25	20	Education planning.....	1850	-----	-----	X
Veteran status.....	25	20	VA date.....	1930	-----	-----	X
Place of work.....	25	20	Highway planning.....	1950	-----	X	
Means of transportation to work.....	25	20	.....do.....	1950	-----	X	
Other income last year:							
Single item.....	25	20	Poverty data.....	1940	-----	X	
Some detail.....	5	-----	.....do.....	1940	-----	X	
Whether married more than once....	25	5	(?).....	1910	-----	X	
Date of 1st marriage.....	25	5	(?).....	1910	-----	X	
Presence and duration of disability.....	-----	5	Number and kinds.....	1970	-----	-----	X
Vocational training.....	-----	5	Check occupation.....	1970	-----	-----	X
Occupational-industry 5 years ago.....	-----	5	.....do.....	1970	-----	-----	X
Citizenship and year of immigration.....	-----	5	Basic data.....	1890	-----	X	

1970 CENSUS OF POPULATION AND HOUSING SUBJECT ITEMS PROPOSED FOR INCLUSION IN 1970 COMPARED WITH 1960 CONTENT—Continued

	1960 (per- cent)	1970 (per- cent)	Census justification	1st col- lected	Betts recommendation		Drop to smaller sample
					Com- plete count	Omit	
HOUSING							
Number of units at this address.....		² 100	Identify unit.....	1940	-----	X	
Access to unit.....	100	100	do.....	1970	-----		X
Kitchen or cooking facilities.....	100		Housing inventory.....	1970	-----		X
Complete kitchen facilities.....		100	do.....	1970	-----		X
Condition of housing unit.....	100				-----		
Rooms.....	100	100	Livable space.....	1940	-----		X
Basement.....	25	³ 100	Emergency planning.....		-----		X
Water supply.....	100	100	Housing quality.....	1940	-----	X	
Flush toilet.....	100	100	do.....	1940	-----	X	
Bath tub or shower.....	100	100	(?).....	1940	-----	X	
Heating equipment.....	25	100	Housing quality.....	1940	-----	X	
Telephone.....	25	⁴ 100	Enumerator check.....	1960	-----	X	
Tenure.....	100	100	Measure homeownership.....	1890	-----	X	
Vacancy status.....	100	100	For builders.....	1940	-----	X	
Months vacant.....	25	100	Housing marketers.....	1940	-----	X	
Commercial establishment on property.....	⁵ 100	100	(?).....	1940	-----		X
Value.....	⁵ 100	100	National wealth.....	1930	-----	X	
Contract rent.....	⁵ 100	100	Housing market demand.....	1930	-----	X	
Number of units in structure.....	25	25	Type of unit.....	1940	-----		X
Components of gross rent.....	25	25	(?).....	1940	-----	X	
Year structure built.....	25	25	Assessing replacement.....	1940	-----		X
Farm residence.....	⁶ 25	25	Classified rural homes.....	1890	-----		X
Land used for farming.....	⁷ 25		do.....	1890	-----	X	
Bathrooms.....	20	20	Adequate housing.....	1960	-----	X	
Automobiles.....	⁸ 20	20	Highway planning.....	1960	-----	X	
Source of water.....	⁸ 20	20	State, local needs.....	1960	-----	X	
Sewage disposal.....	⁸ 20	20	do.....	1960	-----	X	
Air conditioning.....	5	20	Level of living.....	1960	-----	X	
Bedrooms.....	5	5	Sleeping space.....	1960	-----	X	
Stories, elevator in structure.....	⁹ 20	5	(?).....	1960	-----	X	
Fuel: Heating, cooking, water heating.....	5	5	Industry studies.....	1940	-----		X
Television.....	5	5	FCC needs.....	1950	-----	X	
Radio.....	5	5	(?).....	1930	-----	X	
Clothes washing machine.....	5	5	Level of living.....	1960	-----	X	
Clothes dryer.....	5	5	do.....	1969	-----	X	
Home food freezer.....	5	5	do.....	1960	-----	X	
Dishwasher.....		5	do.....	1960	-----	X	
2d home.....		5	do.....	1960	-----	X	

¹ Item will be expanded to include street address in most metropolitan areas if technical and financial questions are resolved satisfactorily.

² To be collected only in mail areas for coverage check purposes; will not be tabulated.

³ Tentatively on 100 percent pending agreement with Office of Civil Defense; otherwise on 25 percent.

⁴ Required on 100 percent for field followup purposes in mail areas.

⁵ 100 percent in places of 50,000 or more, 25 percent elsewhere.

⁶ Omitted in places of 50,000 or more.

⁷ For renter-occupied and vacant-for-rent units outside places of 50,000 or more.

⁸ 20 percent in places of 50,000 or more, 5 percent elsewhere.

⁹ Collected only in places of 50,000 or more.

Sources: Subjects provided by U.S. Department of Commerce, Bureau of the Census, July 31, 1967; justification, Bureau of the Census, population, July 25, 1967; housing, July 18, 1967.
(Table compiled by Congressman Jackson E. Betts.)

Let me comment on each category in which I would place some of the proposed census questions.

COMPLETE COUNT

The complete, mandatory population count should include seven subjects: Name and address, relationship to head of household, sex, date of birth, race or color, marital status, and visitors in home at the time of census. The bill I have introduced would assure these as compulsory subjects for decennial or mid-decade censuses. All other questions would be voluntary and listed on a separate form.

QUESTIONS TO OMIT

I would recommend the omission of questions which fall into the following categories: Information of principal use to local communities having little Federal relevance, subjects which are already contained on questionnaires used by other Federal agencies making the need to ask them on a decennial census minimal, questions simply nonessential to a decennial census, and types of information private market research firms should gather because it is primarily of business or commercial interest. A good hard look and each question will reveal that many, if not most, subjects which have been proposed for 1970 fit into these categories. When the long list of questions is separated into smaller units along the lines I have outlined, I believe their omission becomes clearly justified.

Here are the four principal reasons for dropping a large number of questions together with the exact subjects I would omit:

First, questions essentially of local interest: Place of work, means of transportation to work, number of units at this address, sewage disposal, and source of water.

Second, questions for other Federal agencies to provide statistics: Self-employment and income last year, farm income, other income, citizenship and year of immigration, hours worked last week, hours worked last year, and last year in which worked.

Third, questions not significant to merit inclusion on a decennial census: State or country of birth, activity 5 years ago, number of children ever born, mother tongue, year moved to this house, place of residence 5 years ago, married more than once, and date of first marriage.

Fourth, questions of a commercial nature referred to private research organizations for collection of data: Heating equipment, telephone, tenure, vacancy status, months vacant, value, contract rent, trailer, bedrooms, automobile, air conditioning, television, radio, clothes dryer, washing machine, bathroom, dishwasher, and second home.

DROP TO SMALLER SAMPLE

The Census Bureau believes it must obtain extensive population and housing data providing benchmark statistics on a block-by-block basis, for municipalities, metropolitan areas, States and the Nation. For this reason, the decennial census long form is prescribed for 25 percent or 20 percent of the household. The necessity for this proliferation of detail is debatable. Personally, I feel the decennial census should not attempt to amass extensive data on individuals other than to provide State and National totals. Localities and metropolitan area governments may conduct their own census or contract such a project from the Bureau of the Census, but this should not be a function of a compulsory decennial census. This reasoning leads me to recommend that several proposed questions be dropped from a 25-percent or 20-percent sample to a much more limited number of households. The Census Bureau conducts numerous sample surveys in which some of the decennial census questions could be listed. A special household survey covering 3 million homes has been proposed by the Bureau of the Census which might be suitable for gathering State and National benchmark statistics on several items.

A concurrent household survey could be planned for 1970 to collect data on a number of items now proposed for the 100-percent or 20-percent compulsory census program. This would provide overall profiles of the citizenry and household characteristics useful to the Census Bureau as well as give State and National benchmark statistics on a variety of subjects. I would recommend the following items to be included in such a voluntary sample survey: School years completed, school enrollment, employment status, hours worked last week, occupation, wage and salary last year, veterans status, presence or duration of disability, vocational training, occupation or industry 5 years ago, access to unit, rooms, basement, number of units in structure, land used for farming, fuel, and commercial establishments.

QUESTIONS TO DEFER

I have not listed any items in this category because the determination as to which subjects can be separated from the other questions on a decennial census and not asked concurrent with this national census is a technical matter about which the Bureau of the Census should comment. There are several topics within the two preceding categories, questions to be omitted or dropped to a smaller

sample, which might be better placed here. An analysis of which items could be deferred successfully might bear study by the Congress in an effort to assure that a streamlined, maximum response census is conducted in 1970.

Mr. Speaker, this has been an attempt to examine the questions proposed for the 1970 decennial census and place all subjects in categories according to their merits. I hope it will serve as a working paper for my colleagues, especially those members of the Post Office and Civil Service Committee directly concerned with this subject. The Census Bureau no doubt will have its reactions to this analysis. I look to the hearings by the Subcommittee on Census and Statistics to be a form where all concerned parties may contribute to a sound census policy for 1970 and beyond.

QUESTIONS AND SUBQUESTIONS TO BE ON 1970 CENSUS FORMS

(Prepared by Congressman Jackson E. Betts)

1. What is your name?
2. What is your relationship to the head of household?
3. What is your sex?
4. What is your color or race?
5. What is your date of birth?
6. What is your marital status?
7. Fill in circle if you have more than 8 persons in your household.
8. Did you leave anyone out of Column 1 because you were not sure if he should be listed?
9. If so, did you give name(s) and reason person was left out on back page?
10. Did you list anyone in Column 1 who is away from home?
11. If so, did you give name(s) and reason person is away on back page?
12. Did anyone stay here on March 31, who is not listed?
13. If so, did you give name of each visitor from whom there is no one at his home address to report him to a census taker on back page?
14. Is there a telephone on which people who live here can be called?
15. What is the number?
16. How do you enter your living quarters?
17. Do you have complete kitchen facilities and is it shared with another household?
18. How many rooms do you have in your living quarters?
19. Is there hot and cold piped water in this building?
20. Do you have a flush toilet and is it shared with another household?
21. Do you have a bathtub or shower and is it shared with another household?
22. Is this building built with a basement or concrete slab?
23. How are your living quarters heated?
24. Are your living quarters owned or being bought by you or rented?
25. Do you live in a one-family house?
26. If you live in a one-family house, is this property on a place of 10 acres or more?
27. Is any part used as a commercial establishment or medical office?
28. If you live in a one-family house which you own or are buying, what is the value?
29. If you pay rent by the month, what is your monthly rent?
30. What period of time does it cover?
31. What is the occupancy status?
32. Is it vacant, for rent, or sale?
33. How many months is it vacant?
34. If you pay rent for your living quarters, in addition to the rent entered in H13, do you also pay for electricity?
35. What is the average monthly cost?
36. Is it included in the rent?
37. Do you use gas?
38. What is the average monthly cost?
39. Is it included in the rent?
40. Is water used?
41. What is the yearly cost?
42. Is it included in the rent or no charge?
43. Is oil used? (or coal, kerosene, wood?)
44. What is the yearly cost?

45. Is it included in the rent?
46. When was the building originally built?
47. Describe this building.
48. Describe the location of this building.
49. Last year, 1967, did sales of crops, livestock and other farm products from this place amount to \$50 or more?
50. Where do you get your water?
51. Is this building connected to a public sewer?
52. How many bathrooms do you have?
53. Do you have air-conditioning?
54. How many passenger automobiles are owned or regularly used by members of your household?
55. Where was this person born?
56. What country was his father born in?
57. What country was his mother born in?
58. What language, other than English, was usually spoken in this person's home when he was a child?
59. When did this person move into this house?
60. Did he live in this house on October 1, 1963?
61. Since Sept. 1, 1968, has this person attended regular school or college at any time?
62. What is the highest grade of regular school he has ever attended?
63. Did he finish the highest grade he attended?
64. When was this person born?
65. If this is a girl or a woman, how many babies has she ever had not counting stillbirths?
66. If this is a man, has he ever served in the Army, Navy, or other Armed Forces of the United States?
67. In what conflict or war did he serve?
68. Did this person work at any time last week? (only listing certain tasks)
69. How many hours did he work last week at all jobs?
70. Where did he work last week?
71. How did he get to work last week?
72. Does this person have a job or business from which he was temporarily absent or on layoff last week?
73. Has he been looking for work during the last 4 weeks?
74. Was there any reason why he could not take a job last week?
75. When did he last work at all, even for a few days?
76. If so, for whom did he work?
77. What kind of business or industry was this?
78. Is this mainly _____?
79. What kind of work was he doing?
80. What were his most important duties or activities?
81. What was his job title?
82. Was this person an employee of private company, business or individual for wages, salary or commissions?
83. In October, 1963, was this person working at a job or business?
84. Last year, 1967, did this person work at all, even for a few days.
85. How many weeks did he work in 1967, either full time or part time?
86. How much did this person earn in 1967 wages, salary, commissions, bonuses, or tips from all jobs?
87. How much did he earn in 1967 from his own nonfarm business, professional practice, or partnership?
88. How much did he earn in 1967 from his own farm?
89. How much did he receive in 1967 from public assistance or welfare payments?
90. How much did he receive in 1967 from all other sources?
91. How many stories or floors are in this building?
92. Is there an elevator in this building?
93. Which fuel is used most for house heating?
94. Which fuel is used most for cooking?
95. Which fuel is used most for water heating?
96. How many bedrooms do you have?
97. Do you own a second house?
98. Do you have a washing machine?
99. Do you have a dryer?
100. Do you have a dishwasher?

101. Do you have a home food freezer?
102. Do you have a television set?
103. Does it have UHF?
104. Do you have a battery operated radio?
105. Are you a naturalized citizen?
106. If so, when did you come to the U.S.?
107. Have you been married more than once?
108. If married more than once, did the marriage end because of death of husband/wife?
109. Have you ever completed a vocational training program?
110. If so, what was your main field of training?
111. Do you have a health condition or disability which limits the kind of work you can do at a job?
112. Does your health keep you from doing any work at all?
113. If so, how long have you had this condition or disability?
114. In 1963, what state did you live in?
115. In 1963, what kind of a business were you in?
116. In 1963, what was your occupation?
117. In 1963, were you employed or self-employed?

Representative BETTS. Mr. Chairman, the methodology of the 1970 census has been finalized and at this point we probably have to go along with the plans set forth by the Census Bureau.

However, because the construction of the questions, mail-out/mail-back procedure, adequacy of scope of the subjects included are now final, this does not preclude further analysis of these Census Bureau methods. I have received a letter written by a Ph. D. student at Northwestern University, Barry S. Wellar in which he comments on a number of phases of the housing portion of the decennial census. I believe Mr. Wellar's position and his dissertation when it is completed, will materially aid Congress and the Census Bureau in planning future censuses.

(Mr. Wellar's letter follows:)

EVANSTON, ILL., April 18, 1969.

JACKSON E. BETTS, M.C.
House of Representatives
Washington, D.C.

DEAR SIR: Although a form letter is somewhat impersonal, the large number of persons with whom I wish to communicate regarding plans for national censuses of housing makes it impossible to adopt any other strategy. I am a Ph.D. candidate in the Department of Geography, Northwestern University, Evanston, Illinois, and have been working intensively in the general area of research related to the national census of housing for almost three years.

Because I am in the process of completing my dissertation I cannot be as detailed in the brief enclosure as I would like. However, since hearings are being held at this time, and due to the seeming difficulty of the bureaucratic process to escape the inertia which frequently seems to enfold it, I am contacting those persons to whom my work is immediately relevant now, so that if my concepts have any merit they will have been aired prior to the freezing of the format of the 1975 or 1980 national censuses. To ensure that a number of persons have an opportunity to apprise themselves of what I am doing, I am sending out copies of the statement submitted to the Chairman of the Subcommittee on Census and Statistics, Mr. Wilson.

In addition, I wish to formally establish my position. I am not an advocate of any particular bill currently being debated. Further, I am grateful to the Bureau of the Census for the cooperation shown me in the acquisition of reports and getting replies to letters, and, in response, have submitted several papers to Census personnel reporting on my research. I disagree with the Census on a number of points, however, and am proposing several alternative concepts and techniques which I will discuss with anyone who is interested, upon completion of my dissertation. Finally, I am a Canadian doing graduate work in the U.S., and am not funded by any interest group or agency in the U.S. for the research I am now conducting. For the record, I am a Central Mortgage and Housing Corporation of Canada Fellow.

I welcome any comments or criticisms you may wish to offer in terms of what I have submitted to you, or this research area in general.

Sincerely,

BARRY S. WELLAR.

EVANSTON, ILL., April 18, 1969.

HON. CHARLES WILSON,
Chairman, Subcommittee on Census and Statistics,
House Office Building,
Washington, D.C.

DEAR MR. CHAIRMAN: I am a concerned follower of the proceedings of the Subcommittee on Census and Statistics because much of what the Subcommittee members and witnesses say is directly related to my doctoral dissertation. I am in the process of developing proposals for alternative means of generating *needed housing and environmental data*, including a method of integrating and coordinating related statistical programs at the federal and local levels, etc. In general, then, my anticipated final product is a considerably improved data gathering-processing-disseminating framework compared with the one that currently exists.

Of even more immediate concern, however, are the numerous arguments that I contend can be logically derived and arrayed against the proposed format of the 1970 Census of Housing as it now stands. I submit that a tremendous amount of confusion will arise in the usage of Census housing data not merely because the data per se will be unsatisfactory, but for such reasons as: (1) several proposed items have nothing to do with housing per se; (2) several others, if one is precise in his definition, are related to the environment, but environment-related considerations in housing-quality evaluation are specifically precluded by the Census; (3) several questions, as currently posed, *will not* produce the desired data for reasons of ambiguity or careless formulation; (4) the failure to distinguish between quality and stock items, and the associated failure to distinguish between measures and indicators of housing quality; (5) the indiscriminate use of the phrase "level of living" to justify an item's inclusion; (6) the selection of "level of living indicators" without any explanation of the rationale involved in the selection process; and (7) argument by circumlocution to justify an item's inclusion.

Due to the constraints on my time I cannot document these observations as I would like. Further, I do not want to reveal the contents of my dissertation until it is a completed work. However, to illustrate the nature of my thinking on several matters I have included several brief statements from the dissertation as it now stands. Complete details will be available to anyone interested upon completion of the document, including references which are not included here.

First, I am doubtful that a list of housing items which were relevant thirty or more years ago still necessarily hold, or are adequate to accurately reflect housing (and environment) conditions in urban places which are ever-changing, dynamic entities. This observation is discussed in detail in the dissertation. Two relevant paragraphs are offered to illustrate the nature of my contention:

"The final issue to be reviewed before establishing a basis for developing an accurate yet operational definition of housing quality, is concerned with the constancy of housing data collected at the national level over the past thirty years. As noted by Dr. Eckler, the housing items for which data are collected have changed little. This is open to argument depending upon the interpretation one attaches to the situation as it could mean that responsible agencies believe that (1) the concept of housing quality has changed little over the period (when considered in the sense of housing as an 'island unto itself') or (2) although no evidence has been found to support the posit, that a determination has been made that quality of housing and urban life have moved in a parallel fashion for these thirty years with the result that the original items still accurately portray housing quality. Or, it could mean that changes in housing quality have occurred but have not been observed or acknowledged by the agencies.

On the basis of literature searched to date, it appears that some combination of the first and last suggestions is at work. That is, change has occurred but it has not been recognizable due to the underlying concepts which dictate the form and function (and vice versa) of the data collection operation. As a consequence of becoming locked-in on a particular system of data collection, storage, retrieval, manipulation and presentation, then, the constraints imposed on methodology have essentially nullified the concerted efforts made to improve

the utility of housing quality data. These efforts, in completing the cycle, have consisted in the main of research designed to improve the manipulative and other performance properties of the information system, so as to compensate for inadequacies in methodology. Unfortunately, if the data inputs are subject to contention, or irrelevant in the extreme, then the outputs must of necessity suffer, regardless of the nature and extent of 'data massaging' that can be performed."

Second, after conducting an extensive literature search covering a variety of fields and disciplines, it occurred to me that part of the reason for housing data acquired in national censuses being in such disrepute stems from a methodological deficiency. The following brief abstract outlines the nature of the problem, and how it may be resolved :

"The writer suggests that one of the criteria by which quality items are best distinguished from stock items is that the latter require a context, or supporting evidence, before they can be more than indicators with respect to the mental, physical, or social well-being of an individual. Quality items, on the other hand can stand alone in the evaluation of housing-environment conditions, and are therefore measures as opposed to indicators. That is, if an item is harmful or dangerous or otherwise adversely affects an individual's mental, physical or social well-being, regardless of situation or circumstances, it is a quality item.

As can be seen from Table . . . and Table . . . , evaluation of housing-environment conditions is based on quality items on the one hand, and stock items on the other. The need to distinguish between quality and stock in housing environment analyses was emphatically established in Chapter . . . where problems of ambiguity as well as error were examined. In this chapter one of the differences between quality and stock items is repeated and expanded slightly, to serve as the basis for developing both avenues."

Third, after the completion of a widespread literature search that involved numerous articles, experts and agencies, the following observation was made concerning several items proposed for the 1970 Census :

"In addition, there are several items which defy logic so as to be included under the heading of housing items. No report searched related the items in question to housing, despite considerable latitude in how housing was defined."

Fourth, I am convinced that there are deficiencies in the contents and formulation of questions, such as the following question on hot piped water, which may produce valid cross-sectional data, but has little or no utility for reporting on certain types of areas for periods of the year which are climatically different vis-a-vis the census-taking period, (I have reformulated the question in the dissertation.) The question as it now stands is commented on as follows in the dissertation :

Water

Question. Do you have hot piped water?

"Census of housing data have been collected over a four or five week period, commencing April 1. A question to be asked is whether or not the responses would be the same throughout the U.S. if the collection period ranged between December and February. In those areas where winters are cold, there is the distinct possibility that pipes freeze, partly because demands on heating systems increase. Chicago newspapers, for example, contain numerous articles during the winter period about housing units that are without water due to frozen pipes. In April this is not the case, and as a result positive responses are accurate for the period during which they are collected, but not necessarily for other periods. The majority of incidents reported in the newspapers pertain to less-than-sound multiple-family structures in the poorer, high-density population areas of the city.

There is some doubt in the mind of the writer, therefore, as to whether or not a format permitting some departure from an arbitrarily constrained response should be sacrificed so as to facilitate data manipulation. There is no doubt that the water supply (within the unit) is a housing quality factor, and consequently every effort should be made to ensure that the collected data accurately portray the item over time, and not just at a point in time."

Fifth, examination of the use of the phrase "level of living" has resulted in a number of points of disputation, including interpretation of the congressional directive charging the Bureau of the Census with collecting data on housing equipment. My arguments are sequential, and any specific comment taken out of context could be misconstrued. Consequently, the comments in this area will not be made available until the dissertation is completed.

Sixth, I suggest that the following series of observations points up how the justification of one item and the rejection of another can be arrived at by circuitous reasoning. In addition to analyzing the question on value as it now stands, several proposals are made as to how meaningful data on value (or variations thereof) can be acquired:

Value: If you live in a one-family house which you own or are buying—

Question. What is the value of this property; that is, how much do you think this property (house and lot) would sell for if it were for sale?

"The following exchange during Hearings before the Subcommittee on Census and Statistics points up part of the reluctance on the part of the writer to accept value as a housing quality measure, even indicator; '. . . the owner estimates value. . . Every user of housing statistics realizes that the value figure is not a precise figure.' '. . . you dropped the condition question simply because you did not feel the owner would give a competent answer. I was wondering where, if in one instance he is not competent to tell you of the condition of his housing unit, is he competent to give you the value of his house?' 'For this reason, Mr. Congressman, that the value is something that comes out in conversations. Many people quite frequently say "The neighbor just sold a house and he got so much for it." And it is a comparable house. He also knows what his assessment is. He knows how the assessment relates to value. That kind of discussion gives him some general guide marks on value.'"

There are a number of counter-arguments to the last set of assertions:

(1) Condition statements are just as likely to come out in conversations, and it is also possible for one owner to see a neighbor making improvements and consider whether or not he should do likewise or let them go.

(2) The value of a house and property is derived from a number of contributing factors. A lot containing a deteriorating structure in an area soon to be zoned for business use could be valued at many times the cost of replacing the structure. Further, the value of the structure and lot is dependent on many things which are artificially extraneous to the property, including the neighborhood and its reputation, accessibility of the area to the rest of the city, view, location of the lot on the block, direction in which the rest of the city is moving, and quality of services and utilities provided the area by the city. Since the Bureau of the Census expressly precludes consideration of factors which are outside the property, the justification for including value is by no means clear. The following statement serves to make this point even more apparent.

'In Watts, which was basically a post office address between 1960 and 1965, the percentage of sound housing declined from about 81 to something like 74 percent. The percentage of units in that area that were 20 years of age or over rose to 52 percent, suggesting that decay from now on will hasten the percentage of nonwhite occupied housing, which is now 90 percent of that area. The interesting thing, though, is that house prices in that area in the five years between 1960 and 1965 rose from \$9,800 to \$13,000 and rent rose from \$63 to \$73. . . .'

If, by any chance, value alone was used to measure the change in housing quality in this situation, it would lead to erroneous conclusions in housing quality trends.

(3) The assessment of a lot and its improved assessment is done by a person trained in this area. There is a distinct possibility that by distinguishing between the assessed value of the lot and the improved assessment (structure considered), that a data collection method which limits itself to structural considerations would be more realistic. An owner could reproduce assessment figures (they should be current to be useful) but they should not be confused with value statements (market value based on a sale) that can take on a variety of shapes and distortions.

Of possibly even greater importance, however, is the matter of comparability of data on housing values between different regions of the country, and possibly even different parts of a city. It is appreciated that Census plans call for using combinations of the factors being discussed in this table to evaluate housing quality. However, this is not to say that public agencies can not or will not use value as a single criterion for measuring housing quality for public or private purposes. Consequently, every effort should be made to ensure that data on value, once they are collected, are presented within a meaningful context. Consider, for example, two homes which have a market value, *ceteris paribus*, of \$30,000. One is located in an area where the average market value is now \$30,000, and the other in an area where it is \$10,000. The disparity between the areas is highly suggestive as to the quality of the two units in question, but it is by no means

definitive since the figures are without context and give no indication of what could be influencing prices in the respective areas at the micro-level."

Seventh, as noted in the first paragraph of the statement, I am working towards the development of an alternative method of acquiring data. In brief, I am investigating the possibilities of acquiring non-contact data on housing-environment conditions, and the necessity of allocating data collection agents to data collection tasks for which they are properly equipped. The following statements are two of the many expressed in the dissertation:

"The most significant aspect of Table . . . , in the opinion of the writer, and bearing in mind the reservations noted, is that it would no longer be necessary to solicit information from individual households on those items for which they have no demonstrated capability. These data would in fact be the product of local agencies which have assigned qualified personnel to evaluate and report on the items. Several anticipated counter-arguments to this proposal, and involving the use of data on file with local agencies, are examined in the context of related congressional directives," and . . .

"A second alternative, and the basis of the report, is provided by techniques which generate non-contact data. For example, is it absolutely necessary to enter a house in order to generate data on its contents and inhabitants? Is it necessary to walk through a neighborhood in order to appraise its quality? These are some of the questions which are raised in future chapters. They are mentioned here in order to more fully expand the nature of ideas and notions which are related to the choices and mandates associated with present and future information systems and conditions."

I would be considerably more optimistic about affecting needed change in selected aspects of the national censuses of housing (and environment) if my dissertation were a finished product, as there are obvious limitations inherent in this type of presentation. I am hopeful, however, that the few statements offered are sufficient to illustrate some of the problems and proposals with which I am concerned, and will serve to suggest to members of your committee ways in which national censuses of housing may be improved.

Sincerely,

BARRY S. WELLAR,
(*Ph. D. Candidate*).

Representative BETTS. Mr. Chairman: In order to give further clarification to the voluntary method of taking part of the decennial census, I wish to place in the subcommittee's record a statement prepared by Mr. William Capitman, a professor of marketing at Yale University and president of his own market research company.

(Professor Capitman's statement follows:)

STATEMENT BY WILLIAM CAPITMAN TO THE SUBCOMMITTEE ON CENSUS AND STATISTICS CONCERNING H.R. 20 PROPOSED BY CONGRESSMAN JACKSON E. BETTS, OHIO, TO LIMIT THE MANDATORY QUESTIONS OF THE 1970 DECENNIAL CENSUS OF POPULATION AND HOUSING

Congressman Betts' bill proposes that the mandatory questions in the 1970 Census be limited to only those areas of enquiry for which there is clear cut Constitutional sanction. In view of the intention to expand the areas to be covered by the Census I strongly agree with his proposal.

I believe that there are a number of issues that must be considered in this hearing. First, I believe that there are serious scientific questions involved in employing mandatory response to collecting *all* of this information.

Secondly, I believe that invoking the power of the state and its legal apparatus for the purpose of examining the private lives of citizens is dangerous to our civil liberties.

Thirdly, I feel that some of the methods proposed for collecting information are neither effective nor efficient and that combined with the mandatory provisions they can easily become a direct threat to Negroes, the poor and the unskilled.

Finally, although I am fully sympathetic with the desirability of accumulating data of value to American industry, and although I also feel that the Census offers a valuable opportunity to collect such information, I do not feel that the population as a whole should bear the financial burden, nor do I feel that ques-

tions of this nature should be backed by governmentally imposed legal sanction.

I believe the laws of parsimony apply equally well to legislation as they do to science. In essence, science operates upon the principle that experimentation should be done in the manner which gives the least extraneous data relating to the hypothesis under consideration. Similarly, I believe it to be an excellent principle that the government enter into the least possible effort and proliferation in achieving its justified objectives. I do not wish this to be interpreted as a plea for small government versus big government, for size is simply a concomitant of objectives. Rather, I believe that the effort must be kept as spare and as simple as the particular mandate allows.

This is not simply a philosophical principle in science. When one engages in experiments that are more complicated than is required by the question the experiment seeks to answer, one runs into the severe danger of complicating matters in an unknown and incomprehensible fashion.

To apply this to the current situation, one might well ask, "to what degree will the mandatory requirement affect the nature of response?" If only from this vantage point, the mandatory feature needs to be carefully considered. One must conclude at the current juncture that *we do not know* the degree to which the requirement of answering affects the nature of the response, or the accuracy of the information garnered.

Mandatory response, then, is useful only to the extent that we know the answer to that question.

There is at this point no evidence to suggest that voluntary response is less accurate than mandatory response to Census questionnaires.

There is, however, considerable evidence that reward or punishment, or the threat thereof, strongly influences behavior and attitude.

I do not think that political or bureaucratic considerations should come into play in scientific endeavors. The moment that the Census ceases to be scientifically credible its usefulness for any governmental or private purpose will be destroyed. The mandatory response inevitably raises questions since we do not have clear-cut evidences as to the nature of its effect nor is there any statistical manner of taking this effect into account.

I have heard no scientific arguments on the basis of which one can conclude that there is any reason for preferring mandatory response to voluntary response.

The only argument that I have heard is one which is of no value scientifically, and highly questionable, logically, that the law requiring that citizens answer the question of the Census under penalty of the law would be useful in the event that individuals or groups were to agitate against the Census. It would seem to me that such an argument can only come from someone with the most naive view of government and society. As I understand it our Constitution guarantees the rights involved in dissent. On the other hand, it would seem to me to be clear that a law requiring that the answers to Census questions be given, and furthermore, be given truthfully, opens the way to the arrest and imprisonment of citizens on a wholesale basis and on the flimsiest pretense. For example, I feel it safe to predict that a considerable proportion of individuals living in ghetto areas in the United States will be unable to complete the questionnaire and will fail to return it.

Does anyone here seriously believe that wholesale arrests among Negroes will insure more accurate Census results? This is exactly the situation which this law, combined with the proposed method of collecting the information, could easily create. I might add to this that the majority of those who would be violating the law in this instance would be completely without any awareness of the existence of the law and would not have intended to disobey it under any circumstance.

In my experience and in that of every firm and individual engaged in survey research, voluntary response has proven to be a totally satisfactory tool. As a matter of fact in our own experience at the Center For Research In Marketing, Inc., we have found it necessary to reject as usable, information gathered under conditions of external compulsion. We have no way of taking the effect of such compulsion into account, and there is no necessity for it since, I have seldom heard of an organization that has a refusal rate of as high as eight to ten percent on a single study. On an average, the refusal rate is less than five percent.

I would like to now address myself briefly to the proposed use of mail questionnaires. I would like to say that in my opinion the Bureau of the Census is a competent government organization that operates with a high degree of efficiency. However, it has particular areas of strength and inevitably also has some

areas of weakness. I believe that one of the areas of weakness is questionnaire design.

For example, I have before me the sample questionnaire which was mailed to 25% of the households in New Haven. The questionnaire is twenty pages long. Now, although this questionnaire does not purport to be the final questionnaire it is, nevertheless, obviously expected that everyone who receives it will take the time and have the requisite understanding to fill it out in complete detail. Although all households are not required to fill out all twenty pages, it is still a task of large proportion to families with low levels of literacy.

Since I have had considerable experience in interviewing among the Negro population, for example, I would expect that the response to this questionnaire will be lowest among those segments of the population about whom are our current information is the most meager. This would include those for whom literacy is a problem—the poor, those who have reasons for concealing the level and source of their income, the very young, the very old, the alienated, the rebellious and the disaffected . . . the very individuals for whom government programs are in the making.

I do not know the precise extent to which the mail questionnaire is contemplated but I would propose that sample surveys done on a personal interview basis are more likely to be valid measurements than even the wholesale use of mailed questionnaires, and probably in the long run cheaper.

In summary, I would like to see :

1. The elimination of the mandatory requirement for all questions beyond the Constitutional requirements.
2. The use of personal interview sample survey techniques as the method of gathering much of the additional information.
3. Cutting down on the collection of information whose value is limited to commercial and business interests, or alternatively, providing for some voluntary payment plan for business interests to cover the additional costs involved in these surveys.

Representative BETTS. Mr. Chairman: Of all the subjects on 1970 census forms perhaps none has disturbed more people than the one asking women how many babies they have had, not counting stillbirths. I clearly recall a woman from Jacksonville, Fla., who wrote that all her children were adopted and how embarrassing it would be to have to response to that question with the possibility the children would know her answer. With the frequency of divorce in the United States I expect some wives hesitate to discuss their children of former marriages. Women receiving aid to dependent children are equally sensitive about how many babies they have had.

On April 18 I received a letter from an unwed mother which speaks directly to the issue of how a question on number of children born can subject a woman to criminal penalties.

(The letter follows:)

APRIL 18, 1969.

Rep. JACKSON BETTS,
Congress of the United States,
Washington, D.C.

DEAR MR. BETTS: This is in regard to the furor being raised by the questions to be asked by the forthcoming census.

What I am about to tell you is in confidence but if you wish to use this letter in your campaign against the Census Bureau please omit my name. There is no need for any more than the six basic questions to be asked. I pall at the one especially asking unmarried women to state the fact of their motherhood.

At one time I was pregnant out of wedlock and was to marry the father of the child. Since I was 23 at the time I decided not to force an unhappy marriage. As things worked out I never gave birth to the child. I am currently undergoing psychiatric treatment and have been for 8 months in order to get over the hurt I suffered and also to straighten my life out.

Once my life is salvaged I hope to marry a good man and have everything a good marriage entails.

I do not *ever* intend to tell my future mate about my unhappy episode. But what if I had given birth to a child, gave it up for adoption, and tried to live a normal life? With a census such as the one proposed I would have to go on *government record* as being an illegitimate mother. No government agency has any business asking or recording such knowledge. This is strictly for the girl and God to know.

I am not a low class person who knows no better. I am college trained being a chemistry major and have worked in aeronautical engineering for a government sponsored company in the jet engine field. So please don't pass me off as a non-thinking bit of fluff.

If this census does go into effect I intend to try and test it with the American Civil Liberties Union—much as I disapprove of this organization—because it is usually effective.

(NAME WITHHELD).

Representative BETTS. Mr. Chairman: I would like to document the widespread editorial comment on the census issue, just in late 1968 and early 1969. This unanimous call for reform along the lines of H.R. 20 is a significant indicator that Congress must fully study and take action in this important policy area.

(The editorials follow:)

[From the Pittsburgh (Pa.) Press, Feb. 27, 1967]

QUESTIONS, QUESTIONS

Currently in Congress there is a fair-sized flap over some of the questions the Census Bureau is planning to ask when it takes its decennial head count next year.

Some members of Congress think these questions are impertinent or an invasion of privacy and Sen. Sam Ervin of the Senate subcommittee on constitutional rights is holding hearings to "consider the rights of citizens" with respect to these questionnaires.

Our right to privacy is getting pretty theoretical these days. There always is some nibnose, Government or otherwise, wanting to know whether we sleep on the left or right side or use cream in our coffee.

And the Census Bureau questions are right in line:

"Do you have a flush toilet?"

"Is there a telephone on which people who live here can be called? What is the number?"

About 20 per cent of those who get "censused" next year, according to the plan, will be asked several extra pages of such questions as how many times have they been married and does their health limit their ability to work.

Heads of households in some cases will be asked what language other than English was spoken in their homes when they were children, how far did they go in school, where were they in October, 1963, and how much did they earn in 1967.

In addition to the nosiness of some of these questions, we think they will be a nuisance to many people.

Why, it could take a couple of hours to fill out all of the forms, and we would have to search out the family tree for some of the answers.

Moreover, if the plumbing industry wants a census of flush toilets, let it do its own surveys. Why should the taxpayers pay for it?

But the real issue is the club the Census Bureau has to enforce answers to these prying questions: Refusal to answer could lead to a \$100 fine, or 60 days in the clink, or both.

Rep. Jackson E. Betts of Ohio (among others) has a sensible alternative. He would restrict the "mandatory" questions to simple things like name and address, sex, date of birth.

If the Census Bureau insists on the more than 100 other questions, there would be no penalty for declining to answer.

A nose count every 10 years is necessary, and required by the Constitution, but there is no need for the Government to be so obnoxiously nosy about it. Anyway, much of this looks like pure boondoggle.

[From the Milwaukee (Wis.) Sentinel, Apr. 11, 1969]

CENSUS COERCION

During his campaign for the presidency, Richard M. Nixon made much of what he called "the voluntary way." In a speech on the subject he declared:

"The whole strength of the voluntary sector lies in its voluntary nature. To trifle or tamper with this voluntary nature is to risk destroying it. . . . In a Nixon administration, there will be a new measure of reliance on voluntary efforts, and a new level of official public recognition of their immense contribution to the betterment of life in America."

Splendid thoughts, those. But now comes reason to wonder whether the Nixon administration is as dedicated to reviving the American spirit of voluntary efforts on the part of private citizens as he said it was going to be.

Faced with an opportunity to take a tremendous step toward a return to the voluntary way, the administration, reportedly on Mr. Nixon's say-so, has chosen the old coercive course instead.

The opportunity came up in connection with preparations for the 1970 census. The questionnaire, now being printed, contains 120 questions on 67 subjects, including bathroom facilities—which is carrying a head count pretty far.

Critics of this burdensome, compulsory questionnaire, led by Rep. Jackson E. Betts (R-Ohio), say that the mandatory requirement—which carries a \$100 fine or six months' imprisonment for noncompliance—should be limited to six questions: Age, sex, address, marital status, relationship to head of household and visitors in home at time of census. Answers to these questions, Betts concedes, are essential to the population count, which is proper in view of the constitutional purpose of the census. But all the other answers should be voluntary, he says.

A White House spokesman, however, says that Mr. Nixon, in the belief that "the statistical integrity of the census should be maintained," has given his blessing to making answers to all questions in the long form mandatory.

Maurice H. Stans, Commerce Secretary, says that the proposal to make only six questions mandatory would lead to spotty samples and undermine the reliability of the statistics. Private polls would seem to refute this argument. On the basis of voluntary samplings, they predict election results with amazing closeness. Dr. George Gallup has said that, contrary to what public opinion poll critics say, people are cooperative and honest in giving answers on a voluntary basis.

Admittedly, Mr. Nixon probably didn't have the census questionnaire in mind when he was talking about the voluntary way. Rather, he apparently was speaking more in terms of private and localized activity in the social welfare fields.

Nevertheless, we submit that making it mandatory to answer all the questions in the long and complicated census questionnaire can have nothing but an adverse effect on any attempt to nurture the spirit of the voluntary way generally.

Instead of sacrificing citizen integrity to the god of statistical integrity, the Nixon administration would be better advised to practice what it preached, taking "a new measure of reliance on voluntary efforts" by allowing answers to all but the basic 1970 census questions to be given voluntarily.

[From the Bridgeport (Conn.) Sunday Post, Dec. 22, 1968]

'70 CENSUS A 'MONSTROSITY'

In January the federal government will begin printing forms covering 62,000,000 United States householders, for the 1970 census. This mammoth project, conducted by law once every 10 years, has already been denounced by Rep. Jackson E. Betts, Ohio, Republican, as "a monstrosity."

As in the past, the questions to be asked have been termed an invasion of privacy. Congressman Betts opposes such ridiculous questions as "do you have a flush toilet?" As if that had anything to do with the enumeration of the people.

Every fourth household—selected at random—will have to fill out a long questionnaire that is to include such nonsense as: "Is there a bathtub or shower in this house or building?" These are the choices for an answer:

"Yes, for the use of this household only."

"Yes, but shared with another household."

"No bathtub or shower for the use of this household."

This nosy piece of nonsense will appear on the 1970 form.

There are many other questions that will disturb the U.S. citizens. But they must be answered, or else. The or else means a possible fine or term in jail. The fine is \$100, the jail term 60 days.

The census is confidential, and the bureau announces that no one will ever see the contents of the forms. Then why extract all these data from the people?

House Republican leader Gerald Ford agrees with Congressman Betts. He plans to introduce in the 91st Congress a bill limiting the questions to seven. These would be as follows:

Name and address. Relationship to the head of the household. Sex. Date of Birth. Race or Color. Marital Status. Visitor in home at time of census.

And that makes sense.

[From the Times Record, Troy, N.Y., Apr. 1, 1969]

JUST ASK US

When it comes to the 1970 decennial census the government is not asking us, it is telling us.

An invasion of privacy rebellion is being staged in the United States against this coming census and the kind of questions which will be asked. The bathtub question stirs up the most criticism.

There are 120 questions on the form which will be sent to 60 per cent of the households in the United States in the mail-out and mail-back census. Most of the questions are just about the same as the 1960 census. Why the government should want to know how many share our bathtub we do not know, but the majority of the questions are important.

The main difference between 1970 and 1960 is that if we fail to answer the questions we face a \$100 fine or 60 days in jail. We can be penalized, as we see it, even for an honest mistake.

Rep. Jackson E. Betts of Ohio is attempting to bring the census to a more reasonable basis and to eliminate the penalties for not answering questions. He believes also that this new kind of census by mail may result in a large undercount.

We missed about 5,600,000 people in 1960. A trial run was made in Trenton, N.J. Forms were sent out and only 65 per cent were returned. If projected nationally that trend could mean that upward of 70,000,000 people may not be counted in 1970.

That prediction is important but most important is the question of penalties.

[From the Daily Oklahoman (Oklahoma City, Okla.), Mar. 27, 1969]

FEDERAL INVASIONS OF PRIVACY

What protection a citizen enjoys from invasion of his privacy depends apparently on how the invasion occurs.

If it occurs as a result of wiretapping, he has a good chance of finding a sympathetic audience in the United States Supreme Court, particularly if he happens to have a criminal record.

The court ordered rehearings the other day for more than a dozen criminal defendants to determine whether their convictions resulted from illegal electronic surveillance. Included were Teamsters boss James Hoffa and deposed heavyweight boxing champion Muhammed Ali, the erstwhile Cassius Clay.

Contrast this solicitous concern for the privacy of criminal defendants with the federal government's contemplated wholesale invasions of the privacy of law-abiding citizens in next year's decennial census.

Rep. Jackson Betts (R-Ohio) is author of a bill to prevent the census bureau from prying into such unrelated matters as the citizen's income, his education and the number of his flush toilets, television sets and washing machines. Under present plans, one in four families would receive the census bureau's "long form" containing a total of 65 questions.

Rep. Betts point out that refusal to answer any one of these questions could bring a citizen "face to face with criminal penalties of a \$100 fine, 60 days in jail, or both." He contends that "personal privacy is invaded when sensitive facts are extracted from an individual against his will."

Certainly a determination ought to be made at some point concerning the legitimate limits to be placed on Big Brother's avid curiosity.

The Senate Subcommittee on Constitutional Rights says in a current staff report that it has "received numerous complaints from citizens" about a new question-

naire being distributed by the Social Security Administration. It says the 4-page form contains 72 questions, some of them bearing on the amounts and sources of other income received by social security recipients.

It says Sen. Sam J. Ervin jr., subcommittee chairman, sent a questionnaire to Robert Finch, Secretary of Health, Education and Welfare, asking if a social security recipient was required legally to answer such questions and what might happen if he refused. "As of March 18," the subcommittee says, it "had received neither an acknowledgement nor a reply from the department." Sen. Ervin wryly noted: "The secretary is asking 72 questions. We essentially are asking one—'Are people required to answer those questions?' They are entitled to know that."

They're entitled to know still more. They're entitled to know why Congress hasn't yet rescinded the punitive provisions which prying governmental agencies are holding over the heads of citizens who object to federal invasions of their privacy.

[From the Manchester Union Leader (Manchester, N.H.), Mar. 22, 1969]

CURB THE HEAD-HUNTERS!

Congressman Jackson E. Betts of Ohio is mobilizing his colleagues in a last ditch effort to head off the Census Bureau's plan to file everybody, along with a lot of personal information on each of us, into the memory bank of its computers.

The Census, as originally conceived, had the simple purpose of enumerating the population every 10 years for an accurate apportionment of congressional seats.

Over the years, and especially since they were given separate bureau status, the head counters have increased the scope of enumeration.

For 1970 the Census Bureau, with that insatiable appetite all government agencies have for spreading themselves over a little more territory—aided and abetted by the statistic-user community—has moved its stakes considerably farther out.

The forms needed to canvass every household in America now contain 67 subjects and some 120 questions which have nothing to do with the constitutional nose count. The list of demands includes such things as income, dollar by dollar from all sources including alimony, unemployment insurance, pensions; the value of property or amount of rent paid; educational, marital, employment and military history; with whom bathroom and kitchen facilities are shared; list of household items such as dishwasher, television, radios, automobiles, second home.

The plan is to mail these questionnaires to about 60 per cent of the nation's households (to be answered and mailed back).

The rest will be hand-delivered—this mostly in the metropolitan areas where even noses are hard to keep track of. (In a pilot project last year in Trenton, N.J., only 65 per cent of the people returned the forms by mail and a crew chased unwilling countees for weeks thereafter without getting them all.)

Since in 1960 some 5.6 million people never did get counted, the Census Bureau hopes to improve this record by imposing penalties of 60 days in jail and \$100 fine for failure to come through with answers.

Counting the population is a constitutional mandate which should be carried out as expeditiously and as economically as possible.

Collecting all the other information, not only an unnecessary invasion of privacy but calculated to jeopardize the count's effectiveness, even with the penalties attached, is without any justification. Unless Congress takes a hand, however, the Census Bureau is going ahead with its scheme, just the same. The 62 million forms will be ready for the printers shortly.

To halt this bold move of the greedy factfinders—and at least to limit penalties for non-compliance with the essential questions involving head count—Congressman Betts has enlisted the aid of other congressmen. The Congressional Record of February 6 names 109 co-sponsors of his Census Reform Bill.

We are happy to note that Congressman James Cleveland has also introduced legislation in much the same vein as Congressman Betts. If your congressman (whether you are a New Hampshire voter or one of our readers widely scattered across the nation) hasn't heard from you on this subject, sit down and write him today. (House Office Building, Washington, D.C., is sufficient address.)

We can't think of anybody who would object to disclosing who, beside himself, uses the bathroom in his house, but not many of us cotton to the notion of being threatened with 60 days in jail for not saying.

Better write your congressman or by 1980 the bureaucrats will want a meter on the bathroom door.

[From the Indianapolis (Ind.) News, Apr. 1, 1969]

SENSELESS CENSUS

Protests continue to accumulate about the projected census of 1970, which is supposed to cover 60 per cent of the American population and contain numerous questions of a personal nature.

Opponents of the tentative census form range across the political spectrum from left to right, including everybody from the American Civil Liberties Union to conservative Republican Congressman Jackson Betts of Ohio. The common concern of these spokesmen is that the census questionnaire amounts to prying into personal matters which are no business of government.

Defenders of the census deny that the questionnaire is a form of prying, and point out that various questions posed—concerning number of bathrooms in the home, employment, income, etc.—have been asked, in one form or another, in previous years. The record shows, however, that plans have been laid for asking other questions as well—including one concerning religion—and that these have been dropped as opposition to snooping mounts.

We doubt that the census planners really want to spy on American citizens. Presumably they believe they are rendering an important service by gathering statistical data on housing and personal habits and traffic movement which will enable government planners and others to make informed calculations upon which to base their programs. But whatever the intention, the effect still turns out to be snooping.

The census head count is necessary in America for purposes of political apportionment and representation. It should not, in our opinion, be used as a social-engineering device to serve the goals of government planners or others who want to analyze the nation's habits and premise collectivist programs on the findings. The real flaw in the present set-up is not the desire to pry as such, but the desire to plan things from the top down.

Granted that some of the borderline questions can be interpreted either as legitimate or illegitimate depending on the uses to which they are put, we think the idea suggested by Rep. Betts is a good one. As noted in yesterday's Wall Street Journal, the Ohio lawmaker has proposed a bill which would impose penalties on respondents for failing to answer only essential questions related to the head count. Answers to all other questions would be voluntary.

The thrust of government in our time has been too heavily in favor of centralized dictation. An increasing number of people from different parts of the political community are coming to realize that this approach is hostile to freedom, and that some changes ought to be made. Adoption of Rep. Betts' legislation would be an important step toward safeguarding freedom while insuring that the legitimate ends of government are served.

[From the Journal Herald, Dayton, Ohio, Apr. 14, 1969]

LIMIT THAT CENSUS—ONLY SIX CENSUS QUESTIONS SHOULD BE MANDATORY

We do not believe Americans should be required, by Washington mandate, to answer more than six basic questions—name, age, sex, marital status, etc.—on 1970 census forms.

No doubt, if the remaining questions (as many as 85 on some forms) were made optional, the reliability of the census in these particular categories could be impaired, even though an accurate estimate of U.S. affluence could still be drawn from a careful sampling of those questionnaires which are completed. However, this seems to us a risk necessary to insure the private integrity of Americans.

Today, in our opinion, entirely too many idle questions are being asked by too many public and private agencies. To get a driver's license, the State of Ohio wants to know where you work, for example. We understand that if you are hauled down for speeding, the police want to know if you are married. Now Washington proposes to require a woman to tell how many babies she "ever had, not counting still-births."

Perhaps the questions themselves are harmless. Perhaps, as census officials insist, all the information given to the bureau is held in absolute confidence. Perhaps, as seems likely, most Americans will volunteer to answer inquiries honestly and fully.

However, this is beside the point. Such a bureaucratic encroachment on the private concerns of Americans simply cannot be accepted. It is vital to national interests to have an accurate accounting of our population, partly because such an accounting permits a fair adjustment in political representation in state and national legislatures. It is not vital that Washington know how many single bathrooms or air conditioners or fireplaces are available in the United States.

[From the Tribune, Apr. 14, 1969]

ANSWER OR BE JAILED

The bureaucratic mind at work is a devious and devastating thing. After all the words are recorded, and after all the pious promises to adhere to the true meaning of the legislative mandate are voiced, it turns out that many of these so-called "servants" of the people go about their business in total disregard of their actual assignments.

Current example of the unilateral approach to broadening and widening of legislative intent is the testimony of Census Director A. Ross Eckler before a House subcommittee.

Next year his agency will want answers to such questions as whether your toilet flushes, how much money you earn, what you paid for your house, how you get to work and even how many times you missed work in a given week. If you refuse to answer when the census taker comes around in 1970, you can go to jail or be fined.

In presenting his case before the committee, Eckler appears to have forgotten (or is simply ignoring) the basic purpose of the national nose-counting. As required by the Constitution, there is to be a determination every 10 years so Congress can be correctly apportioned.

This original mandate has escalated to the point where under Eckler's definition, just about whatever information his census takers seek next year is considered vital to the well-being and future course of the Republic.

He defends questions that want to know whether or not you share your bathroom with another family or if all the children you have borne are legitimate.

This latter question is important, says Eckler, so the government can "project population trends." If, as so clearly suggested, the federal establishment is using the number of illegitimate births to find out what the total population will be a few years hence, then we can expect to be swamped with all kinds of meaningless, inconsequential statistics.

Logic suggests that if such information is required by the government—and that need certainly can be challenged—then the number of children born to married couples would provide a far more accurate and meaningful basis for projection.

More significant, however, is the elusive technique used by chief commode counter Eckler to dodge discussion with the congressmen of the penalty portions of the census law.

Nowhere has he denied that a person who refuses to divulge how many toilets in his home—and/or if they flush or not—is subject to prosecution. A guilty finding could mean a 60-day jail sentence and/or fine of as much as \$100.

Queries about the bathrooms and the illegitimate births are among the 86 questions included on the bureau's "long form" which 25 per cent of all Americans will be required to answer. A shorter list of 22 questions will be asked of everyone else.

Despite objections that have come from some congressmen for almost two years on the super-snooping census techniques planned, Director Eckler has been steadfast in warding off suggested changes in approach, wording, etc.

Indeed, he has gone ahead and ordered the printing of the 150 million forms needed to take the 1970 census. Time is thus running out on those who would challenge the Census Bureau's sweeping powers.

Since Congress is making little progress in suggesting a less prying approach to the census, there is one alternative left. The law can be changed to make only the basic, short questionnaire mandatory. By erasing all penalties and fines for refusal to reply to the lengthy, 86-question form, Congress could put that part of the census-taking on a voluntary basis.

Likely most people would cooperate anyway, but the arm-twisting coercion used by the Federal snoopers would be eliminated.

[From the Dallas (Tex.) Morning News, Jan. 23, 1969]

COMPROMISE ON CENSUS

The Census Bureau's long questionnaire, backed by the power of compulsion to force a proportion of respondents to answer, is again the subject of legislative battle.

In this session of Congress, the attack on the compulsory feature of this long form is being led by Rep. Jackson Betts. In the past, similar attempts have been made to eliminate this feature by Rep. George Bush of Texas and others who feel that the threat of fine or jail should not be used to elicit what many believe to be personal information.

The question is one of benefits and disadvantages, complicated by such sensitive issues as the right of individual privacy and the traditional American suspicion of governmental power. Basically, the controversy centers not on the form itself, but on the existence of a provision to fine or jail the citizen who refuses to answer.

In the past, we have disagreed with such attempts, on the basis of a belief that the usefulness of the data to society outweighed the objections of the few. However, in light of the steady loss of individual privacy and the increasing bitterness against government compulsion, the News believes there is merit in seeking an alternative to the government's power to punish those who prefer not to give such information.

The information that is gained by this portion of the Census survey is undoubtedly of great benefit to government planners and statisticians, as well as to the many businesses and other private users of the demographic and economic data compiled by the Census Bureau.

The Bureau's officials maintain that there is no intention to snoop into private affairs of citizens, and that the compulsory feature is, in fact, rarely brought to bear. There is little cause to doubt these assertions.

It is probable that a large proportion of the Census respondents answer the long form questions such as those dealing with sources of income, employment record, and bathroom facilities without considering them unduly personal.

But on the other hand, there are also Americans who object bitterly to giving this information, particularly under threat of punishment. In recent years as the growth of government and the urbanization of society have increasingly infringed on the individual citizen's privacy and the area in which he can freely make his own decisions, this objection has gained increasing weight.

Americans have become painfully aware of the steady loss of privacy, and this awareness has stimulated a determination among many citizens to protest vigorously against further encroachment. This determination is reflected in laws and rulings against electronic surveillance and wiretapping as well as the measure to remove the compulsory provision from the long Census form.

The question then becomes a matter of weighing the undoubted benefits to government and business that are furnished by the form against the growing opposition by citizens and lawmakers who feel the use of compulsion is unwarranted in gaining these benefits. Can the benefit be gained without the compulsion?

Rep. Betts and the supporters of his bill say that it can. By the provisions of the Betts bill, answering the long form would be voluntary, not compulsory. He contends that, since the long form is used only for one fourth of the Census interviews, census takers should be able to gather the necessary data from those respondents who do not object to giving it. The compulsory feature would apply only to the few basic questions.

This approach would appear to be a compromise that could give the benefits to government and business without producing the backlash from those who bitterly object to answering these questions against their will.

The area in which the individual is free to mind his own affairs and make his own decisions is shrinking, and to an extent this cannot be avoided in our modern interdependent society. But as personal autonomy becomes more limited, that which remains becomes more precious to the individual and is therefore more vigorously defended.

The Betts bill may be able to preserve one small fraction of that autonomy. It is worth a try.

[Saginaw, Mich., Mar. 6, 1969]

CENSUS ONE THING—THIS SOMETHING ELSE

When does the federal decennial census cease being a necessary head count of Americans and become an oppressive and possibly menacing invasion of privacy?

The Census Bureau is on the verge of crossing the line that separates necessary from unnecessary in the Government's Constitutional obligation to gather census information every 10 years. That task will be carried out again next year.

What should be a cause of concern, however, is the federal bureau's heavy-handed determination to press ahead with a new long questionnaire. One family in every four faces the prospect of being confronted with a form containing 120 questions ranging over 67 subjects.

It will seek to pry from those who receive it information covering everything from complete accounting of all sources of income down to and including the number of household appliances possessed. But that is only the beginning. The 1970 census long form will demand to know also such things as the number of automobiles and toilets owned and with whom bathroom and kitchen facilities are shared.

The last straw is the bureau's attached warning that failure to answer fully all questions carries with it a 60-day jail sentence and a \$100 fine. In short, those who for one reason or another cannot or will not divulge this information are held in criminal contempt.

One who views the Census Bureau's long form plan with jaundiced eye is U.S. Rep. Jackson E. Betts of Ohio's 8th District.

More than viewing it as merely the bureau's overstepping of its authority—which it is—Betts believes the Constitutional right of privacy will be seriously threatened if not actually violated if the census-takers aren't detoured from present course. We agree.

For almost two years, ever since the plan first became known, Betts has been waging a congressional campaign to prevent such excessive snooping carried out under intimidation.

The Ohioan argues, correctly, that the long form is not only excessively bureaucratic in nature but that it runs the risk of thoroughly fouling up the accuracy of the census when people fail to answer and return by mail.

More than that, the information sought in the long form is irrelevant to the vitals—name, sex, work, marital status—of a national head count and can do little more than duplicate statistics already available in other data banks.

Not without the same reason, Rep. Betts suspects information of the kind the Census Bureau is planning to extract will mostly serve for public exploitation in the market place. It is just that fear that has set back plans in Congress for a national data bank.

As a consequence, he is pressing for reform that would not only eliminate the criminal penalty but preserve for the citizen his right to answer only those questions which legitimately and lawfully pertain to census-taking and render optional his answering of all other questions.

The Census Bureau would be wise to reconsider with an eye to making that long form voluntary rather than mandatory.

Census is one thing. Questionable invasion of privacy is another.

Americans, already bleary-eyed from filling out forms and answering to computerized calls, don't need one more federal form to comply with—under threat of fine or jail if they don't.

[From the Waukegan News-Sun, Waukegan, Ill., Apr. 12, 1969]

STOP CENSUS PRIVACY INVASION

In the past few sessions of Congress, numerous bills have been introduced to prevent the U.S. Census Bureau from requiring answers to questions considered to be an invasion of privacy.

The Betts bill (H.R. 3779) has emerged as the best of the lot, and we hope it is speedily approved.

The bill is sponsored by Rep. Jackson Betts, R-Ohio, along with Illinois Republican Robert McClory and others, and would limit required answers to only six of the 120 census questions.

Federal censuses are provided for in the U.S. Constitution, and their main purpose is to guide House reapportionment to reflect the growth of the nation and population movement.

However, they have been slowly expanded over the years, largely at the request of marketing research firms, to include questions ranging far beyond the basic concept of population count.

If the Betts bill is defeated, the 1970 census will require statements of personal income from all sources, property value and rent paid, and marital status, including number of marriages, their dates and divorce information.

It will also require information on household appliances, number of cars, place of parents' birth, and whether you share your bathroom with someone else.

Persons who refuse to answer these questions will expose themselves to a fine of \$100 and 60-day imprisonment. The penalty for willfully giving false information is \$500 and imprisonment for one year.

Congressmen Betts and McClory have been joined by more than 100 representatives in sponsoring a bill which would allow the Census Bureau to ask anything it wants, but would limit required answers to questions in only six categories:

"1, Name and address. 2, relationship to head of household. 3, sex. 4, date of birth. 5, marital status. 6, visitors in home at the time of census."

The bill would also eliminate the threat of imprisonment, but would leave the fines at \$100 and \$500.

According to Rep. McClory, marketing research firms which make use of the Bureau's statistical information are opposing the Betts bill. They claim that only 1 per cent of the population would refuse to answer the questions if it were mandatory, whereas 20 per cent would refuse if it were voluntary, thus reducing statistical validity.

As McClory has said, "These arguments are persuasive, but they do little to justify the census taker's invasion of the individual's right of privacy.

"Even assurances that the census information will be kept confidential are not too convincing when it is realized that leaks of confidential information from other governmental agencies have occurred in the past."

We agree, and we add that the government is not, and should not be in the marketing research business. Those who are should not be allowed to get a free ride on the Census Bureau's back.

[From the Herald News, Passaic, N.J., Feb. 24, 1969]

THE GOVERNMENT SNOOPERS

Do you think it would be right for the federal government to send a woman to jail for 60 days because she refused to tell the census collector how many times she was married? Or how many babies she had? Or whether or not she had to share the bath tub in her house with another householder? Or if she had a washing machine? Or where she lived and what she was doing in April 1962?

If you don't think its right, now is the time to speak up. Because the government will be armed with the power to jail dissenters when it takes the census next year unless Congress does something about it before then. And the person you save from the risk of jail may be yourself, because one-quarter of the people will have to fill out the lengthy questionnaire with the privacy-invading questions.

There is a congressman fighting to lift the penalty of jail from people who tell the census collector to get lost when he starts prying into their personal affairs. He is Rep. Jackson E. Betts of Ohio who has been campaigning for two years to keep the census within reasonable bounds and to save the public from exploitation by those he calls "greedy fact finders in government and private business."

Rep. Betts has persuaded 109 representatives in the House to become sponsors of his census reform bill, but there is only one New Jersey House member among the 109, Rep. John E. Hunt of Pitman. This is so despite the claims of some New Jersey congressmen that they are manning the barricades to beat off threatened invasions of privacy. Where are they now? Or are they in favor of 60-day jail sentences for citizens who try to defend their privacy? Ask your congressman where he stands and why.

The Betts bill is reasonable. It would require everyone to give seven basic facts concerned with the population count. However, answering the rest of the questions, which number about 100 in the long form, would be voluntary.

In the 1970 census the familiar enumerator will be missing in the cities and suburbs. Instead the census questionnaire will arrive by mail. There will be two kinds, short and long questionnaires. The long will go to one-quarter of the population. Everyone over 18 in the household which receives the long kind will have to fill out an individual questionnaire. The long form, in consequence, will consist of 20 pages, enough to take care of five adults.

In arguing that the mandatory questions should be held to a minimum, Rep. Betts has called attention to the results obtained in several trial runs of the questionnaires and system to be used next year. In Trenton, only 65 per cent of the people bothered to answer. At that rate, Rep. Betts says, 70 million Americans would not be counted in the census. And that isn't the lowest rate of response. In a North Philadelphia test, only 35 per cent of the questionnaires were returned.

"Is it not more important to count people instead of toilets and TV sets?" Rep. Betts asks.

If you agree with Rep. Betts, tell your congressman so. Next year will be too late to protest.

[From the Chicago (Ill.) American, Mar. 13, 1969]

THE 1970 INQUISITION

A move appears to be gathering steam in Congress toward making next year's census look somewhat less like an inquisition. According to present plans for the decennial head-count in 1970, every household in the United States will be asked some 120 questions on 67 different subjects, and citizens who refuse to answer any of them will be liable to criminal penalties ranging up to a \$100 fine, 60 days in jail, or both.

A bill making answers to these questions voluntary, instead of mandatory, has been submitted by Rep. Jackson E. Betts [R., Ohio] and now has 109 sponsors in the House. Betts' bill does not, of course, excuse anyone from giving the basic information that a census is supposed to provide—name, age, sex, number of people in the household, and a few other obvious essentials. But it would prevent the government from applying legal pressure for information like this:

Income, in dollar amounts, from all sources including public aid, alimony and unemployment insurance; educational, marital, military and job background; bathroom and kitchen facilities—whether they are shared, and if so with whom; and ownership of a long list of items including dishwashers, radio and TV sets, and second homes.

To our mind, information like this is none of the government's business. More precisely, no government should be in the business of collecting such information about citizens against their will. We do not doubt that good practical reasons could be advanced for asking each of these questions: fundamentally, the argument is that the government, if it is going to solve such crucial problems as poverty, unemployment and illiteracy, must get all the information it can about them.

But this, in our view, is begging for a more fundamental question: How far a government may be allowed to override its citizens' reasonable desire for privacy. The theory behind this long census questionnaire and the legal penalties backing it up appears to be this: "We want this information for our own good reasons, so you cooperate or else."

There may be a more dangerous precedent that this country could set for itself, but we can't think of any.

[From the Wall Street Journal (New York, N.Y.), Apr. 7, 1969]

WHY NOT?

The point of proposals to limit mandatory census questions is not that the questions asked so far have been especially odious. Rather, the point is that at present there is absolutely no review of the questions the Census Bureau decides to ask.

This bit of clarification seems necessary in light of the ongoing debate over the proposals, as reported in this newspaper the other day. Chief among the arguments of the Census Bureau and others who oppose clipping its power have been that the questions have not in fact changed much from year to year recently, and that no one has in fact ever been sent to jail for refusing to answer.

Both of these arguments seem to us excellent reasons why the Bureau does *not* need the sweeping power it now enjoys. The provisions of the current law allow the Bureau to ask whatever in its wisdom it decides, and you have to answer under pain of a \$100 fine and/or 60 days in jail. A good many of us think this power is ridiculous on its face, and simply do not want to trust future generations of bureaucrats not to abuse it.

Senator Sam Ervin, it seems to us, is talking about a solution that would be a good compromise between the demands for privacy and the Bureau's need for flexibility. This would, quite simply, be to allow the census to ask whatever it wants, but apply the fine and jail sentence only to questions specifically approved by Congress.

Why, pray tell, not?

[From the Casper Star-Tribune (Casper, Wyo.), Mar. 27, 1969]

THE QUESTIONS INVADE PRIVACY

National anger should mount over the authoritarian, privacy-invading set of questions which the Bureau of the Census plans to ask American citizens in 1970.

With whom do you share your bathroom or your kitchen facilities? If you don't answer that question you are subject to a \$100 fine or 60 days in jail or both. It is only one of 67 subjects including 120 questions included in the list, and failure to answer any of them could bring down the prescribed penalties on the head of the hapless citizen.

A decennial census is necessary, and answers to pertinent questions should be required. The trouble with the plans set up for the 1970 census is that a large number of the queries are impertinent in the fullest sense of the word.

How much money do you make, and where does it come from? We have long been deluded into believing that the Bureau of Internal Revenue covers that subject pretty well.

What's the value of the property you own, or if you pay rent, how much do you pay?

How far did you go in school? What's your marital status, your employment status and your military record?

Do you have a dishwasher, a television set, a radio, automobile or second home?

Rep. Jackson E. Betts of the Eighth District of Ohio, who has introduced census reform legislation, believes it is more important to count people than it is to count toilets and TV sets. There are many citizens who will agree with him.

The census takers missed counting 5,600,000 people in 1960, when the questionnaire was much simpler than it will be next year—unless Congress takes action to force revision. It is apparent there is not only a question of privacy involved. The complicated procedure will add to the burden of taking the count and probably will add to the omissions.

The Senate in the 90th Congress passed a bill to repeal the jail sentence on all items. The House failed to act, probably because it was late in the session and there was insufficient time. Congressman Betts recommends complete repeal of the jail penalty and limiting the fine to essential questions. He would leave the questions in the form but place the majority of them on a voluntary basis.

If there is to be any modification at all, some such compromise may be necessary because of the many months which will be required in printing the millions of forms.

Congress should make its decision at the earliest possible date. The decennial census, which was originally authorized to provide for the correct apportionment of the U.S. House of Representatives, ought not to become the tool of special-interest groups seeking free data at the taxpayers' expense.

[WMTV, Madison, Wis., editorial, Wednesday, May 22, 1968]

Dane County played the role of a guinea pig in a recent special census that, in some minds, may have set an undesirable . . . even dangerous . . . precedent. The probing questions went well beyond what many people felt were reasonable limits of a census . . . that it became too personal, too invading.

Well, if you thought the special census was rather probing, it might be said that perhaps you haven't seen anything yet. It may become a way of life, unless Congress puts the brakes on Census Bureau plans . . . and Congress appears to be quite interested in the trend.

The Census Bureau is planning a full-blown questionnaire for the entire nation in 1970 . . . One that will demand answers to more than 120 questions. Persons refusing to comply face the possibility of a 100 dollar fine or 60 days in jail.

One Congressman quite upset over the plans is Jackson Betts of Ohio. He is warning his colleagues that the Census Bureau is intruding on personal privacy. We also join in questioning the justification for a national census that pries into everybody's financial affairs. We already have the Internal Revenue Service doing that . . . and seeks to learn a myriad of other answers about mostly insignificant matters. Such a detailed census tends to be nothing more than tons of information, amassed at the cost of the taxpayers, for questionable purposes.

At this point, we must oppose the encyclopedia course for which the Census Bureau seems to be heading. And, if you feel strongly on this issue, we urge you to let your Congressman be aware of your views.

[From the New Haven (Conn.) Register, May 23, 1968]

CURBING A PRYING CENSUS BUREAU

A movement is underway in Congress to snip off a good chunk of what critics consider the U.S. Census Bureau's outsized prying nose.

A consortium of 28 congressmen has introduced a bill which proposes to grant every American virtually the same rights under Census Bureau questioning that are traditionally extended to military prisoners of war: To wit, name, rank and serial number only. Under the bill, the bureau would be entitled to just name address, age, sex and race.

Rep. Jackson E. Betts, Ohio Republican and chief sponsor of the bill, holds that any further information is none of the government's business.

As area residents who took part in a test census conducted here last year are well aware, the Census Bureau has put together a startling list of questions for the nationwide count in 1970. Some of the questions seemed unnecessarily trivial. Others aroused criticism of being highly prying and impertinent. What the cries of protest seemed to promise is a nationwide vocal reverberation of shattering proportions when the decennial count is taken.

Underneath all the ruckus is the quite pertinent question of just what is the function of the Census Bureau. In a day when more and more grounds appear for fearing a centralized computerized "Big Brother" type of informational bank on every soul in this country, the need for clear and specific definitions of bureaucratic roles and powers is imperative.

[From the Fort Wayne (Ind.) News-Sentinel, June 1, 1968]

A CENSUS—NOT AN INQUISITION

Provisions for a decennial census of residents were made in the drafting of the Constitution of the United States of America. The purpose of the census, as it was written into the Constitution, was a good one—the apportionment of Congressional representation. As such, it was a tool of democracy.

In nearly 200 years, the census has undergone vast changes, and when the next census is taken, in 1970, it will much more closely resemble a marketing survey than a serious effort on the part of the Government to achieve proportional representation.

Under penalty of the law, some citizens will be required to answer as many as 120 questions covering such diverse topics as the individual's marital, educational, employment and military histories; his income, to the dollar, from all

sources: the value of property owned by him or the rent he pays; the nature of bathroom facilities and with whom they are shared; and his possession or non-possession of a long list of appliances such as dishwashers, television sets, radios, automobiles; and whether or not he owns a "second" home.

Many people, including Congressman Jackson E. Betts, Ohio, feel that the Government intrudes far too deeply into the personal life of the individual in requiring, under the threat of a \$100 fine or 60 days in jail, the answers to such questions. They are particularly concerned in light of the proposals to establish a governmental "data bank" containing all information which is given or comes to the government on each and every person in the Nation. Answers to the 120 questions would provide a substantial "backbone" for the dossier of each person.

To end the proliferation of questions and the invasion of privacy, Congressman Betts has introduced a bill (H.R. 10952) which would limit to eight the questions which the citizens would be required to answer, under penalty. Those questions cover his name, address, relationship to the head of the household, sex, date of birth, race, marital status, and the number of visitors in the household at the time of the census.

It would seem sensible to turn marketing surveys over to marketing professionals in private industry and limit the census to its constitutional intent. Especially, the individual should not be required by law to answer the extraneous questions. Congressman Betts' measure should be passed.

[From the New Orleans (La.) States-Item, Mar. 22, 1968]

LONG FEDERAL NOSE

Plans of the United States Census Bureau to get too personal with its 1970 questionnaire have stirred up a storm of protest across the country.

If the increasingly nosey bureau has its way, citizens could be fined up to \$100 and sentenced to 60 days in jail for failure to answer questions.

How many people share your bathroom? If you have been married more than once, how did your previous marriage end? How do you enter your home? What is the value of your property?

Such questions are—or should not be—none of the federal government's business. Some are amazingly absurd.

Granted there are a number of questions which are necessary to the obtaining of a meaningful national census. But such questions should be as limited, general and impersonal as possible. That is the way they have been in the past.

Uncle Sam's nose already is much too long for the comfort of many Americans. It's time the nation's nose-counter took stock of the length of his own prying proboscis.

[From the Tulsa (Okla.) Sunday World, May 26, 1968]

THE CENSUS CONTROVERSY

The U.S. Bureau of the Census is settled in its own mind on the procedure to be followed in conducting the 1970 count of the nation's citizenry. There is some question, however, whether the process of counting is going to run as smoothly as the Bureau believes.

Congress is upset, and growing more so, over the pattern of the census questionnaire that has been prepared. The Bureau plans to do much of its nose-counting by mail—a drastic departure from past practice. The issue in Congress is not with the mechanical procedures involved but the nature of some of the 120 questions that will be asked if the Bureau carries out its plan.

The leading advocate of alteration in the Bureau's questionnaire is Cong. JACKSON E. BETTS of Ohio. He strenuously objects to the *personal* nature of some questions and the fact that those being polled are under compulsion to supply answers. Otherwise, they face \$100 fines and/or 60 days in jail.

In specifics, BETTS opposes enforced answers to such questions as:

Personal income, dollar for dollar, from all sources—including public assistance, alimony, unemployment, disability insurance, pensions and investments;

The value of personal property held, or rent paid;

A complete history of educational, marital, employment and military experience;

If bathroom and kitchen facilities are shared, with whom?

Whether the pollee owns household items such as dishwashers, television, radio, auto, or a second home. Cong. BETTS' argument centers on the purpose of the census. Its primary purpose, he declares, is to count heads and not gather hundreds of other facts about the personal life of Americans.

"I see no justification for the mandatory requirement that forces all citizens to provide such information," says BETTS.

We agree with him. We don't believe personal histories and facts about personal matters should be promiscuously gathered by the Federal Government to satisfy the whims of statisticians—particularly if there is even a bare possibility such information might fall into the hands of commercial interests.

It is sufficient for Government purposes, we think, that Uncle Sam be advised of the name, address, sex, race and proprietary interest of each of its citizens. Other questions which the Census Bureau might find pertinent to its needs should be permissible provided the citizen is given the "voluntary" privilege of answering or not answering. To require mandatory answers to deeply personal matters is inimical to the American process.

Let's have a competent public nose count, by all means. Let's leave private matters strictly private, as they should be in a free society.

[WJBK-TV, Detroit, Mich., June 26, 1968]

TELLING ALL—OR ELSE

Some powerful people in Washington are getting set to ask you some nosy questions like these:

How much money do you make? Please include details on all sources, including alimony, welfare, investments and pensions. What's your property worth or how much rent do you pay? What do you own in the way of dishwashers, TV and radio sets, automobiles, or perhaps a second home? What are the facts on your marital, employment, educational, and military background? Where was everybody in your family, including your grandparents, born?

Unless Congress blows the whistle soon on eager Census Bureaucrats, that's the extent to which you'll have to tell all in 1970—or face a \$100 fine or 60 days in jail. And there are more than 100 other intimate questions in the \$200 million census project—including with whom do you share your bathroom?

Ohio Congressman Jackson Betts is leading a fight to limit mandatory questions to name, address, age, sex, race, marital status, and who's visiting in your home at the time of census. Mr. Betts' bill would make the more obnoxious snooping strictly voluntary.

But the Congressman tells TV2 that Census Bureau pressure has his bill in trouble. That's where a short, angry note from you might help. If you agree that the census should be restored to its original purpose—counting people, not grilling them—let your Senator or Congressman know about it now, while there's still time.

[From the New York Daily News, May 27, 1968]

Bureaucratic busybodies seem determined to make the 1970 census form the longest, pokingst and pryingest document in the 190-history of that nose-counting operation. It is a prospect that Rep. Jackson Betts (R-Ohio), for one, finds far from pleasing.

Betts is appalled at the length of the questionnaire. He further boggles at the idea that a 60-day jail term and a \$100 fine could be levied against anyone refusing to answer any of the 120-odd questions that will be put to some Americans.

Present estimates are that one in four or five citizens will be faced with the jumbo-sized quiz.

Included are some highly personal questions about family history, income, property values and ownership of appliances. The snapper is a query on whether and with whom a family shares its bath.

No doubt all this mountain of information can be used to great advantage by the government and by business for marketing studies. In the later instance, it

seems a good case could be made for industry coughing up its own dough for such information instead of getting a free ride from the taxpayers. But the big bones of contention are the number of questions and the invasion of privacy backed by the bludgeon threat of fines and prison.

Betts believes that punishment should be handed out only to those who hold back answers to seven basic questions dealing with name, age, sex, place of residence, and the like. We consider that eminently fair.

The government certainly needs that information if the census is to serve its basic purpose of providing the basis for reapportionment of the House of Representatives.

As for the nonessential items, Betts would defer some, omit others and—in all cases—give citizens the option of cooperating or not as they saw fit.

We hope he can stir up enough of his colleagues to put a clamp on the Nosey Parkers in government.

[From the Madison (Wis.) State Journal, May 17, 1968]

HOW MANY QUESTIONS ON CENSUS?—LET CONGRESS DEBATE IT

Most Dane County residents have probably completed by now the questionnaire sent to them as part of the special census.

And most probably have complied with the law by mailing it back to the census bureau.

Three out of four householders received a short form containing some basic questions.

One out of four received a much longer and much more detailed questionnaire which seeks information far beyond the enumeration of population. There is no question that the Census Bureau has the power by law to ask for this information.

A question might be raised, however, whether the bureau should have this absolute power. Some of the questions on housing and employment might be considered objectionable. We would concede most of them do not appear to be to us.

Yet there remains a principle involved—namely, the extent to which an individual has a right to keep private certain bits of information he considers personal. A good many people apparently did object—and objected strongly—to many of the questions. Their suspicions were aroused.

We have a few doubts also, although not so much with this particular questionnaire. Our doubts arise from the possible future questionnaires that the government might send out and the possible uses they would have.

We think an individual ought to have the right to withhold from the government certain information that he might consider personal or private.

At the same time, we do not think the actual headcount necessary for determining the population should be voluntary.

But is all the required information really necessary and how will it be used? And how accurate and useful can a national do-it-yourself census be when people of all educational levels fill in the circles? (Madison is not a typical community.)

Rep. Jackson E. Betts (R-Ohio) has sponsored bill H.R. 10952 limiting the number of compulsory questions which the census might ask. This seems to be a reasonable alternative to protect the question of right of privacy which is involved here.

A public hearing followed by congressional debate would bring needed light on a subject which up to now the federal government has decided without determining public opinion.

Chairman TALMADGE. Mr. Betts, what alternative sources do you think the Government could use to get these data except the census?

Mr. BETTS. I am convinced that voluntary questioning would produce sufficient information.

Chairman TALMADGE. In other words, you would suggest asking the same questions without the penalty and make it purely voluntary?

Mr. BETTS. Yes; I take that position. That was in my original bill,

that was the theory upon which I introduced the bill. The only constitutional reason I can find for a census is the requirement that every 10 years there be a census for the purpose of apportionment of Congress. I am not saying that anything else is unconstitutional, I am simply saying that the only reference I find in the Constitution to a census is that.

I think the only purpose, the only valid purpose, in the census is a head count. And I think that the apportionment of Congress is so important that the citizens should be compelled to give information to accurately determine the headcount.

So my bill, H.R. 20, would provide six questions to be asked on a compulsory basis. And as far as I am concerned, I have always taken this position, that the census can ask all the questions it wants in addition to that which could be on a voluntary basis.

Second, as I pointed out in my statement, I think there are other ways of securing information. There are highly scientific methods that I can't go into here, Mr. Chairman, because I don't have the background. But there are a lot of information-gathering processes that I think are working well. And I think the Census Bureau with its surveys is securing information which is regarded as accurate enough for the purposes for which it is secured.

So briefly, those are the alternatives it suggests.

Chairman TALMADGE. Doesn't some governmental agency, either local, State, or Federal, already process virtually all the data that are processed by the Census Bureau? In other words, the local tax authorities know all about your house, the traffic department knows all about your automobile, the State and Federal Government know all about your income on your tax returns, and various zoning and housing authorities and other agencies request detailed information, and it is already a matter of record. Some of it of course is confidential, and some a matter of public information.

Mr. BETTS. That is correct.

Chairman TALMADGE. And did I understand you to say in your testimony that the census fails to include completely all Americans overseas, whether servicemen or civilians, at the time of the census?

Mr. BETTS. That is what I understood from Dr. Eckler's testimony in the House a while ago. I think you have to say that they do take a census, but it is not assigned to States.

Chairman TALMADGE. How do they apportion these men? For instance, there are 300,000 troops in Germany and Vietnam. How do they apportion them?

Mr. BETTS. Well, they are just omitted from the population as far as apportionment is concerned.

Chairman TALMADGE. They are not added to the total American population?

Mr. BETTS. As I understand, they are added, but they are not included in States for the purpose of apportionment.

Chairman TALMADGE. Is it your contention that the Bureau of the Census does not properly project the confidential nature of its information?

Mr. BETTS. No, I have never said that. I do question the definition of confidentiality. I think that confidentiality does not apply solely to giving the information which the Census Bureau gets. I think that

the essence of privacy is forcing somebody to give it to the Census Bureau. I think that is the essence of the breach of confidentiality. It should be included in the definition.

Chairman TALMADGE. Do you know of any instances where the Census Bureau has ever breached its duty to keep its data confidential?

Mr. BETTS. I know of none. I assume some statements have been made to that effect, but I know of none.

Chairman TALMADGE. Do you think the census figures would be accurate if most of the questions would be placed on a voluntary basis?

Mr. BETTS. I think there would be more of an inclination to answer them than if they were on a compulsory basis.

Chairman TALMADGE. You think they would be just as accurate if the compulsory features were not involved?

Mr. BETTS. I think they would be more accurate.

Chairman TALMADGE. I think most of us will agree that it is essential to the economic operation of the Government and the Congress and the administrative agencies to have accurate and objective information about the subjects upon which we are expected to act. As this subcommittee has reminded the country repeatedly in the past, we should not put ourselves in the position of wasting billions of dollars of the taxpayers' money out of sheer ignorance of the facts about the situation that we are called upon to legislate. Is there any reasonable scientific basis for assuming that we can get the required information by voluntary methods?

Mr. BETTS. Yes. As I stated in my statement here this morning, we questioned the attorney generals of all the States. I think practically all of the States have some sort of a factfinding program that has to be provided through questioning. And all but two of the States do this on a voluntary basis. And the results, as far as the attorney generals reported to me, were satisfactory. That is one of several experiments we conducted.

Chairman TALMADGE. Thank you very much, Mr. Betts. We appreciate your very fine statement and your appearance before the subcommittee.

Mr. BETTS. Thank you, Mr. Chairman.

Chairman TALMADGE. We are honored to have with us the distinguished Secretary of Commerce, Mr. Maurice H. Stans.

Mr. Secretary, you may proceed as you see fit, sir.

STATEMENT OF HON. MAURICE H. STANS, SECRETARY OF COMMERCE; ACCOMPANIED BY A. ROSS ECKLER, DIRECTOR, BUREAU OF THE CENSUS

Secretary STANS. Mr. Chairman, I have with me Mr. Ross Eckler, the Director of the Census Bureau, who will help me to answer any technical questions.

I have a statement, and if the chairman is ready, I will proceed with the statement.

Chairman TALMADGE. You may proceed as you see fit, Mr. Secretary. Secretary STANS. Thank you, Mr. Chairman.

INTRODUCTION

I welcome the opportunity to appear before this subcommittee on the first day of its review of the Federal statistical programs.

Because of some recent developments affecting the 1970 decennial Census of Population and Housing, I would like to direct my testimony exclusively to that subject. If certain proposals, reported in the press and elsewhere, were to be put into effect, the result would be to destroy the value and usefulness of the 1970 census. I am concerned lest that happen.

The Constitution requires the taking of a census of population and provides that it be taken in such manner as the Congress may direct. The 1970 Decennial Census of Population and Housing, which will be the Nation's 19th, is already in the early stages of execution.

It is difficult to overstate the fundamental importance of the decennial census to the good government of the country. It provides an essential benchmark, to which the results of much of the intervening work of the Census Bureau and other public and private statistical agencies has to be referred. The results of successive censuses trace the statistical history of our country. There is, and there can be, no alternative reference point for many of our social and economic investigations.

The job is one that must be done right. Because of criticisms inherent in various public proposals, I have spent considerable time reviewing the manner in which the 1970 census can meet the needs of public policy. We have examined the questions asked in the census and the manner in which the census is taken. Certain changes have been decided, which I shall outline later in my testimony.

THE PRESENT PROBLEM

The present problem centers on several criticisms of the 1970 census which can be stated as follows:

- (1) The census should be voluntary and not mandatory.
- (2) The census is an unwarranted invasion of privacy.
- (3) The census asks too many questions.
- (4) The census does not serve a legitimate public purpose.

In my opinion, not one of these propositions is justifiable or valid, for these reasons:

- (1) A voluntary census would be ineffective and its results would be positively misleading and biased because of inaccuracy.
- (2) Given the safeguards provided by the law, there is no infringement on the privacy of any individual.
- (3) The census of 1970, as planned has very few changes from the 1960 census or even the 1950 census, and is not unduly burdensome.
- (4) The review of each question in the census is precisely related to the fulfillment of one or more specified legitimate public purposes.

ARGUMENTS ABOUT THE 1970 CENSUS

These critical views of the 1970 census could not have gained attention if there were not widespread public misunderstanding of the process of census-taking. I propose therefore to outline some pertinent facts on the nature of a census, and of the 1970 census in particular.

First, on the issue of the possibility of having a voluntary rather than mandatory response:

The law is clear. The Census Act (title 13, United States Code) requires that every household answer the questions asked in the census. This requirement for compliance is not new. In fact it has been so since the first census in 1790. Every other Nation of the world which undertakes a national census also does it on a mandatory basis. It cannot be abandoned without serious consequences. For the core of a census must be a count of the whole population. It is a basic inventory of people and their homes and not merely a poll of individuals' opinions.

The Census Bureau, in its current work and in its work for other agencies, is expert in the taking of samples as a source of statistics. It is well aware that a voluntary sample has a larger element of nonresponse and that the range of inaccuracy which results from nonresponse impairs the results. The exact amount of nonresponse that would result if the census were taken on a voluntary basis is unknown; but it would be variable and it would be large in many areas.

Worst of all—and I think this is extremely important—the very people most likely to benefit from the taking of the 1970 census are likely also to be the least responsive. The poor, the minority groups, and the less well educated would likely be less fully represented because ignorance or suspicion or fear caused them not to volunteer information. Thus the census would inevitably have a serious bias. The quality of the statistics would be grievously damaged for many important public purposes if it were voluntary.

This estimate of the outcome of a voluntary census has the analytic backing of the Census Bureau's experts, and will be corroborated by almost every qualified statistical agency, public or private, engaged in the collection of demographic data.

Mr. Chairman, because this is so important I have secured statements supporting this point from a number of experts, and from a number of Government departments.

And I would like to present for the record here a letter from A. C. Nielsen, Jr., the president of A. C. Nielsen Co., in which he states in most emphatic terms that a voluntary census would not be useful.

A letter from Harold W. Watts, chairman of the executive committee of the Conference on Research on Income and Wealth, National Bureau of Economic Research, to a similar effect.

A letter from Hon. George P. Schultz, Secretary of Labor.

A letter from Attorney General Mitchell presenting views on the census from four divisions of the office of the Attorney General, the Civil Rights Division, the Antitrust Division, the Federal Bureau of Investigation, and the Bureau of Narcotics and Dangerous Drugs.

A letter relating to the 1970 census from the Department of Agriculture, the Department of Health, Education, and Welfare, the Department of Labor, the Department of Transportation, and the Department of Housing and Urban Development. Each of these, Mr. Chairman, endorses fully the necessity of having a mandatory and accurate census.

A letter from David R. Derge, vice president and dean of Indiana University, one of the Nation's most highly regarded statisticians.

And a letter from Raymond T. Bowman, Assistant Director for Statistical Standards, Bureau of the Budget.

Chairman TALMADGE. Without objection they will be included in the record.

(The materials referred to follow:)

(Letter in support of 1970 census from A. C. Nielsen, Jr., president, A. C. Nielsen Co.)

A. C. NIELSEN Co.,
Chicago, Ill., April 11, 1969.

MR. CHARLES M. WILSON,
Chairman, Subcommittee on Census and Statistics of the Post Office and Civil Service, U. S. House of Representatives, Washington, D. C.

DEAR MR. WILSON: I hope you will have the time to fully inform yourself regarding certain proposals being made to limit the 1970 Census to six mandatory questions, the remainder being on a voluntary basis.

This proposal was introduced in the last Congress and again, currently, by Congressman Betts and others.

I visited with Congressman Jackson Betts in order to learn first hand of his concern that the Census may be invading the privacy of some of the citizens. I have also visited with Mr. Ross Eckler of the Census Bureau to ascertain the Bureau's experience in compiling data on a voluntary as well as mandatory basis. In addition, I have discussed the subject with a number of my colleagues in the market research field, who responded to the query from Congressman Betts with regard to their ability to collect meaningful data on a voluntary basis.

These conversations, combined with the experience of our own organization in collecting data from the public—we are the largest market research company in the world—convince me that it would be a mistake to introduce the voluntary concept into the population and housing Census of 1970.

My conclusions are based on a number of points including the following:

1. A. C. Nielsen Company's experience over a 45 year period proves conclusively that many people in the population will not supply information on a voluntary basis. These people tend to be in the lower income, lower educated segments of the population. It is particularly desirable from a public-policy point of view that the country has accurate information at this time on these groups when so many programs are being implemented in this area.

We know that whenever a survey omits a significant proportion of people the results can be misleading. This is true because the people who reply voluntarily tend to have different characteristics than those who do not reply.

If you care to test the correctness of these observations, I would suggest that you mail a questionnaire of about the length of the Census questionnaire to a cross section of your constituents and tabulate the percentage of replies. I believe you will find that despite the fact that the questionnaire comes from an important individual such as yourself and deals with subjects of interest—certainly as interesting as those that will be included in the housing and population census—your response rate (i.e., percentage replying) will fall well below 50%.

Market research companies responding to Congressman Betts' inquiry regarding the reliability of information received on a voluntary basis were misled by certain ambiguities in Congressman Betts' letter. I have talked with a number of these people personally and they tell me that they thought Congressman Betts was about to offer them a large volume of business by transferring work now done by the Census Bureau to private research companies. If you will examine the Congressional Record, you will see that this note runs through a considerable number of the letters from my colleagues. They are saying in short that they can get just as good results as the government. They do not, however, say they can get better results, nor do they supply evidence that they can get good results when the questions are asked on a voluntary basis.

Those research companies stating that they do not have any trouble getting cooperation, or query by me, admit to using quota samples. This is an important point because the quotas used by these companies are made up from the known population and housing characteristics obtained by the Census Bureau. Without the solid benchmark statistics supplied by the Census, these market research companies would not know how to construct a proper quota sample. For instance, if you were taking an opinion pole in your district, you would need to know how many interviews to make in each of the towns, making more interviews in

the larger town and less in the smaller town. The key to designing a proper quota sample in how big each town is. This vital information can only be obtained from the Census.

In short, the responses obtained by Congressman Betts to his questions to market research companies do not indicate that a census can be made satisfactorily on a voluntary basis.

2. As to the matter of invasion of privacy, this should, of course, be given consideration. I have looked over the questionnaire contemplated and do not believe that when properly approached the public will object to answering these questions. It seems to me that the concern expressed by some in letters which Congressman Betts told me he was receiving are from people who do not really understand what they are going to be asked.

I have seen some of the publicity which has been generated and fed to the press. To say the least, it is misleading. No doubt some people's fears can be whipped up on any subject when it is falsely presented. I would suggest that you obtain a copy of the questionnaire and judge for yourself the extent to which the invasion of privacy is a valid issue. Surely our government is entitled to adequate information if it is to do a satisfactory job in the best interests of all. This principle has been well established by the Census over the years.

Mr. Eckler of the Census Bureau has assured me that they have not encountered opposition from the public in answering their questions. The questionnaire is no longer than it has been in the past. In fact, it is shorter than on many previous occasions and certainly the nature of the questions are not of a prying type. The government requires far more information from the citizen with regard to submitting his income tax, testifying before Investigating Committees of the Congress, court proceedings, and so on. Safeguards can be and have been built into all of these procedures which will protect the legitimate interest of the public. You will recall that no individual's personal information has ever been released by the Census. All data are merged with information supplied by many others and published in total.

If there are any individuals who feel the present safeguards with respect to the Census questions are inadequate, then I suggest this matter be reviewed. An appropriate committee of the Congress could take on the responsibility of reviewing all questions proposed, modifying or deleting any which in their judgment would constitute an unwarranted invasion of privacy. An alternative would be to charge the Secretary of Commerce with this responsibility.

Finally, let me just add that any attempt to put the Census on a voluntary basis in whole or in part would not only make the data less reliable, but would also materially increase its cost. This is true because it is proposed that the Census be made partially by mail. Those who do not reply to the mail questionnaire will then be followed up in person. Obviously, it costs a lot less to contact a person by mail than to have a Census taker go out and contact them in person.

If replying to the questionnaire is put on a voluntary basis, obviously fewer people will reply to the initial mailing than would be the case if it were mandatory. I think you can see that this would result in more personal calls having to be made—each call at a higher cost.

A partially mandatory and partially voluntary Census would result in major difficulties in tabulating results, which will also increase the cost of this program. Since each respondent would be permitted to answer or not answer each question as her or she saw fit, every question would have a different number of repliers. To form an estimate for the total United States on any category, it would be necessary to expand each question by a different multiplying factor—that is, if 90% of the public answer one question, you raise the answers by 10% to reach 100%. If only 80% answered the question, you would have to raise that question by 20%. When you cross tabulate A with B, you have another factor to apply. The computing becomes terribly complex—much more expensive on that account.

Today when there are so many worthwhile projects needing funds, I believe you will agree that it would be unfortunate to have to spend *more* money for a Census which would be *less* accurate simply to satisfy a few people who may feel that some of the questions constitute an invasion of privacy.

On this point, I have been in the research business all my life and have yet to meet a person who complained about having to spend 15 to 20 minutes (or even a half an hour) every ten years answering the Census taker's questions regarding his family and housing characteristics.

I hope after investigating this matter you will reach the conclusion that the Census program should be conducted as it has been in the past. The U.S. Census is without a doubt the finest of its type in the world. I urge you to oppose those who would alter it by making certain questions voluntary. By so doing you will insure the continuation of the most accurate information for yourself and others seeking to form proper policies on a great variety of public and private matters—at a minimum cost.

Sincerely yours,

A. C. NIELSEN, JR.

(Letter in support of 1970 census from Harold W. Watts, chairman, executive committee of Conference on Research in Income and Wealth, National Bureau of Economic Research, Inc.)

NATIONAL BUREAU OF ECONOMIC RESEARCH, INC.

New York, N.Y., March 20, 1969.

HON. MAURICE H. STANS,
Secretary of Commerce,
Washington, D.C.

MY DEAR MR. SECRETARY: The members of the Conference on Research in Income and Wealth wish to express their dismay and consternation at the possibility that the 1970 Census might be entirely voluntary except for five items: name and address, relationship, sex, date of birth, marital status and visitors in the household at the time of the census.

It has come to our attention that Congressman Betts of Ohio has introduced a bill proposing this; and we are also informed that more than 100 Congressmen have co-sponsored or introduced bills with a similar purpose. The Conference on Research in Income and Wealth opposes this legislation, and gives its full support to the plans the Department of Commerce now has for conducting the 1970 Census.

Many of the members of this organization are engaged in research for public agencies and private businesses in which the census data on income, employment, education, housing and other subjects play a vital role. The proposed changes could only make these research efforts less fruitful than otherwise. Thus our objections are in part motivated by self-interest, since researchers cannot function effectively in the absence of good basic information.

But, we have another—and urgent—reason. Our success in evaluating the effectiveness of public programs at all levels is largely dependent upon accurate and complete census data. The closely related problem of planning and estimating costs for new and proposed programs—again a problem of crucial importance for efficient government—is equally dependent upon such accuracy and completeness. To make all but five questions voluntary would introduce biases of unknown severity, and severely hobble this country's ability to plan its government programs effectively.

In making known our objections to the changes proposed by Mr. Betts and his associates, we are not only expressing our own sentiments but, we are certain, the sentiments of most social scientists concerned with increasing our understanding of social and economic problems. We also feel that we represent the sentiments of most of those whose operational responsibilities require them to be informed about social and economic conditions in the United States.

Sincerely yours,

HAROLD W. WATTS.

(Letter in support of 1970 census from Hon. George P. Shultz, Secretary of Labor.)

U.S. DEPARTMENT OF LABOR,

OFFICE OF THE SECRETARY,

Washington, April 16, 1969.

Memorandum: For HON. MAURICE H. STANS.
Re: Decennial Census and H.R. 20.

I support in the strongest possible terms the position you are taking against the passage of H.R. 20 which would, among other things, limit the categories of questions required to be answered under penalty of law in the decennial census. As you know, the census is the only source of detailed information per-

taining to population, unemployment, occupation of employment, education, and other economic data for local areas including the individual neighborhoods of cities and rural areas. This information is essential if the Department of Labor is to focus its programs for central city and rural area manpower development in an effective manner.

Complete and unbiased labor force data are needed, for example, to plan and administer our programs aimed at locating and alleviating pockets of underemployment and unemployment, especially among youth. We need to know more about the economic condition of persons who have migrated in recent years in order to assist them in meeting the problems encountered in this transition. Further, these data are used by state and local government agencies for program and policy planning. They are also used extensively by business, labor, and other groups.

If all the respondents interviewed do not provide answers to the questions asked, the statistical tables prepared from Census forms will be incomplete, inaccurate and probably biased. Should this occur, they would be of little or no use to the many individuals and groups who need this information.

In view of all these factors, I think that enactment of the proposed bill would be a most serious mistake.

GEORGE P. SHULTZ,
Secretary of Labor.

(Letter from Attorney General John N. Mitchell presenting views on 1970 census from: Civil Rights Division; Antitrust Division; FBI; and Bureau of Narcotics and Dangerous Drugs.)

U.S. GOVERNMENT,
DEPARTMENT OF JUSTICE,
April 25, 1969.

To: Honorable Maurice H. Stans, Secretary of Commerce.

From: The Attorney General.

Subject: Use of Census Data by the Department of Justice.

Pursuant to your request at the meeting of the Council for Urban Affairs on Monday, April 7, 1969, I am pleased to submit a report concerning the Department of Justice's use of census materials.

Census data are primarily used by the Civil Rights Division, the Antitrust Division, the Federal Bureau of Investigation, and the Bureau of Narcotics and Dangerous Drugs. In order to provide you with a comprehensive report concerning the various ways in which these divisions use census data, I have enclosed the reports of these divisions. Census materials are especially helpful in providing these divisions with an accurate picture of contemporary America which thereby enables them in an intelligent manner to set priorities in their work. Other divisions in the Department of Justice occasionally use census materials in the preparation of particular cases.

Since the census provides us with accurate information and thereby enables us to set our courses of action toward the accomplishment of our various goals, I recommend that the government continue to gather census materials. If the Department may be of further assistance, please feel free to call upon me.

U.S. GOVERNMENT,
DEPARTMENT OF JUSTICE,
April 8, 1969.

To: William D. Ruckelshaus, Assistant Attorney General, Civil Division.

From: Jerris Leonard, Assistant Attorney General, Civil Rights Division.

Subject: Civil Rights Division Use of Census Materials.

Since its inception the Civil Rights Division has relied upon published and unpublished census data in practically all phases of its work.

I. REGISTRATION AND VOTING

More than one hundred cases involving various aspects of the right to vote without racial discrimination have been filed by the Division pursuant to the Civil Rights Act of 1957 and later legislation, and in virtually all of them census data, by age and race, were part of the pleadings and proof. Moreover, the courts came to give prima facie probative significance to the numbers of Negro potentially eligible registrants in conjunction with other proof contrasting the number of actual registrants by race.

The Department's poll tax cases brought pursuant to Section 10 of the Voting Rights Act of 1965 relied, in part, upon published and unpublished census data tending to show the racially and economically discriminatory effects of the tax in light of the disparities in the incomes of persons required to pay it.

Similarly, the census data with respect to educational levels by race have been used for the proposition that voter qualification tests, whose effects correlate closely to the applicants' levels of educational attainment, are impermissibly unfair to persons or groups who have been denied equal educational opportunities.

Finally, census data showing by race the number of persons over twenty-one in counties and other political subdivisions have been helpful in projecting and scheduling the work of federal voting examiners pursuant to the Voting Rights Act of 1965, and in measuring—in conjunctions with information as to the number of persons actually registered—the efficacy of that and other legislation.

II. EQUAL EMPLOYMENT OPPORTUNITY

Census data with respect to the racial composition of the labor force in a particular area have aided the Division in setting its litigation priorities in the field of equal employment opportunity. That is, a particular employer or union may be practicing illegal discrimination at several locations, and to know where are the greatest number of minority group potential employees enhances proof in a suit and aids judicious allocation of our resources.

III. SCHOOL DESEGREGATION

The doctrine that school boards may not draw attendance zone lines, select sites for schools, or otherwise incorporate residential racial segregation in school systems is of growing importance in school litigation, and census data as to the racial composition of affected tracts have become correspondingly useful to us in such cases. In addition, census data as to potential college enrollees are helpful in determining whether states are facilitating the maintenance of dual systems of higher education by establishing essentially duplicative institutions or course offerings unreasonably close to each other.

IV. FAIR HOUSING

Our experience to date with the relevancy of census data to fair housing is necessarily limited, but it is already apparent that information as to numbers and locations of minority persons will help us to determine, at least preliminarily, where enforcement steps may be necessary. Similarly, improbable statistics will themselves be probative in litigation as in the voting and employment cases.

V. MISCELLANEOUS LITIGATION

Census data, particularly those from which inferences as to statistical probabilities can be drawn, have also entered into other litigation by the Division. To cite two brief examples, census data have been helpful to show violations of the Constitution in the composition of traditionally white juries in predominantly Negro counties; and public accommodations are probably not private clubs where the exclusively white membership includes most or many of the adult white persons in the area.

VI. OTHER USES

Census data have been an important part of practically all of the Department's civil rights proposals to the Congress, especially in order to show the number of persons adversely affected by the conditions or policies sought to be remedied. Also, the Division has always given careful weight to census data in setting its geographical and subject-matter priorities.

It is not too much to say that our functioning would be seriously impaired without the census data that are presently available, and that we could put much more to good use, e.g., whether adults in the household are registered to vote, more detailed correlation between educational levels and employment status, and the like.

If we can be of further assistance, please call us.

U.S. GOVERNMENT,
DEPARTMENT OF JUSTICE,
April 8, 1969.

To: William D. Ruckelshaus, Assistant Attorney General, Civil Division.
From: Richard W. McLaren, Assistant Attorney General, Antitrust Division.
Subject: Use of Census Data by the Antitrust Division.

This is in response to your request for information as to the uses to which the Antitrust Division puts Census data. I assume that by census data you have reference to such data as are compiled on the basis of censuses conducted by the Bureau of the Census relating to population, housing, agriculture, business (wholesale, retail and service trades), manufacturing, mineral industries, transportation and governments (state and local government units).

The Antitrust Division makes extensive use of all census data in its enforcement activities. However, we rely most heavily on the censuses of business, manufactures, mineral industries and agriculture. More specifically, we use census data in the enforcement of Section 7 of the Clayton Act to determine the dimensions of the market in which a merger takes place and to measure the positions of the merging firms in the market. Such data assist us to assess the probable competitive impact of the merger. Absent such census data, our enforcement capabilities would be severely impeded since we would then be forced to conduct our own surveys to make the necessary judgments as to the impact of mergers.

We also use census data in the enforcement of Section 2 of the Sherman Act. In these cases, census data provide the basis for measurement of the share of the market controlled by the alleged monopolist. In addition, we rely upon census data in Section 1, Sherman Act cases, to show the quantitative substantiality of the commerce affected and also to show the volume of interstate commerce affected.

In merger enforcement we rely extensively on concentration data which are compiled from census reports. Such data show the volume of shipments in each industry which is accounted for by the four, eight, twenty and fifty largest firms. Concentration data demonstrate the extent to which the industry is dominated by the largest firms, as well as the trend of concentration over time.

These are the principal uses to which we put census data. However, such data are also used from time to time in the study of specific industries and the study of trends in the economy.

U.S. GOVERNMENT,
DEPARTMENT OF JUSTICE,
April 9, 1969.

To: Mr. L. M. Pellerzi, Assistant Attorney General for Administration, Department of Justice.
From: Assistant Director for Administration, Bureau of Narcotics and Dangerous Drugs.
Subject: Bureau of the Census Statistics.

We use Bureau of the Census statistics as follows:

PURPOSE

1. Manpower Utilization
2. Distribution of educational publications to Regional Offices
3. Drug Injury Report
4. Drug Diversion Report
5. Addiction Statistics
6. Speeches, appearances before Congress, replies to inquiries

STATISTICS USED

Total U.S. Population, by State, by population centers
Population statistics by State
Population statistics by race, sex, age, State
Total dollar value of drug production used to estimate total amount of drugs produced
Total U.S. population, and population by State, City, race, sex, age, educational institutions
Total Population, State, City, school population

N. B. Coon.

APRIL 8, 1969.

To: The Deputy Attorney General.
 From: Director, FBI.
 Subject: FBI Use of Bureau of the Census Statistics.

This is in reference to the telephone call on April 8, 1969, from Mr. Pellerzi to Mr. Mohr of this Bureau wherein Mr. Pellerzi requested information as to what use the FBI makes of Bureau of the Census statistics.

The sole use for Bureau of the Census statistics within the FBI is in connection with the preparation of the Uniform Crime Reports. A review of that publication would indicate that Bureau of the Census data are used with respect to population by area, age, sex and race.

Mr. LEO M. PELLERZI,
Assistant Attorney General for Administration.

(Letters in behalf of 1970 census from: Department of Agriculture; Department of HEW; Department of Labor; Department of Transportation; and Department of HUD).

DEPARTMENT OF AGRICULTURE,
 Washington, D.C., March 17, 1969.

HON. ROBERT P. MAYO,
Director, Bureau of the Budget.

DEAR MR. MAYO: This is in reply to your request of March 7, 1969, for our views on the proposed Commerce report on and H.R. 20 "To amend title 13, United States Code, to limit the categories of questions required to be answered under penalty of law in the decennial censuses of population, unemployment, and housing, and for other purposes."

This Department strongly recommends against enactment of the proposed legislation. We concur in the views expressed by the Department of Commerce that to attempt the conduct of a census on a partly mandatory and partly voluntary basis would present serious problems in data collection and in the statistical treatment of items proposed for voluntary coverage.

The taking of a complete and accurate census has never been more important to the Nation than it is today, with the multiple efforts to correct social and economic problems that Government at all levels is currently making. To place a voluntary response label on the heart of the census inquiries is to imply that these questions are somehow not meritorious, or necessary, or proper. It is inconsistent to spend the large amounts of money required for the census and then implicitly encourage nonresponse by labeling part of the response as voluntary and by implication less important. Such a course would say to the public, "Answer if you will but don't bother if you don't want to." Advertising the sample part of the census as voluntary is simply to invite nonparticipation, and under such legislation there would be nothing to prevent organized efforts at nonresponse by persons antagonistic to the purposes of the census—such as was experienced in both the recent South Carolina and Wisconsin pretests of the 1970 Census.

Hardly a day goes by when the Department does not refer to the Censuses of Population and Housing in the operation of programs, in reaching policy decisions, and in conducting its research. Some items are referred to more frequently than others, but we use literally nearly every item (e.g. population numbers, residence, age, race, sex, migration, education, labor force status, occupation and industry, condition of housing, plumbing facilities, tenure), response for most of which would not be required under H.R. 20. Only a few of the extremely varied uses the Department makes of decennial census data are noted below.

There are certain Federal funds channeled through the Department of Agriculture to State agencies that are allocated by law on the basis of each State's share of the total U.S. rural and farm population. This is true of funds for agricultural extension work and for research conducted by the State Agricultural Experiment Stations. The identification of urban-rural residence is not jeopardized by current efforts to limit the scope and procedures of the next census, but farm residence is an example of an item that would be jeopardized inasmuch as response would not be mandatory under H.R. 20.

An instance of the use of census data in program design can be described in the development last year of the Department's submission to the Office of Economic Opportunity of proposals for action under the Special Impact Programs

authorized by the Economic Opportunity Amendments of 1967. This legislation authorized programs directed to the solution of critical problems in particular communities, including rural areas that have had substantial out-migrations to urban areas with large concentrations of low income people. In selecting the rural areas for development under such programs, extensive use is made of census data. Both the income and migration items that are at the heart of such analyses are among those that would be placed on a voluntary basis by H.R. 20 and therefore would be rendered unreliable because of incomplete coverage.

Our housing programs, conducted by the Farmers Home Administration, require much use of population and housing census data. The areas in which the Farmers Home Administration is legally authorized to operate housing programs are largely defined in census terms. Specifically, the programs are restricted by legislation to rural areas and towns of less than 5,500 population. The allocation among the States of money available for loans is made on the basis of census statistics on the condition of rural housing of low income families. The Housing Census data on plumbing and water supply are extensively used in operation of our Water Association Loans Program, in which small water systems to supply rural communities are financed.

In the last several years, Federal agencies have employed the Planning, Programming, and Budgeting System in the design and justification of their work. This systems approach has considerably increased the use of census statistics because of the requirement to estimate program needs and target populations. Thus the Farmers Home Administration, for example, has had to estimate the magnitude of rural housing requirements by condition of housing and by income class of the population. The Censuses of Population and Housing comprise our only source of base data in this area.

One of the Department's major programs is food distribution to low income families, accomplished in some areas by direct distribution of commodities and in others through the Food Stamp program. The Department has been extending food distribution rapidly, but in a particular effort to cope with the worst situations, it was decided to place programs promptly in each of those counties among the 1,000 poorest counties in the Nation that did not yet have them. The identification of the counties in which this special distribution effort is being made and in which direct USDA operation is authorized was made entirely on the basis of income data from the 1960 Census.

Within metropolitan cities, use is made of census tract data by income in administering Consumer Food Programs. These data are essential in identifying localities where concentrations of eligible people live, and thus pinpoint areas where publicity and program assistance work should be conducted. Census income data are also extensively used in administering that phase of the School Lunch Program that provides funds for special assistance to children from low income families. Census data on number of children in low income families are used to allocate funds for this program among the States, and census tract data are used to plan the program within large cities.

The above examples illustrate the extensive reliance that the Department places on statistics from the Censuses of Population and Housing. We would be seriously handicapped in fulfilling our program responsibilities in the absence of the census data of the scope, detail, and reliability which we have had in previous censuses and which would be jeopardized by the proposed legislation to remove most of the 1970 inquiries from the normal mandatory obligation to respond.

Sincerely,

J. PHIL CAMPBELL, *Under Secretary.*

THE DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE,
Washington, D.C., March 19, 1969.

Hon. ROBERT P. MAYO,
Director, Bureau of the Budget,
Washington, D.C.

DEAR MR. MAYO: This letter is in response to Mr. Rommel's request of March 7, 1969 for a report on H.R. 20, a bill to "amend title 13, United States Code, to limit the categories of questions required to be answered under penalty of law in the decennial censuses of population, unemployment, and housing, and for other purposes," and on the proposed report of the Department of Commerce thereon.

The bill would require answers for only the following categories:

- (1) Name and address;

- (2) Relationship to head of household ;
- (3) Sex ;
- (4) Date of birth ;
- (5) Marital status ; and
- (6) Visitors in home at the time of census.

The bill would allow other information to be asked for only on a voluntary basis.

The Department of Health, Education, and Welfare recommends against this legislation for the following basic reasons :

1. Dividing the census questions into mandatory and voluntary would gravely reduce the quality of the entire Census of Population and Housing. The rate of voluntary responses most likely would be so low that the information probably would be useless. Moreover, a mixture of mandatory and voluntary questions might be so confusing that the rate of return of answers to mandatory items would be lowered.

2. The Federal Government should be helping State and local governments acquire *more*—not less—information about economic and social problems *within* counties and cities. The Census is a once-in-ten-years opportunity to obtain statistics on a block-by-block basis which can then be combined by school zones, health districts, political boundaries and other areas selected by State and local governments. These statistics are essential for the intelligent sharing of responsibilities among the Federal, State, and community levels.

3. The operation and evaluation of many DHEW programs (direct and inter-governmental) depend on data on subjects which would be placed on a voluntary basis by this bill. A major example is that of the interrelationship of income and educational problems. More specifically, Title I of the Elementary and Secondary Education Act of 1965 requires the use of the number of children in families with substandard incomes as a basic factor in distributing Federal funds to local educational agencies. As another example, it would be difficult to analyze the progress of minority groups and the extent to which our programs were reaching them if questions on race and other ethnic characteristics were made voluntary.

I agree with the unfavorable reply proposed by the Department of Commerce—particularly its emphasis on Federal, State, and local governmental needs for census data on poverty, education, and older citizens.

We would therefore recommend that H.R. 20 not be enacted.

Additional technical details and justification for our position are provided in the enclosed technical supplement.

Sincerely,

ROBERT H. FINCH,
Secretary.

TECHNICAL SUPPLEMENT

Below are provided additional technical considerations justifying the Department's position in opposition to H.R. 20.

The Record of the Census Bureau

The confidentiality of data collected by the Federal Government and non-governmental organizations is an important issue at this time. The Department believes, however, that H.R. 20 does not really address the issue.

The Bureau of the Census has earned a reputation for the inviolability of its data, which is essential to the planning function in this and many other departments.

The issue of confidentiality does not rest in the type of data obtained but rather in the use to which the information is put. The Census questions do not constitute an invasion of privacy when the information collected is used for statistical purposes only.

The Importance of a Centrally Administered Census

Some proponents of H.R. 20 have argued for greater reliance on State and local governments to collect the information presently collected by the Census. The difficulty with this proposal is that the administrative expense of letting individual contracts for local censuses is far greater than that of a centrally administered survey.

More importantly, there can be no data comparability with locally run surveys because of the lack of uniform questions, time factors, and collection methods. The national census insures this uniformity; data collected in one locale is com-

parable to that collected in another. The same data can be used for local, State and national planning purposes. In this way, compatible data are available for use in planning and negotiating at all levels of Government.

The Problem of Voluntary Questions

The voluntary system of answering questions, successfully used by private survey organizations is not practicable for the Decennial Census.

The size of the Decennial Census is not comparable to that of private survey organizations. The intensive interviewing and follow-up procedures which are a normal part of a small voluntary survey are impossible with a survey the size of the Decennial Census.

2. Most sampling surveys involve marketing questions aimed primarily at the middle and upper economic classes. Many of DHEW programs are aimed at lower income groups where we expect a response problem if a voluntary census were instituted. The ghetto population has an innate suspicion of all Government officials and consequently would tend to refuse to answer any voluntary question. The under-enumeration in the 1960 Census is heavily concentrated at the ghetto—18 percent on non-white males between the ages of 20 and 35 were missed in the 1960 Census. Poorer results can be expected if the voluntary response system were instituted. If, for example, there were a total non-response rate of 15 percent to voluntary questions of a social and economic nature, we could expect a much higher rate for the ghetto population, resulting in a drastic underestimate of the needs of this group. This would impair the planning functions of many Government agencies, including HEW.

The Uses of Census Data in DHEW Programs

1. Census figures provide the Department with certain indicators that measure the number of persons with certain types of needs which are addressed by specific Departmental programs; e.g., the number of families headed by women with an income of less than \$3,000; the number of families headed by men with health disabilities, the number of adults who have completed less than twelve years of education.

Data routinely collected in the operation of the program does not provide all the information required to determine the need for effectiveness of the program. Program data describe the number and characteristics of persons benefiting from a program. It can provide no information on the numbers and characteristics of persons needing but not receiving program benefits. An operating program could appear to be operating efficiently with a modest cost per recipient, but it might be ineffective if it is dealing with an insignificant proportion of the population in need. The universe of need for Government programs can only be determined through a sampling on enumeration of the entire population.

2. In addition to being useful program measures, certain variables—such as educational attainment, income, and occupation—have an additional significance in their impact upon other variables. For example, the extent to which unemployment varies with educational attainment, or the utilization of health services with educational attainment, or the utilization of health services with income or education, are questions of great importance to the operation of Departmental programs. The use of most social services is so affected by these "influence" variables that the utilization of services becomes meaningful only in conjunction with utilization rates for various ranges of income or education or types of employment. Failure to collect these kinds of data will deprive the Department of information needed to plan across the spectrum of its operations.

Census Variables of Particular Interest to DHEW

1. *Years of School Completed:* This is important for use in education and manpower programs, and because of its strong influence on a wide variety of other characteristics of individuals. It permits the determination of the variations in educational achievement for different parts of the country, and the resulting variations in available manpower.

2. *School or College Enrollment:* This is important for assessing the present effectiveness of our educational system and in determining the future manpower pool.

3. *Vocational Training Completed:* Vocational training is becoming an increasingly important adjunct to formal education as a means of upgrading the manpower pool. Information from this item will enable the determination of how certain non-professional and lower professional occupations are changing their

requirements and upgrading their personnel to meet these new requirements. It will permit an assessment of the effectiveness of vocational training in order to determine the extent to which the Federal Government and other governments should contribute to such programs.

4. *Income*: This is perhaps the single most important socio-economic variable collected in the census. It is used as a measure for distributing Federal funds to States and localities. It provides crucial information about families in need of public assistance, and indicates the effect of various types of transfer payments, including social security, veterans payments, and public assistance, on the income of families in need. The 1970 Census will allow an analysis of such need by geographical areas and demographic characteristics which has not been possible since the 1960 Census.

5. *Employment Status and Hours Worked; Weeks Worked Last Year*: Manpower programs and welfare programs are both heavily dependent upon measures of unemployment and underemployment in small areas. It is important to determine where the unemployment problems are most severe, and for which groups. Generally, sample surveys do not provide sufficient data to do this analysis on a small enough geographic basis.

6. *Occupation, Industry, and Class of Worker*: These data are important in determining the labor force available within given geographic areas, information highly important to economic development programs. When these data are combined with educational attainment we can establish the different educational requirements required by differing occupations, thus analyzing future education requirements resulting from changes in the occupational structure.

7. *Children Ever Born*: These data, in connection with demographic data on the mother, are extremely important in determining fertility rates for different populations and areas in the country. It is needed for demographic projections as well as for the planning of certain Federal programs such as maternal and child health care. Data on the number of children in the household are not adequate for fertility studies, since some children may have died or moved out of the household.

8. *Presence and Duration of Disability*: At present, our information on disabilities in the general population is very sparse. Such data are needed by Government and voluntary agencies in order to design more effective vocational rehabilitation programs.

9. *Mother Tongue*: By stratifying on race we can obtain rather good measures of the differentials between Negroes and other Americans in such important characteristics as income and occupation. It is also important, however, to determine the differentials of other significant minorities, especially Puerto Ricans and Mexican Americans. The latter stratifications can be done most readily by use of this variable.

10. *Place of Residence Five Years Ago*: Many of our programs are heavily affected by migration. These dependencies show up, for example, in residence requirements for public assistance programs. Moreover, considerable discussion has occurred lately of the possible effect of migration on changes in the number of welfare recipients within given States. Migration also significantly affects projections of unemployment and labor force participation and population within cities and states.

U.S. DEPARTMENT OF LABOR,
OFFICE OF THE SECRETARY,
Washington, March 24, 1969.

HON. ROBERT P. MAYO,
Director, Bureau of the Budget,
Executive Office of the President, Washington, D.C.

DEAR MR. MAYO: This is in response to your request for my views on H.R. 20 and the report thereon of the Department of Commerce. The bill amends title 13, United States Code, to limit the categories of questions required to be answered under penalty of law in the decennial censuses of population, unemployment, and housing, and eliminates the penalty of imprisonment for refusal to answer any question for which a response is required.

I oppose the passage of this bill. The information gathered by the census is essential for the effective operation of government and the rational ordering of domestic priorities. It provides essential information for business and labor organizations. It is basic to the conduct of sophisticated demographic research.

The Department of Labor would be particularly affected by the bill's provisions. The census, as the prime source of detailed information about the economic and educational status of specific neighborhoods and rural areas, is essential for the development of effective manpower programs. It locates pockets of unemployment and underemployment. It provides information about the economic conditions of persons recently migrated from rural areas to the cities.

I am not unmindful of the purposes behind this legislation. Indeed, I am sympathetic with the goals of its sponsors. I, too, favor the preservation of citizen privacy. But the desire to be "let alone" must be balanced against the need for information. Here, the need for information is very great and the intrusion on a person's privacy is slight. The anonymity of each respondent is assured; no public embarrassment is possible.

To jeopardize the gathering of necessary census data and to depreciate its validity by removing the mandatory basis necessary for the effective conduct of the decennial census would, in my opinion, create a serious imbalance contrary to the public interest. Therefore, I fully concur in the views of the Department of Commerce in its report on H.R. 20 to the House Committee on Post Office and Civil Service.

Sincerely,

GEORGE P. SCHULTZ,
Secretary of Labor.

OFFICE OF THE SECRETARY OF TRANSPORTATION,
Washington, D.C. March 14, 1969.

HON. ROBERT P. MAYO,
Director, Bureau of the Budget,
Washington, D.C.

DEAR MR. MAYO: This is in response to your request for our views on H.R. 20, a bill "To amend title 13, USC, to limit the categories of questions required to be answered under penalty of law in the decennial censuses of population, unemployment, and housing, and for other purposes."

The Department of Transportation opposes the enactment of this bill.

Limiting the mandatory census questions to those listed in the bill would seriously impair the information base that we require for transportation planning purposes. It would cause us to spend greatly increased amounts of money to acquire much less reliable information.

At the present time taking the census costs about \$200 million. We estimate that the individual surveys that would have to be made by individual departments and agencies to try to duplicate some of the information now available from the census would result in a cost several times that now paid for the census.

We need reliable information on population, housing units, means of transportation to work, place of work, automobile ownership, income, occupation, industry, and employment, all of which is available to us through the census. Without the requirements of mandatory response the information will no longer be reliable since the bias of nonresponse is a complete unknown.

No independent surveys can provide the information we now have through the census. The census gathers the information at one time for the entire country. Obviously this facilitates valid comparative analyses, for example, and generally greatly enhances planning capability. Those advantages will be lost if piecemeal information is to be our base.

Information we need in transportation planning is certainly not the kind of information that an individual should be sensitive about disclosing. This is particularly so as the statutes contain provisions for nondisclosure of the information given. We believe that the public interest in having adequate transportation facilities available greatly outweighs whatever individual objections there might be to answering the questions relating to transportation in the census.

In summary we believe that the present census scheme provides the best information by far in a way in which only a nationwide census can provide it, at the most reasonable cost, to the greatest benefit to the public and without detriment to rights of individuals.

Sincerely,

CHARLES D. BAKER,
Deputy Under Secretary of Transportation.

THE SECRETARY OF HOUSING AND URBAN DEVELOPMENT,
Washington, D.C., March 24, 1969.

Hon. ROBERT P. MAYO,
Director, Bureau of the Budget,
Washington, D.C.

Attention: Mr. James M. Frey.

DEAR MR. MAYO: This is in reply to your request of March 7 for the views of this Department on H.R. 20 and on the report of the Department of Commerce on this bill.

This Department objects to the enactment of the bill and it concurs in the report of the Department of Commerce opposing its provisions. The conduct of a census in which questions relating to population count must be answered while replies to other questions (involving income, housing, etc.) are voluntary would be extremely difficult. Furthermore, the removal of the mandatory response requirement would impair the statistical accuracy of the census as a whole. The Census Bureau would not be able to vouch for the accuracy or completeness of data if respondents could determine whether or not, and how they would answer specific questions.

A number of laws administered by this Department require that we determine the families "who are in the lowest income group and cannot afford to pay enough to cause private enterprise in their locality or metropolitan area to build an adequate supply of decent, safe and sanitary dwellings for their use." For this purpose complete statistical information is needed, for local housing market areas and political jurisdictions, as to incomes of households, and size, condition, rent or value and accessibility to employment of existing dwelling units. Our experience with data gathering for this Department by the Bureau of the Census and other organizations, indicates that the completeness and consistency of data required by the Department can not be obtained when replies are on a voluntary basis.

Title XVI of the Housing and Urban Development Act of 1968 requires an annual report from the President on the progress in meeting national housing goals. The statute requires that these annual reports shall indicate, among other things, the reduction in the number of occupied substandard units, and the extent to which a decent home in a suitable living environment is being provided for every American family. Without the complete income, family composition and housing data that have been provided by each decennial census, it would be practically impossible to prepare estimates needed for this report.

In addition, the inability of Census to collect the necessary information in an orderly and systematic fashion would eventually lead to a proliferation of special surveys by a wide variety of current users of Census data. Rather than reducing the burden upon the public, the end result could be an increased burden.

For these reasons, this Department would oppose enactment of H.R. 20.

Sincerely,

GEORGE ROMNEY.
Secretary.

(Letter in support of 1970 census from David R. Derge, vice president and dean Indiana University).

INDIANA UNIVERSITY,
Bloomington, Ind., March 21, 1969.

Hon. MAURICE STANS,
The Secretary, Department of Commerce,
Washington, D.C.

DEAR SECRETARY STANS: I have thought a great deal about the matter of the 1970 decennial census which we discussed in your office last week. In addition I have consulted with a number of persons in and out of the Federal government about what would occur if the census were emasculated and the crucial data it provides were not available in the next decade.

In my opinion if the mandatory provisions for responding to census enumerators were removed it would have a disastrous effect. The sample would be ruined through reliance on a self-selecting group of respondents. The census results would thus become invalid and unreliable.

We would know less about ourselves than any other major nation in the world. Since decision-making in a democracy must be based on *knowledge* rather than on totalitarian fiat and force, our public policy would suffer. The Congress, the Administration, and even the courts would be robbed of the facts that are central to wise and rational public discussions and decisions.

Of course such a development would strike at the heart of research by universities and private organizations which stockpile our basic knowledge about the society. The same would be true for business and labor organizations which must make knowledge-based decisions to maintain the healthiest economy in the world.

In short, the country would be plunged into a state of ignorance which we cannot afford when we are struggling for our very existence against forces in the world bent on destroying all democracies.

I urge that the mandatory response provisions be retained and that a full census go forward as scheduled.

Sincerely yours,

DAVID R. DERGE.

(Letter in support of 1970 census from Raymond T. Bowman, Assistant Director for Statistical Standards, Bureau of the Budget).

EXECUTIVE OFFICE OF THE PRESIDENT,
BUREAU OF THE BUDGET,
Washington, D.C., March 27, 1969.

HON. MAURICE H. STANS,
Secretary of Commerce,
Washington, D.C.

DEAR MR. SECRETARY: In accordance with your request I am glad to give you my reasons for opposing H.R. 20 and similar bills which would eliminate mandatory responses to all items contained in the 1970 Census except a few relating to population.

Preparation of the questionnaire for the 1970 Census extended over a period of nearly three years, during which time the Bureau of the Census and my office were careful to see that all segments of the population were consulted: State and local governments, business and industry, colleges and universities, public interest groups, indeed all potential users of census data. Through the Federal Council, established by the Bureau of the Budget, views were obtained from all Federal agencies. Finally, the proposed set of questions was given Cabinet review at a series of White House meetings.

It is my opinion that a clear need has been established for the questions contained in the 1970 Census.

The most important purpose of periodic Censuses, as distinguished from special enumerations or more frequent regular surveys, is to provide comprehensive and uniform data through complete coverage or samples of sufficient size, for all pertinent geographic areas of the nation. Thus, the Census of Population, Unemployment and Housing is designed to provide data for essentially all geographic areas of the nation—small subdivisions such as school districts and even city blocks, as well as states, counties and cities. The Censuses of Manufacturers, of Business, of Mining, of Agriculture, vary according to need for geographic detail, but such Censuses also have to provide comparable data at the level of the county, city, town or other political subdivision.

Response to all of the above Federal censuses is mandatory. This is the only way that statistically valid and uniform data can be obtained when they are required for the country as a whole and all of the applicable geographic subdivisions.

Removal of mandatory response from the Census of Population, Unemployment and Housing involves the highest risk since results from this Census are needed for the smallest geographic units. The larger the number of areas for which data are required the greater the hazard that non-response in a voluntary Census would result in no data or invalid data for some of the areas.

I believe that removal of the mandatory response requirement, as provided in H.R. 20 and similar bills, would seriously jeopardize the ability of the Census Bureau to produce official and statistically valid data that are needed for public and private planning and decision making purposes and in fact, to satisfy the

provisions of many statutes enacted by the Congress and State legislatures. Moreover, the lack of valid data for particular areas could result in seriously handicapping such areas in participating effectively in some Federal and State programs.

I seriously doubt the value of conducting a Census with a mixture of mandatory and voluntary questions. The confusion to the public and the lack of adequate controls over quality and costs by the Census Bureau would make such a Census too hazardous to undertake. In fact, it is my judgment that if H.R. 20 is enacted, the Decennial Census should be reduced to the mandatory questions permitted.

It is clear that if the data requirements of other Federal departments and agencies, which the Decennial Census was designed to serve are not met they will undoubtedly, under their own authorizations, seek to obtain the data they need in other ways. This will mean much *greater cost, lack of uniformity, and uncertain quality.*

From our earliest Census, response has been mandatory. Also very early, questions far beyond those that would be permitted under H.R. 20 were asked in the Decennial Censuses, to meet pressing needs of the day for information to formulate public policy and for private guidance.

To summarize, voluntary response to the questions excluded by H.R. 20 would, in my opinion, result in data with so much unknown bias and possible incompleteness, that the 19th Decennial Census could not be officially used for many statutory purposes or with confidence, in making public and private decisions.

Sincerely yours,

RAYMOND T. BOWMAN,
Assistant Director for Statistical Standards.

Secretary STANS. I believe, Mr. Chairman, that this evidence is overwhelming on the proposition that we cannot in any sense rely upon a voluntary census to produce the information that is necessary for all the purposes of the Federal Government, the States, the cities, and the private agencies that use census information.

The next issue is that of privacy.

Recent allegations that the census has invaded privacy have taken little or no account of the ways in which the individual is protected. The counterpart of the public's obligation to answer the census questions is the Government obligation to protect the privacy of the people.

By law the Census Bureau may use the information supplied in the census for statistical purposes only. This is emphasized by the Presidential proclamation stating that replies will not be used for taxation, investigation, or regulation. Census Bureau employees have scrupulously honored their oath not to disclose that information. I know of no breach of this safeguard, and Dr. Eckler, the Census Bureau's Director, has testified before another congressional committee that he is unaware of any violation in 30 years of service with the Bureau.

My conclusion is that the effectiveness of the legal safeguards assures that there is no infringement on any individual's privacy. The census procedures harm nobody.

FACTS ABOUT THE 1970 CENSUS

In regard to the questions asked in the 1970 census, and to their appropriateness for public policy, I present a list of important facts which have not received adequate attention.

(1) The census which is planned for 1970 has very few changes from the census of 1960, and in fact is very much like that of 1950.

(2) The planning of the 1970 census has been an open process that

has had public discussion over the past 21½ years. Hearings were held before the Subcommittee on Census and Statistics of the House Post Office and Civil Service Committee in August 1966, May and June 1967 and also October 1967. Meetings were held in various parts of the country, in which more than 2,000 persons stated their views regarding the 1970 census. There has been continuing review within the Federal Government and, in addition, there are a number of broadly based advisory groups that have met frequently with the staff of the Census Bureau as plans have been developed.

(3) The selection and formulation of questions has been carried out in accordance with guidelines issued on September 13, 1966. These state:

A question to be included must be of broad public interest and we expect the burden of proof for its inclusion to be borne by the proponents. The information must be needed for the small areas, such as counties and municipalities, for which only a census can provide data. It must be a question to which the respondents generally can give unambiguous and reliable answers, and it must be one which is generally accepted by the public as relevant to the census.

The questionnaires as a whole must not involve an undue burden on the respondents. The entire census must be one which can be taken within the resources that are made available for this purpose.

The questions to which objections have been raised have been fully reviewed and are regarded as satisfying these rigorous criteria.

Now, I think the next point is extremely important.

(4) Much of the content of the census is determined by statutory requirements. It is not merely that census figures form the basis for apportionment at the congressional, State, and local levels. Census figures are used for intergovernmental allocations of billions of dollars of funds. Data on such subjects as education, unemployment and income provide the basis for allocation of funds under:

The Adult Education Act of 1966 as amended.

The Elementary and Secondary Education Act of 1965 as amended.

The Economic Opportunity Act of 1964 as amended.

The Appalachian Regional Development Act of 1965 as amended.

The Manpower Development and Training Act of 1962 as amended.

The National School Lunch Act as amended.

The Public Health Service Act as amended, and

The Vocational Education Act as amended.

Data on population and housing characteristics are used in the administration and evaluation of programs under:

The Civil Rights Act of 1964.

The Voting Rights Act of 1965.

The Fair Labor Standards Act of 1938 as amended.

The Federal Aid Highway Acts.

The National Housing Acts.

The Housing and Urban Development Acts of 1965 and 1968.

(Subsidized homeownership and rent programs; low rent public housing program.)

The Demonstration Cities and Metropolitan Development Act of 1966.

The Military Construction Authorization Acts.

Executive Orders 10997 to 11005 assigning emergency preparedness functions to various departments and agencies.

This list is not exhaustive. Programs administered by the Departments of Agriculture, Health, Education, and Welfare, Labor, and Transportation, the Office of Economic Opportunity and other agencies are dependent for their effectiveness on the use of census data.

(5) Not only the Federal Government, but also every State and local government uses census data in the conduct of its social and economic policies.

THE PUBLIC INTEREST

Mr. Chairman and gentlemen, I wish to assure you that the Census Bureau and the Department of Commerce have been and will continue to be cooperative in consulting with the Congress regarding the public interest. However, the public interest is very strongly involved in preventing a crippling limitation on the 1970 census. For that would jeopardize the value of the statistical results for many administrative actions—distributing governmental funds; evaluating social progress in housing, family income, jobs, and education; and developing and administering a wide variety of important programs at all levels of Government.

However, I think that the Government and the Congress must take very seriously the fact that much of the public concern has been aroused, not by the issues themselves, but by the erroneous paraphrasing of the questions. Moreover, the very existence of controversy about the census, and the possibility of reduced public cooperation in the taking of the census, will result in some increase in its costliness, by reason of the greater need for followup activity to get complete responses and the consequent delay in processing of the returns.

RECENT CHANGES

Let me indicate some recent changes I recently announced in the 1970 census plans that may go some way to assure the Congress and the public that we seriously wish to minimize the burden and to maximize the effectiveness of the census results:

(1) As a result of a recent review at my request, the Census Bureau has reduced by 3 million families the size of the sample which will be called upon to answer longer sets of questions. As a result, 80 percent of all people reached in the census will be called upon to answer no more than the 23 questions of the shorter form. I believe that this move is a substantial reduction of the burden of responding to the census questionnaire.

A further point on the subject of burden: Some 60-65 percent of the census questionnaires will be distributed by mail and will be returnable by mail. This decision, taken on grounds of economy and efficiency, is in itself evidence of the impersonality of the statistical collection.

(2) We have reworded the directive on the front page: It said previously "Answers are confidential and required by law. Your answers may be seen only by sworn Census employees and may be used only for statistical purposes." Now it says "Your answers are confidential.

The law requires that you answer the questions to the best of your knowledge. Your answers will be used only for statistical purposes and cannot by law be disclosed to any person outside the Census Bureau for any reason whatsoever."

(3) We have reworded some of the questions to make their intent clearer. Despite some assertions—and this has been repeated many times in the press—there is no question that asks "with whom" bathroom facilities "are shared." No such questions was considered. The question is "Do you have a bathtub or shower?" and the three possible answers are now:

"Yes, for this household only,"

"Yes, but also used by another household," and

"No bathtub or shower."

This question is asked because it is one of the simplest and best tests of substandard housing.

CONCLUSION

The intent of the census is to serve national needs without touching personal rights, and to enlist the cooperation of the citizenry in the process of collecting the census information. I view the present controversy about the 1970 census as unfortunate, and I deplore it.

I hope that this subcommittee, which has had a traditional interest in the quality of the information the Government produces and uses, will go on record to emphasize the need to protect the 1970 census from purposeless damage.

I draw your attention also to the fact that the 1970 census controversy is being watched in other countries. The United States has long occupied an important position of leadership in the development of official statistics. It has the oldest regular periodic census in the world, and its experience and know-how in this field is continually being drawn upon by other countries.

The 1970 census of the United States is not an inquisition. It is designed to provide accurate information for public use and general benefit. Its purpose is to let us know about important aspects of our national life, to tell us accurately how we have moved and to serve as a guide for future action. It does not encroach on personal rights in any way that touches any citizen in this free country. The information that it yields will help preserve the equity of governmental process that is one basis of our freedom.

Thank you, Mr. Chairman.

Chairman TALMADGE. Thank you, Mr. Secretary, for your very fine statement.

You were here a moment ago and heard Congressman Betts testify. He stated that the troops overseas and the civilians overseas at the time of the census are not included. Is that correct?

Secretary STANS. I am sure that is not correct. I would like Dr. Eckler to answer it in more detail.

Chairman TALMADGE. Doctor, will you tell us how that is handled?

Mr. ECKLER. Mr. Chairman, these people are included in the census count. But what Congressman Betts is referring to, is they are not allocated back into the States for the purposes of determining the seats for each State.

Now, that is in accordance with long-established practice in handling these people overseas. There are very significant operational problems in connection with efforts to allocate those back. With the time it would take to obtain the information and allocate it by address back to the individual localities we would find it, I think, impossible to meet the requirement that the figures for apportionment be delivered to the President by the first of December 1970.

This is an operating problem of very considerable size.

One further operating consideration here is that these people overseas, these members of the Armed Forces and civilian employees, some from all States. And the effect of allocating back to the States would in most cases not affect apportionment, because to the extent that you add uniformly you have the same distribution of seats as before. So that in view of the cost, which I think would be several million dollars, the delay in the operation and the extremely small effect on the number of seats, we are proposing to follow the practice used in the past censuses, which had previously been referred to the Attorney General for an opinion, and it was his determination that our action was consistent with the Constitution and the laws.

Chairman TALMADGE. Let's see if I understand your answer correctly. They are counted, but not allocated to any city, county, or State?

Mr. ECKLER. That is right.

Chairman TALMADGE. How do you count them overseas?

Mr. ECKLER. We have forms which are sent to the Armed Forces and they are filled out there and distributed—

Chairman TALMADGE. How do you count a tourist that may be in Vienna today and Berlin tomorrow.

Mr. ECKLER. That is a very real problem, Mr. Chairman. If there is some one at home, they will get reported by the person at home. But if you have a husband and wife both traveling you hope to get information through the embassies, and try to run them down. But some of these people, I suspect, are just lost in this operation.

Chairman TALMADGE. Mr. Secretary, you stated that the number of households answering the long form has been reduced. Will this affect the accuracy of the data?

Secretary STANS. No, Mr. Chairman. Certain data can be collected on a sampling basis, if the sample is a scientifically determined one so that it is representative. And the questions which can be answered on a sampling basis are taken by asking only a percentage of the population. In some cases we asked 20 percent of the people to fill out the questions, in some cases 15 percent, and in some cases five. These percentages are determined on the basis of professional conclusions as to whether or not that degree of sampling will give adequate answers when projected to cover the whole population.

Chairman TALMADGE. Mr. Secretary, you may want Dr. Eckler to comment on this too. I wish you would tell us exactly what happens to the information compiled by the Bureau of the Census from start to finish, what steps are taken to preserve the confidential nature of the information, who is the Bureau of the Census accountable to, and who checks on the Census Bureau?

Secretary STANS. Dr. Eckler will answer that.

Mr. ECKLER. Mr. Chairman, I will try to make this as brief as possible, but I know that you want to have assurance regarding the protection that is given.

In the first place, no one has access to these forms who is not a sworn Census Bureau employee, one who has taken an oath to maintain the confidentiality of all the individual records. So that it is always in the hands of people with that kind of obligation.

Now, when the forms come in, of course, the name and address and the information given for the household are all there. And we need to keep that together for a certain period of time. There are some people who are enumerated away from home. And those forms are allocated back. In the case of a person visiting in Florida perhaps who lives in New York City, those are allocated back, and we need to have the names and addresses during that period.

There is also a process which goes on that involves the assigning of numerical codes to the written answers.

Now, once we have completed those operations, the forms remain in our Jeffersonville, Ind., office, where the main processing, including photographing, is done; the microfilm is shipped to Washington for a process that involves the transfer of this information to magnetic tape for our large computers.

I might say that the total number of microfilm reels is about 200,000. Those are arranged in geographic order. There is no alphabetic order. It is in terms of the localities according to the way the enumeration was carried out.

Now, once we have found that the copies, the microfilm copies are correct, and that they can be read by our highspeed device called FOSDIC which senses the presence of marks on the microfilm records, we are able to destroy the original records collected from the public, we no longer have any need for those, and they are destroyed under safeguards so that there is no danger of their falling into the hands of any outsider.

Chairman TALMADGE. Will you yield at that point?

Mr. ECKLER. Yes.

Chairman TALMADGE. I understand you to say that there is no record on Herman Talmadge in your department—my religious beliefs, my income, how many rooms I have in my house, whether I use a tub or shower, who I am living with, and who I share my home with—is that an accurate statement?

Mr. ECKLER. That would be true of the tape that is made from this individual record. Now, on the tape we have no need for name and address. All we need are the facts about Senator Talmadge. There is no indication of your name or address. And in all of our operations through our highspeed computers the data for you and the other people in your community are put together in combinations for the area and by various other subdivisions which are appropriate and needed for public use.

In all of these cases we carry out a procedure to insure that there is no disclosure of the facts about you by inference. For example, if you were in a block with only two families it would be possible for one family to determine what the other family's situation is. So we have disclosure procedures to protect against that kind of contingency.

But the basic records which go through these highspeed computers are without any information on name and address. And they are arranged initially merely by geographic location.

Now, the microfilm records—I want to make a complete answer here—the microfilm records from which this information is obtained are transferred to an office in Pittsburg, Kans., where they are available to answer questions for individual citizens about their own record. The person also has the key to that, because unless we know his address at the time of the 1970 census, it is a very difficult task to find a person.

Chairman TALMADGE. In other words, no information is made available about an individual citizen except to the citizen himself.

Mr. ECKLER. Exactly right, sir.

Chairman TALMADGE. Suppose some Adolph Hitler organized a coup d'état in this country and took over the Government, and he wanted to blackmail some Senators, Congressmen, or head of the Census Bureau. What information could he get from the Census Bureau if he took it over?

Mr. ECKLER. If the person in charge of this did not take seriously his obligation and turned over the information, it would be with a great deal of difficulty that the information pertaining to that individual could be located if you knew his address. You would have to know the address at the time of the census.

Chairman TALMADGE. In other words, the information is filed by address and not by individual name?

Mr. ECKLER. That is right, sir. There is no alphabetical file of any sort in the 1970 records. So this would be a very difficult process. And I believe that in this hypothetical situation—I believe the man could find other easier ways of getting embarrassing information than from the 1970 census.

Chairman TALMADGE. You know, a list is sometimes quite valuable for mail-order firms and businesses of that nature. And now and then you read in the paper about someone stealing the tag registration of the State or municipality or county and selling it. What security do you have in the Department to prevent that?

Mr. ECKLER. Mr. Chairman, there is no way in which a firm can get our list of addresses. That is absolutely safeguarded. Now, there are some reports which are twisted in the press, whether deliberately or by accident, I don't know. We will make available a tabulation which will indicate that in certain census tracts—those are areas of 4,000 to 6,000 people—in certain census tracts you have high-income people concentrated, and in others you have a particular national group concentrated.

Then sometimes these companies will advertise that on the basis of information from the census we are going to sell you a list of high-income people. What they mean by that is that they are going to give a list that they have assembled from directories and other places of all the addresses in such a tract. They sell those addresses assembled from private directories, and say these are high-income families according to the census.

It is one of those elliptical statements which can lead a person to believe that we have furnished the information directly. But I can assure you that that is not the case, and I think any responsible director and Secretary of Commerce, would not want to have that the case.

Chairman TALMADGE. Has there ever been a time in the history of the Census Bureau when there was a violation of confidentiality?

Mr. ECKLER. I don't know of any case of the sort. I would personally welcome an opportunity to have this demonstrated. And we haven't found a case which would hold up. And so I believe the answer is, "There is no violation."

Chairman TALMADGE. I have already exhausted my 10 minutes. Senator Miller?

Senator MILLER. Thank you, Mr. Chairman. Mr. Secretary, can you give us any idea of what is being done on censuses in other nations, are they voluntary, and also the nature of the questions?

Secretary STANS. Senator, the information that I have is that the censuses that are taken in every other nation in the world are on a mandatory basis, for the simple reason that that is the only way that they can be effective. Now, I do not know of anything about the content or the types of questions that are asked. Possibly Dr. Eckler does know about the scope of the other censuses.

Mr. ECKLER. In a very general way. Ours is one, I think, that is more comprehensive. But there are a number of others. The Canadian census as now planned, I believe, has more questions than we have for the forthcoming census. And a number of others go into considerable detail. But as the Secretary has said, they have seen the need to have them on a mandatory basis. And I think they are watching the legislative proposals in this country with some apprehension because of the possibility that the idea will spread to their countries.

Senator MILLER. I think the important point is that they are mandatory in any event.

Secretary STANS. Yes.

Senator MILLER. It is generally said that we have the best statistics of any nation of comparable size in the world. Would you say that the way we have conducted our census in the previous years is responsible or at least substantially responsible, for that record?

Mr. ECKLER. I believe that the record of the census has been a commendable one, Senator Miller. I think that many of the advances in sampling procedures and field operations, and so forth, which we have introduced have been used in other countries. And I would hope that we have contributed our share to the responsiveness of the whole Federal statistical system to the needs of the Government and the public.

Senator MILLER. Do you think we would have achieved that reputation without the way we have been conducting our censuses?

Mr. ECKLER. No, sir.

Senator MILLER. Now, I am quite interested in this matter of how we are going to handle the people in the military service and, as I understand it, the people in the Foreign Service, the people in the Agency for International Development, and the State Department who are stationed overseas. You said to Senator Talmadge that they were going to be given these questionnaires to fill out, but that they would not be allocated to the States. In other words, the men on shipboard over in the Gulf of Tonkin and the Marines up around Danang, and the AID people up in Vietnam, they are all going to have these questionnaires to fill out; is that correct?

Mr. ECKLER. That is right.

Senator MILLER. But you are not going to allocate them to the States, because you say that overall they more or less represent proportionately the States, and therefore you do not think that the failure to allocate them to the States would make any difference in the overall result of the statistics. Couldn't you make the same statement about the questions on the questionnaire? Why not just eliminate them all?

I would assume that these people would reflect the cross section of society, and therefore why bother them with the questions in the first place?

Mr. ECKLER. I think the chief reason for the questions, as the Secretary's testimony brought out, is that there are important legislative provisions which the Congress has enacted in the past years which called for this kind of information.

When I said these people from the Armed Forces, in AID and elsewhere are rather evenly distributed, I was working on the assumption that the recruitment of people overseas, drafting, and so forth, does pull people from all parts of the country. And there isn't any reason to expect a very disproportionate impact if you do not allocate those. However, the facts that you get about individuals, the characteristics of people, the breakdown by race and by education and by occupation, and by income, those differ tremendously from State to State and from county to county and between small subdivisions.

And it is for that reason that you cannot depend upon the results of a national sample which would be very good for some other users, but not for the kind of detailed information the legislative programs require.

Senator MILLER. I understand that. But if these people are representative—and I am talking about the whole mass of American citizens serving overseas in various capacities—you are going to have a certain proportion of them that will come from those States where there are differences from other States. And it seems to me that if they are representative—and they must be to the extent at least of not bothering to allocate them to the States—that you wouldn't interfere with your statistical accuracy very much, because you have eliminated a whole group.

Now, if you wanted to get the number of people in a certain category nationally with respect to housing, for example, all you would have to do would be to factor that out according to the total number of people who were exempted from it.

Mr. ECKLER. Am I to understand that you are suggesting that you would not use the form for those people like the others, you would assume that they are like the others in every respect, and eliminate them from the questionnaire?

Senator MILLER. That is the thrust of my question, based upon your idea that there is no need to apportion them to the States because they are representative.

Mr. ECKLER. I think they are representative as to numbers and their impact on the States. But as to characteristics of these people, they are not a cross section of the population. The military are quite different in age composition, of course, and the income pattern, the age distribution, and so forth, of employees overseas would differ quite a good deal. So I think you do want a count and an indication of the characteristics of our citizens as a whole.

Senator MILLER. You see, one reason that I am somewhat concerned about the procedure you are proposing to follow is, I think it is pretty well known that there are some States which furnish a higher per capita membership in the armed services than other States.

Some of these States are in danger of losing a member of Congress in the next decennial census. And some of them are right on the line. If it means that a State would lose a Congressman because you didn't allocate back to that State that State's number of people in the armed services, I think that would be quite serious to the State concerned.

Now, the way we handle the balloting for elections in the case of our service people, I think, has been quite efficient. And I wonder why we can't do the same thing on this, or, why, alternatively, we couldn't have a simpler form which might be used for these people so that the States would get their allocation on an accurate basis, and certain key data which you need worse than others might be included on it.

Do you have any estimate on the total number of American citizens serving overseas in various capacities?

Mr. ECKLER. I don't have it exactly. I think it is several million, 2 or 3 million, but I haven't tried to put it together.

It may be helpful, Mr. Chairman, if I would note that this same question came up before the Subcommittee on Census and Statistics of the House Post Office and Civil Service Committee. I agreed with Congressman Wilson that we would supply some details on this. And I believe that committee is going to be following up on this question.

We will submit to them some indication of the cost and estimate of what would be involved in the way of time.

Chairman TALMADGE. Doctor, would you also submit it to this subcommittee in response to Senator Miller's question?

Mr. ECKLER. I would be very happy to do so, Mr. Chairman.

[At time of publication, information requested was unavailable.]

Senator MILLER. I can see a considerable amount of cost to the Government and a considerable amount of effort if you are trying to get these questions answered by each of an estimated 3 million American citizens serving overseas in various capacities. But you plan to do that, don't you?

Mr. ECKLER. Yes, sir.

Senator MILLER. If you are going to go to that effort it doesn't seem to me that it would be much additional effort to just pull out those people who claim a State for a voting residence and allocate them to the State, just like we do for election. And I would think furthermore that the military services would be one area where you could secure considerable cooperation on this. Have you contacted the military services with respect to securing their cooperation in this questionnaire?

Mr. ECKLER. We have already had some contacts. You are right, we will get very good cooperation from them. And I don't anticipate any problem.

We are planning also to submit this question to the Attorney General for consideration. I noted in the House committee hearing that there might be two factors which would lead to a different conclusion from what was reached before.

One is that the number is somewhat larger than it was in earlier censuses; and second, the Supreme Court decision in the one-man one-vote rule may suggest that the closeness of decision or the closeness of allocation is going to be more important than ever before.

So both of those factors would be taken into account by the Attorney General. And I believe we should ask him for a new judgment on this.

Senator MILLER. In other words, you haven't finalized your decision on this; this is your thinking, but you haven't made a final decision that these people will not be apportioned to the States?

Mr. ECKLER. This is not closed out as a possibility. We have assumed until now that we would follow the previous practice on this. But the question has been raised here, and in the other committee, and I can appreciate the concern. There are real problems in dealing with this. But we want to be responsive to the Congress and its wishes in this matter.

Senator MILLER. If you want to be responsive to just one Senator, I would appreciate it very much, regardless of what the Attorney General rules is a constitutional matter, if you would somehow or other see that you allocate to the States those people who clearly list themselves as residents of certain States.

If I had a uniform on and I was serving over in Vietnam I think I would resent it a little bit if you didn't allocate me back to my home State. I think you have a little morale, a little pride factor involved there.

And furthermore, I do see a problem in connection with some of these marginal States. If a State loses a Congressman because it missed the line by one or two or three hundred people, then I can see where there would be considerable resentment over this. You might end up with a law suit on your hands.

So I hope you will balance out the extra effort you will have to make, especially in view of the fact that you are planning to send these questionnaires to an estimated 3 million people overseas.

Chairman TALMADGE. Mr. Conable?

Representative CONABLE. I have no questions at this time. I apologize for my tardiness. I have just come from the Ways and Means Committee.

Chairman TALMADGE. The Bureau of the Census reported that in 1960 the Census Department missed something like 5,600,000 individuals out of a population at that time of about 180 million. What caused this undercount?

Secretary STANS. I have heard that quoted a number of times. I believe it is somewhat exaggerated. But I think again Dr. Eckler is the one that should answer that question.

Chairman TALMADGE. Doctor, will you respond, please?

Mr. ECKLER. Mr. Chairman, I am not as hopeful as the Secretary that it is exaggerated. I feel it may not be a bad figure. It may not be as large as that, but we cannot be sure of the size. But we have reason to believe that some number about that size was missed.

Now, a considerable part of this is due to the fact that in ghetto areas and in congested areas of our big cities the getting of a complete count of all the residents is a very difficult task. There are problems of suspicion, alienation, and maybe violation of housing requirements,

and maybe debt problems, or just general uneasiness. If anything, I suspect it may be a more difficult situation in 1970 than in 1960. We are taking some steps hopefully to improve the situation. We are going through quite a lot of effort in it.

Chairman TALMADGE. What steps are you taking?

Mr. ECKLER. Well, one of the important features, as mentioned in Secretary Stans' testimony, is the use of a mail-out-mail-back procedure. It gives us a list of dwelling units to begin with. And such a list of dwelling units gives you a check on coverage of units to an extent that we didn't have available previously. Hence, we should get a better count of units. Now, the problem still remains of getting persons within those units.

We think that the use of the mail procedure will be helpful in giving us that kind of control.

We will place more emphasis upon training, concentrating our efforts on training, and on finding local people that live in the area and know something about it and are better accepted than a person coming in from the suburbs, say. And I think perhaps the most important part of our program is trying to get the message across to these groups that the census is important to them, that no disclosure will take place, that they should cooperate, which gives them a chance to be better represented, and to have their problems better known.

Chairman TALMADGE. Would simplification of your form help any in that regard?

Mr. ECKLER. I don't think so, Mr. Chairman. This has been stated on many occasions. The problem is not that they object to the form as such, they just object to being counted. If you did nothing other than take their name and address they still have the suspicion of being counted and making clear that there is a man in the household, if there is a problem of welfare, or that there are three families living in the unit that is supposed to have only one family, or that there is a person of draft age, and so, who hasn't been registered.

Chairman TALMADGE. I might give you an illustration that I used as a struggling young lawyer that I found quite successful in that regard.

After I was admitted to the bar I wanted to get some trial experience. I went down and asked the senior judge to appoint me in some cases. The first thing I knew I had three criminal cases on my hands in a hurry, all of them murder cases.

My first client used an alibi, and he gave me the list of witnesses to see who could prove where he was at a specific time. I would walk up and ask for so and so, and no one had ever heard of him. And that went on all day. So I wised up a little the next day and I walked up and I said, "Old Jim sure was lucky yesterday, where is he?"

"Oh, you mean old Jim Jones; he's right here."

And they called him out. He thought I was the payoff man for the bug, and he was always available for that.

Representative CONABLE. Mr. Chairman?

Chairman TALMADGE. I yield to the distinguished Congressman.

Representative CONABLE. I wonder if I might ask if you feel that the presence of potential criminal sanctions will help in this particular problem you are describing. It is obvious that you are never going to have a hundred percent accuracy. And in the light of some of the

attitudes which seem to be prevalent in our inner cities, do you feel that the problem of criminal sanctions hanging over an investigation by the census people will actually be helpful?

Secretary STANS. There are criminal sanctions under the law, a fine of a hundred dollars, or—how many days in jail?

Mr. ECKLER. Sixty.

Secretary STANS. Sixty days in jail for failure to answer the question. And this, I think, Mr. Congressman, is an extremely important provision. We haven't in the course of history ever jailed very many people. I am not sure that any ever have been jailed. But some have been found guilty and gotten suspended sentences.

Chairman TALMADGE. Those sanctions don't apply if you can't find him, though.

Secretary STANS. They would apply if you ever found him later, if we ever sent out to find him. But you are correct, sir, they don't apply if you never find the man at all.

Representative CONABLE. I am aware of the fact that this is in the law now. However, quite a point has been made of it in the publicity that has been given to this aspect of the census, not from your Department, to be sure, but here in Congress. And I personally find among my mail quite a substantial group of people who are exercised about what they consider to be disproportionate penalties involved in not complying with what, to many people, seems to be a complex form. And therefore I feel that there is likely to be some resistance, regardless of what is done in the Congress here, with respect to these jail penalties.

And that resistance I should think would be particularly noticeable in ghetto areas where there has been a problem in the past and where problems of under-representation are likely to have a more serious effect than they might elsewhere.

Secretary STANS. You are right, Mr. Congressman, in your concern. In these days of greater license and privilege to people there is undoubtedly serious danger that a great many people are going to say, well, I am not going to do it, this is too much Government for me. And of course the whole thrust of my testimony, the most important thing I said here today is that you can't take a census on a voluntary basis and have it be any good. All you need to do is think of any community you know, or any community that I might know, and use it as an illustration. The people who are most likely to answer a voluntary census, one that has no penalties for failure to answer, are the affluent, the educated, the more literate.

The people who are less likely to answer—and I don't think anyone would dispute this—are the less affluent, the poor, the less literate, the less educated. It may look a little imposing. But if they found out that there is no penalty for not doing so, it is totally voluntary, they are not going to answer.

When you get the data that you get from the people who do answer and project that over the whole population, you get a totally biased picture of what the problems consist of and the incomes and housing conditions and all the rest. And that is why it is so absolutely vital that we retain the penalties that now exist in the law and make it a mandatory census.

If you allow the movement that is being made to succeed and remove those questions, the census in my opinion will be a total waste of money, and we will handicap the operation of the Congress for the next 10 years, of the Government agencies, of the State governments, and all the rest.

Representative CONABLE. You don't feel, then, Mr. Secretary, that the penalties carry with them their own backlash?

Secretary STANS. I think it is entirely possible that there is some backlash. But they are entirely essential to the process in any event.

Representative CONABLE. I would like to ask: We all have seen the publicity about the margin for error in the census, in the 1960 census, and the possibility that as many as 5,800,000 people were excluded. Under the best possible circumstances what would be the margin for error? And how much can we expect this year as opposed to 1960 to have the margin for error change following the past decade's further concentration in our inner cities?

Mr. ECKLER. I hope personally that we might reduce this margin by as much as a third. I think, however, as your question implies, the situation is probably worse now than it was in 1960. So some additional resource or effort will be necessary just to hold even. I hope we can do better, up to the extent of a third.

And now you ask how many you can possibly get at some time in the future if given a far different climate and reduction of some of the tensions. I would hope that we could bring it to a half or less of the present level of omission.

Representative CONABLE. Isn't it true that you are relying more on the mailed inquiry than the direct personal visit this time than you did in 1960?

Mr. ECKLER. Yes. We will send out forms to 60 percent of the population and hope that they will return them to us. That is quite a different procedure from what we had before. And by the next census we might be able to extend that to the entire population, that procedure.

Representative CONABLE. And you don't feel that that will reduce the return, but that with the followup it actually will increase the percentage factor?

Mr. ECKLER. It will give us better coverage, because we will have a controlled list. The enumerators will be able to concentrate on the areas where there is trouble in the ghetto areas, and so on. So we believe it is a better procedure, and generally would yield better results.

Representative CONABLE. Thank you, Mr. Chairman.

Chairman TALMADGE. Mr. Secretary, all of us in Congress have received, I am sure, a swarm of letters objecting to some of the questions they think are highly personal, and probably of little or no benefit to the Government.

I have an information copy of the U.S. census here in my hand. On page 3, column 1, question H-2: Is there a telephone on which people who live here can be called? If yes, what number?

Why is that of importance to the Government?

Mr. ECKLER. The importance of that is that it is a device to enable us to followup on those who have not filled out the form completely.

Chairman TALMADGE. Followup on what?

Mr. ECKLER. The ones who have failed to fill out their form completely. This is an operating tool. We don't care about the person's telephone number as such. But in order to save the cost of going back to every door that has any problem, if we can have our enumerators handle that by telephone, this will save a good deal of time and money.

Chairman TALMADGE. In other words, the purpose of that is to get a more accurate census?

Mr. ECKLER. Yes, sir.

Chairman TALMADGE. Now, there is a lulu. How do you explain this. F-2: Do you enter your living quarters directly from the outside through a common or public hall, or through someone else's living quarters?

Mr. ECKLER. Mr. Chairman, we have responsibility under the law to take a census of housing. We believe that a census of housing means that you want us to take a count of housing units and we have to be able to identify a housing unit and distinguish it from a room in a boarding house, or something like that.

Those questions are simply to identify whether this person is living in a housing unit, and the requirements with respect to how they get in. If they have to go through someone else's living quarters, then it is in a rooming house rather than a separate dwelling. And this is a basic part of our count of units which we think we need to do to carry out our statutory requirements, and in order to provide the data which the HUD requires for a great many laws such as the Secretary noted in his testimony.

Chairman TALMADGE. Here is another one. H-6 on the same page:

Do you have a flush toilet?

Answer: Yes, this household only.

Answer: Yes, but also used by other household.

Answer: No flush toilet.

What value is that to the Government?

Mr. ECKLER. The major purpose of this is to give an indication of the quality of housing which this particular unit enjoys. Again, many of our laws pertaining to housing development turn on adequacy or inadequacy of housing.

Chairman TALMADGE. A man may have a very expensive home, but he may not just like flush toilets. What about him?

Mr. ECKLER. If this is open country he may have other facilities available. There was a time when we asked about privies, the 1940 census. But that seems to be unimportant enough now to eliminate it. But whether a person has this for his own use or shares it with another household is an important element that determines whether this is substandard housing. That is the purpose of this. And it is very important to the Department of Housing and Urban Development.

Chairman TALMADGE. In other words, you think a flush toilet properly relates to the problem of housing?

Mr. ECKLER. Yes.

Chairman TALMADGE. I suppose the same problem would go then to: Do you have a bathtub or shower?

Mr. ECKLER. Yes, sir.

Chairman TALMADGE. How do you rate preferential treatment? I like a shower and my wife likes a tub. Which one of us is right?

Mr. ECKLER. Either one. You just fill in a circle, and you don't have to indicate your preference.

Chairman TALMADGE. Thank you, Mr. Secretary.

Senator Miller?

Senator MILLER. On this matter of the toilets and the showers, you have a lot of people—at least a lot of men—who live in a YMCA, and they don't have toilet facilities or shower facilities in their rooms, but they have a common shower room. However, I would think that it would be pretty hard to describe some of these YMCA facilities as being substandard housing. What could be done to refine these statistics or isolate this type of individual from those whom we are really concerned about?

Mr. ECKLER. There are various classifications—group quarters, for example, where a large number of people live together under one roof, and there is also an enumeration for people who live in hotels, and so on. This would not be confused with the ordinary dwelling unit.

Senator MILLER. In other words, you have the information in here that will enable you to isolate those groups from others?

Mr. ECKLER. Yes, sir.

Representative CONABLE. Mr. Chairman, if I may, one last comment?

Chairman TALMADGE. Of course, Mr. Conable?

Representative CONABLE. May I say to the Secretary that I wholly approve of the compromises that have been made so far on questions in the census. I think it is necessary, and I think he is quite correct in assessing the degree of congressional resistance to the detail of the census on the grounds of intrusion upon individual privacy. I think this is a serious thing, and that we are going to have to study it very carefully, in the light of the popular reaction to such detailed questioning. We are going to have to keep an open mind about it in the interests of having a desirable and effective census without building up the type of backlash I have been mentioning among the population as a whole.

We quite sympathize with your desire to have an accurate census, and I hope we can work something out.

Secretary STANS. Mr. Chairman, I would like to submit some additional papers for the record here.

Chairman TALMADGE. Without objection it is so ordered.

Secretary STANS. These papers list each of the questions, and the kind of sample we are taking with respect to each question, and give in addition supporting data as to the history of the question in previous censuses and the purposes and uses of the particular questions.

I think it will be helpful.

Chairman TALMADGE. Without objection your supplementary materials will be inserted in the record at this point.

(The documents referred to follow:)

1970 CENSUS QUESTIONS ON POPULATION

A. CHARACTERISTICS OF PEOPLE AND FAMILIES

1. QUESTIONS

	<i>Size of sample (percent)</i>
What is the name of each person who was living here on Wednesday, Apr. 1, 1970 or who was staying or visiting here and had no other home?-----	100
How is each person related to the head of this household?-----	100
Sex-----	100
Color or race-----	100
Month and year of birth and age last birthday-----	100
What is each person's marital status?-----	100
Has this person been married more than once?-----	5
When did he get married?-----	5
Did the first marriage end because of the death of the husband (or wife)?-----	5
How many babies has she ever had, not counting stillbirths?-----	20
Has he ever served in the Army, Navy, or other Armed Forces of the United States?-----	15
Was it during Vietnam Conflict, Korean War, World War II, World War I, any other time?-----	15
Does this person have a health or physical condition which limits the kind or amount of work he can do at a job?-----	5
Does his health or physical condition keep him from holding any job at all?-----	5
How long has he been limited in his ability to work?-----	5

2. CENSUS HISTORY

Information on these primary demographic items has generally been collected since the 1800's and for some items since the first census in 1790. Number of children ever born and marital history were introduced in 1890 and 1900, respectively.

3. PURPOSES AND USES

The count of the population is required for apportionment and the drawing up of Congressional and other districts and for many administrative purposes. Information on the characteristics of the people serve to identify the major segments of our population—men and women, old and young, Negro and white, family members and unrelated individuals, veterans and nonveterans. Since each of these segments has different needs, and may present different problems to which government programs are directed, the information is essential for legislation, program planning, and administration. The Social Security program has focused in the past on the population 65 years old and over. Recent legislation has lowered this age to 62, and the Social Security Administration is anticipating the 1970 Census statistics to estimate and evaluate the effects of lowering the limit to 60 years. Statistics on age perform a similar function in relation to the medicare program. Likewise, current programs conducted by the Department of Labor dealing with the employment of youth are focused on a specific age group, 16 to 21 years of age. Federal grants to the States for aid to certain classes of disadvantaged citizens are made proportional to the size of the population to which the programs apply.

The question on disability has been strongly supported by the Office of Vocational Rehabilitation in order to identify that element in the population needing their services and devising efficient ways of delivery of these services. Similarly the Veterans Administration uses statistics on veterans to identify the population they serve, to project future needs, and to evaluate the effectiveness of their programs. The information on marital status and fertility is useful primarily as a basis for the projection of the future growth of population which is used on a government wide basis in anticipating, and planning for, future needs. Information on race is a key item in the developing and administration of civil rights programs and programs focused on improving the conditions of "ghetto" residents.

B. EMPLOYMENT CHARACTERISTICS

1. QUESTIONS

	<i>Size of sample (percent)</i>
Did this person work at any time last week?-----	20
Does this person have a job or business from which he was temporarily absent or on layoff last week?-----	20
Has he been looking for work during the past 4 weeks?-----	20
Was there any reason why he could not take a job last week?-----	20
When did he last work at all, even for a few days?-----	20
How many hours did he work last week (at all jobs)?-----	20
Where did he work last week?-----	15
How did he get to work last week?-----	15
Last year (1969), did this person work at all, even for a few days?----	20
How many weeks did he work in 1969, either full-time or part-time?-----	20
Current or most recent job activity:	
For whom did he work?-----	20
What kind of business or industry was this?-----	20
Is this mainly manufacturing, wholesale trade, retail trade, other?---	20
What kind of work was he doing (occupation)?-----	20
What were his most important activities or duties?-----	20
What was his job title?-----	20
Was this person—	
Employee of private company, business or individual, for wages, sal- ary, or commissions-----	20
Federal, State, or local government employee-----	20
Self-employed in own business, professional practice, or farm-----	20
Own business not incorporated-----	20
Own business incorporated-----	20
Working without pay in family business or farm-----	20
In April 1965, was this person—	
Working at a job or business?-----	20
In the Armed Forces?-----	20
Attending college?-----	20
Describe this person's chief activity or business in April 1965—	
What kind of business or industry was this?-----	5
What kind of work was he doing (occupation)?-----	5
Was he an employee of a private company or government agency, self- employed or an unpaid family worker?-----	5
Earnings in 1969—	
How much did this person earn in 1969 in wages, salary, commissions, bonuses, or tips from all jobs?-----	20
How much did he earn in 1969 from his own nonfarm business, pro- fessional practice, or partnership?-----	20
How much did he earn in 1969 from his own farm?-----	20
Income other than earnings in 1969—	
How much did this person receive in 1969 from Social Security or Railroad Retirement?-----	20
How much did he receive in 1969 from public assistance or welfare payments?-----	20
How much did he receive in 1969 from all other sources?-----	20

2. CENSUS HISTORY

Information on employment characteristics of the population was first introduced in the 1820 Census with the collection of occupation and industry information. Moreover, the Census of Population has included questions relating to the financial status of the American people since 1850. Over the years, the specific questions on these characteristics have been modified in the Census to be responsive to the needs and demands of society at the time. Especially noteworthy is the Great Depression of the thirties which underscored the need for more extensive information on unemployment and income. More recently, the acute problems associated with the cities and the movement into the suburbs have required a need for information on patterns and measures of travel from home to work and, therefore, questions on this subject were introduced in the 1960 Census.

3. PURPOSES AND USES

The Census is the only source which provides comprehensive data on employment characteristics of the population for States, cities, counties, and other local areas. Examples of their use include: The Department of Labor uses this information to establish uniform standards for appropriating funds under The Manpower Development and Training Act of 1962; in a similar way, the data are used to establish the eligibility of communities applying for assistance under the Public Works and Economic Development Act of 1965 and are used to establish minimum standards with regard to wages and age of workers in occupations covered under the Fair Labor Standards Act of 1938 (as amended); income data are required by the Department of Health, Education, and Welfare to implement the Elementary and Secondary Education Act of 1965, and are used to identify areas qualifying for the food distribution program administered by the Department of Agriculture. In addition, the data are used in programs developed by the Department of Housing and Urban Affairs under the Urban Mass Transportation Act of 1964 and similar legislation, planning of shelter programs by the Office of Civil Defense, and classification of workers by traffic zone of residence and traffic zone of work.

C. ETHNIC CHARACTERISTICS

1. QUESTIONS

	<i>Size of sample (percent)</i>
What country was his father born in?-----	15
What country was his mother born in?-----	15
Is this person naturalized?-----	5
When did he come to the United States to stay?-----	5
What language, other than English, was spoken in this person's home when he was a child?-----	15

2. CENSUS HISTORY

Questions concerning the ethnic characteristics of the population appeared for the first time in 1820 with the inclusion of an inquiry on citizenship. The other items were added later in the last century, except for mother tongue which was introduced in 1910.

3. PURPOSES AND USES

Information on ethnic origin are important for the identification of groups such as Puerto Ricans, Mexican-Americans, and Cubans, and their areas of concentration. These groups are the object of special attention of many government programs. The census is the only source of information concerning the number, distribution and characteristics of these groups.

The data on ethnic origin will also aid many agencies, such as Department of Health, Education, and Welfare and the Immigration and Naturalization Service, in the implementation of legislation related to specific ethnic groups. For example, Census data on mother tongue will help identify the areas of the country which are qualified for federal assistance under the provision of the Bilingual Education Act, administered by the Office of Education. This Act requires that assistance be given to those areas with the largest number of children, to 18 years old, of limited English-speaking ability.

D. EDUCATIONAL CHARACTERISTICS

1. QUESTIONS

	<i>Size of sample (percent)</i>
Since February 1, 1970, has this person attended regular school or college at any time?-----	15
What is the highest grade (or year) of regular school he has ever attended?-----	20
Did he finish the highest grade (or year) he attended?-----	20
Has this person ever completed a vocational training program?-----	5
What was his main field of vocational training?-----	5

2. CENSUS HISTORY

Information relating to the educational characteristics of the population has been collected in each census since 1840 when a question on literacy was asked. Literacy data were collected in the censuses until 1940 when a question on years of school completed was substituted for it, since literacy rates were no longer an adequate measure of educational attainment. Statistics on school enrollment have been collected in each census since 1850. The vocational training question will be asked for the first time in 1970.

3. PURPOSES AND USES

Information on the educational characteristics of the population are essential for planning educational programs and assessing educational conditions in the United States. Statistics on the number of students enrolled; enrollment by level of school; enrollment in public or privately controlled schools; and enrollment rates by age are used by the U.S. Office of Education in the administration of programs under the Elementary and Secondary Education Act, the Higher Education Act, the National Defense Education Act, and the Vocational Education Act. Statistics on the number of persons with or without vocational training and on their fields of training are not now available and are needed by the U.S. Department of Labor in support of their program on vocational education. This information will assist in the determination of the location of new vocational training facilities and the potential need for various training programs. Census statistics that show the number and characteristics of those who do and do not receive educational opportunities at the pre-school level, graduate from high school, receive vocational training, or receive college training, provide the information required to allocate properly the financial resources for upgrading education in the American society. Statistics on the years of school completed are specifically required for the allocation of grants to States under the Adult Basic Education Act.

E. MIGRATION CHARACTERISTICS

1. QUESTIONS

	<i>Size of sample (percent)</i>
Where was this person born?-----	20
When did this person move into this house (or apartment)?-----	15
Did he live in this house on April 1, 1965?-----	15
Where did he live on April 1, 1965?-----	5
In April 1965, what State did this person live in?-----	5

2. CENSUS HISTORY

Place of birth (State or foreign country) has been in every census since 1850. Data on year moved into this unit were collected for the first time in 1960. The questions on previous residence have been asked in each census since 1940.

3. PURPOSES AND USES

Migration statistics from the 1960 Census have been used by the Department of Agriculture in connection with Special Impact Programs authorized by the Economic Opportunity Amendments of 1967. This legislation authorizes programs directed to the solution of critical problems in particular rural area communities where there has been substantial outmigration to urban areas with a large concentration of low income peoples. The 1960 Census figures were used to identify such areas for which proposed programs were developed and several were accepted and funded.

The need for these data by agencies of the Federal Government is illustrated by the Symposium on Communities of Tomorrow held in December 1967, and sponsored by the Departments of Agriculture, Housing and Urban Development, Commerce, and Labor. Attention was focused on problems which are the byproduct of heavy rural to urban migration of recent years, the under-population and poverty in rural areas, and the congestion and disorder in urban areas. In the analyses of these problems, and in the search for solutions, information on migration is essential.

Similarly, the Council on Urban Affairs has established a subcommittee to consider some of the problems relating to the impact of internal migration.

1970 CENSUS QUESTIONS ON HOUSING

A. HOUSING CHARACTERISTICS

QUESTIONS

	<i>Size of sample (percent)</i>
How many living quarters, occupied and vacant, are at this address?-----	100
Do you enter your living quarters directly from the outside or through a common or public hall or through someone else's living quarters?-----	100
Is there a basement in this building?-----	100
Vacancy status-----	100
Months vacant-----	100
How are your living quarters heated?-----	20
About when was this building originally built?-----	20
Which best describes this building?—Mark number of units in structure	
Is this building on a city or suburban lot, on a place of less than 10 acres, or on a place of 10 acres or more?-----	20
Last year, 1969, did sales of crops, livestock, and other farm products from this place amount to less than \$50 (or none); \$50 to \$249; \$250 to \$2,499; \$2,500 to \$4,999; \$5,000 to \$9,999; \$10,000 or more-----	20
How many stories (floors) are in this building?-----	5
Is there a passenger elevator in this building?-----	5

2. CENSUS HISTORY

The only new item added to the census in 1970 is number of units at this address—information needed by the interviewer to find living quarters and people that might otherwise be overlooked in certain types of multiunit structures. The remaining items have been collected in previous censuses—farm residence since 1890; vacancy status, heating equipment, year built, and number of units in structure since 1940; trailers since 1950; and access to unit, basement, and months vacant since 1960. (Access to unit is essential for identification of separate housing units.)

3. PURPOSES AND USES

All of these items (with the possible exception of basement and stories, elevator in structure) are needed by the Secretary of Housing and Urban Development to prepare and submit to the President and the Congress estimates of urban and rural nonfarm housing needs required by statute. The Secretary of Agriculture is also required by statute to make similar estimates for farm housing. (Farm residence provides the information necessary for classifying housing as farm or nonfarm.) The information is also required by the Federal Housing Administration to prepare market analyses reports of housing requirements for specific local areas. The basement item is used by the Civil Defense Administration in preparing estimates of shelter availability and benchmark data for their own surveys.

B. HOUSING QUALITY AND VALUE

1. QUESTIONS

	<i>Size of sample (percent)</i>
Is there a telephone on which people in your living quarters can be called?_	100
Do you have complete kitchen facilities?-----	100
How many rooms do you have in your living quarters?-----	100
Is there hot and cold piped water in this building?-----	100
Do you have a flush toilet?-----	100
Do you have a bathtub or shower?-----	100

Are your living quarters—	
Owned or being bought by you or someone else in this household?.....	100
A cooperative or condominium which is owned or being bought by you or by someone else in this household?.....	100
Rented for cash rent?.....	100
Occupied without payment of cash rent?.....	100
Is this building a one-family house?.....	100
Is this house on a place of 10 acres or more, or is any part of this property used as a commercial establishment or medical office?.....	100
What is the value of this property; that is, how much do you think this property (house and lot) would sell for if it were for sale?.....	100
What is the monthly rent?.....	100
In addition to rent do you also pay for electricity, gas, water, or oil, coal, kerosene, wood, etc.?.....	20
How many bathrooms do you have?.....	15
Do you have air-conditioning?.....	15
How many bedrooms do you have?.....	5
Do you (or any member of your household) own a second home or other living quarters which you occupy sometime during the year?.....	5

2. CENSUS HISTORY

One item which is new in 1970 is second home. The remaining items have all been collected in previous censuses—tenure beginning in 1890; value and contract rent since 1930; rooms, water supply, flush toilet, bathtub or shower, commercial establishment, and components of gross rent since 1940; kitchen facilities since 1950; telephone, bathrooms, air conditioning, and bedrooms since 1960. (The commercial establishment question is used to exclude properties with business establishments from value data on single-family homes. The telephone information is obtained primarily to enable census interviewer to obtain missing information without making a more costly personal followup visit.)

3. PURPOSES AND USES

The questions on kitchen facilities, plumbing facilities, tenure, rooms and bedrooms, and value and rent are required by the Departments of Agriculture and Housing and Urban Development in developing the housing needs reports that are required by statute to be submitted to the President and the Congress. Under the Housing and Urban Development Act of 1968, the President is required to submit annual reports from 1970–1979 on accomplishments in reducing the number of occupied substandard housing units, projected residential mortgage market needs and projections, and other pertinent data and estimates as the President deems necessary. The 1970 census housing items are required as the source of benchmark data used in preparing these estimates. The items are also used in the market analyses reports prepared by the Federal Housing Administration and by the Department of Housing and Urban Development in the planning, administering and evaluating of the various housing programs for low and moderate income families, e.g., low rental public housing program, the rent supplement program, and the recently enacted home ownership subsidy program.

The Department of Agriculture has indicated a need for the second home information as a basis for estimating the requirements of building materials and land in specific areas and nationwide. This information is also required by the Federal Housing Administration in its administration and evaluation of its program of mortgage insurance assistance for second homes.

C. AIDS IN PLANNING PUBLIC FACILITIES AND SERVICES

1. QUESTIONS

	<i>Size of sample (percent)</i>
Do you get water from a public system or private company, an individual well, or some other source?.....	15
Is this building connected to a public sewer?.....	15
How many passenger automobiles are owned or regularly used by members of your household?.....	15
Which fuel is used most for cooking?.....	5
Which fuel is used most for house heating?.....	5

Which fuel is used most for water heating?-----	5
Do you have a clothes washing machine?-----	5
Do you have a clothes dryer?-----	5
Do you have a dishwasher (built-in or portable)?-----	5
Do you have a home food freezer which is separate from your refrigerator?-----	5
Do you have a television set?-----	5
Is any set equipped to receive UHF broadcasts, that is, channels 14 to 83?..	5
Do you have a battery-operated radio?-----	5

2. CENSUS HISTORY

Another new item in 1970 is dishwasher. The question on radios first appeared in 1930; heating and cooking fuels in 1940; television in 1950; and automobiles, source of water, sewage disposal, water heating fuel, clothes washing machine, clothes dryer, and food freezer in 1960.

3. PURPOSES AND USES

These items are the source of information on water, sewage, utility and transportation requirements of communities and are needed by the several Federal agencies in planning, administering, and evaluating the various programs of grant and loan assistance for development of community facilities; namely, the water and sewer facility grant program and public facility loan program of the Community Resources Development Administration of Department of Housing and Urban Development; the water association loan program of the Farmers Home Administration of the Department of Agriculture; the programs of the Water Pollution Control Administration, the Department of Interior; and the mass transit and road and highway construction programs of the Department of Transportation.

Information on automobiles, clothes washers, dryers, dishwashers and food freezers have been requested by the Office of Business Economics and Business Services Administration for use in developing estimates of personal wealth and personal consumption patterns. The television set information has been requested by the Federal Communications Commission presumably as a basis for estimating number, types, and location of households that can be reached by this medium. Data on radios, especially battery-operated, provide the Civil Defense Administration with a basis for estimating the number of households able to receive emergency messages in the case of power failures.

U.S. DEPARTMENT OF COMMERCE,
BUREAU OF THE CENSUS,
Washington, D.C., April 15, 1969.

QUESTIONS FOR THE 1970 CENSUS OF POPULATION AND HOUSING

Listed on pages 2 and 3 are the items to be included in the 1970 Census. Some of these items are on a 100-percent basis; others are on a sample basis of 20 percent, 15 percent, or 5 percent. Whether a question is to be asked on a 100-percent basis or on a sample basis depends on the size of the area for which statistics are to be made available. Information required for apportionment purposes and that needed for city blocks is collected on a 100-percent basis; information to be tabulated for areas as small as census tracts and most counties is collected on a 15- or 20-percent sample basis. The 5-percent sample will provide statistics for larger cities, standard metropolitan statistical areas, larger counties, and States. The samples will be scientifically selected in such a way that each person and each household has an equal chance of being included in the sample.

The replies to census questions are required by law. The law also provides that all information given to the Census Bureau must be held in confidence by the Bureau and may be used only for statistical purposes. No publication may be made which discloses the confidential information for an individual.

SUBJECT ITEMS IN 1970 COMPARED WITH 1960 CONTENT

	1960	1970		1960	1970
Population items:			Kitchen or cooking facilities.....	100	-----
Relationship to head of household.....	100	100	Complete kitchen facilities.....	-----	100
Color or race.....	100	100	Condition of housing unit.....	100	-----
Age (month and year of birth).....	100	100	Rooms.....	100	100
Sex.....	100	100	Water supply.....	100	100
Marital status.....	100	100	Flush toilet.....	100	100
State or country of birth.....	25	20	Bath tub or shower.....	100	100
Years of school completed.....	25	20	Basement.....	25	100
Number of children ever born.....	25	20	Tenure.....	100	100
Activity 5 years ago.....	25	20	Commercial establishment on prop- erty.....	100	100
Employment status.....	25	20	Value.....	100	100
Hours worked last week.....	25	20	Contract rent.....	100	100
Weeks worked last year.....	25	20	Vacancy status.....	100	100
Last year in which worked.....	25	20	Months vacant.....	25	100
Occupation, industry, and class of worker.....	25	20	Components of gross rent.....	25	20
Income last year:			Heating equipment.....	25	20
Wage and salary income.....	25	20	Year structure built.....	25	20
Self-employment income.....	25	1 20	Number of units in structure and whether a trailer.....	25	20
Other income.....	25	2 20	Farm residence (acreage and sales of farm products).....	25	20
Country of birth of parents.....	25	15	Land used for farming.....	25	-----
Mother tongue.....	25	15	Source of water.....	-----	15
Year moved into this house.....	25	15	Sewage disposal.....	20	15
Place of residence 5 years ago.....	25	3 15	Bathrooms.....	20	15
School or college enrollment (public or private).....	25	15	Air conditioning.....	5	15
Veteran status.....	25	15	Automobiles.....	20	15
Place of work.....	25	4 15	Stories, elevator in structure.....	20	5
Means of transportation to work.....	25	15	Fuel—heating, cooking, water heating.....	5	5
Occupation (industry 5 years ago).....	5	5	Bedrooms.....	5	5
Citizenship.....	5	5	Clothes washing machine.....	5	5
Year of immigration.....	25	5 5	Clothes dryer.....	5	5
Marital history.....	25	5	Dishwasher.....	5	5
Vocational training completed.....	5	5	Home food freezer.....	5	5
Presence and duration of disability.....	5	5	Television.....	5	5
Housing items:			Radio.....	5	5
Number of units at this address.....	-----	6 100	Second home.....	-----	5
Telephone.....	25	7 100			
Access to unit.....	100	100			

¹ Single item in 1960; 2-way separation in 1970 by farm and nonfarm income.

² Single item in 1960; 3-way separation in 1970 by social security, public welfare, and all other receipts.

³ This item is also in the 5-percent sample but limited to State of residence 5 years ago.

⁴ Street address included in 1970.

⁵ In 1960, whether married more than once and date of (1st) marriage; in 1970, also includes whether 1st marriage ended by death of spouse.

⁶ Collected primarily for coverage check purposes.

⁷ Required on 100 percent for field followup purposes in mail areas.

NEED FOR ITEMS ON THE CENSUS SCHEDULE

POPULATION ITEMS

Relationship to head of household (100 percent)

Collected in each census since 1880. This information provides the basis for classifying the population into families and other residential groupings, and for characterizing families in terms of their structure and composition. It is fundamental to all statistics showing characteristics of the family and basic to the consideration of social and economic problems which affect the family as a group. Much of the recent discussion about the association between the "broken" home and poverty is based on the information about family structure collected in the census.

Color or race (100 percent)

Collected in each census since 1790. Information about the racial composition of the population is of fundamental importance in analyzing the data on families, school enrollment, fertility, and economic activity. All of these data become much more meaningful for the planning, administration and evaluation of programs and for demographic, economic, and sociological analyses when they are classified by race. Objective information on the numbers, location, and characteristics of persons identified with the several racial groups is essential

to the Government, as well as to agencies which are concerned with ameliorating the conditions of Negroes, Indians and other ethnic groups.

Age and sex (100 percent)

Collected in each census since 1790. Most social and economic characteristics of the population—family relationship, school attendance, labor force participation, occupation and income are closely related to age and sex. Thus, in any comparison of relative social and economic status among various segments of the population, a knowledge of the age and sex composition is essential. For some subjects such as labor force, unemployment and school enrollment, the figures are meaningful only for persons in selected age groups. The age data are also directly used for planning major government programs in health, education, and social security.

Marital status (100 percent)

Collected in each census since 1880. This question shows whether an adult has married and, if so, whether he is still married or has become separated, divorced, or widowed. The data are used by research workers in Federal agencies and elsewhere to analyze such subjects as the number of single men subject to military draft, dependency involving widowhood and orphanhood, employment of wives and mothers, and the level of fertility.

State or country of birth (20 percent)

Collected in each census since 1850. The information on State of birth is useful in measuring the streams of internal migration from certain regions of the country to other regions, for example, Negroes from the South to the big cities of the North and West.

The Government finds information on country of birth essential in formulating immigration policy and in considering immigration laws. The information is also used by organizations concerned with the welfare of various ethnic groups and provides a measure of assimilation when the population, classified by nativity and country of origin, is tabulated by such characteristics as fertility, education or occupation.

Years of school completed (20 percent)

Collected in each census since 1940. The educational level of the population is an important measure of the quality of the manpower pool. Federal, State and local agencies concerned with manpower training and development need this information as the starting point in all program planning. Education exerts a major influence in the social and economic condition of the individual. It also indicates the output of the educational system. Statistics on almost every item in the census are tabulated by education (as well as age, color and sex) because of the light these cross-classifications throw on the relationship between successful completion of various levels of schooling and eventual success in other types of life adjustment.

Number of children ever born (20 percent)

Collected in each census since 1890 (except 1920 and 1930). This item is the only source of census data on the entire number of children a family has had, including any who may have already left home or died. Statistics on children ever born are unique in providing significant information on the current and future trends of population growth through births and how the composition of the population is changing through differences in fertility of various population groups. Such data are needed for projecting the age of the future population. In turn, these projections are needed by Federal, State, and local governments and private industry for the planning of various short and long range projects.

Activity 5 years ago (20 percent)

This is a new item in the census. Respondents will be asked if, five years ago, they were engaged in any of the following three activities: in the Armed Forces, working at a civilian job, going to college. One-fifth of those who report that they were working five years ago will be asked to state the occupation and industry in which they were employed. This information is needed to aid in developing programs for manpower development and will be of considerable value to guidance counsellors.

Another major purpose of these questions is to measure employment and job mobility in somewhat the same fashion as geographic mobility (i.e., place of

residence five years prior to the census). The aim is to obtain information on individual (or gross) changes, in contrast to the standard data which provide measures of net changes between two censuses. The question would also be highly useful in distinguishing streams of migration based on movement into and out of the Armed Forces, to and from college, and into and out of the labor force.

Employment status and hours worked, weeks worked last year, last year in which worked (20 percent)

Although elements of this subject were collected as early as 1820 in the census, the forerunner of the group of questions as they appear today began with the 1880 Census. The census is the only source that provides data on employment, unemployment, hours worked, weeks worked, and other work activity characteristics for States, cities, and counties. These data are extensively used in developing and administering manpower training, welfare, education, and other government programs both on a national and local level. The data are widely used in State and local labor market analyses in determining the manpower resources and skills available in an area. The census data provide a much more detailed and comprehensive description of the Nation's work force and its labor reserve than is possible in the monthly data on the labor force.

Occupation, industry and class of worker (20 percent)

Information on type of work has been collected in each census since 1840. The census is the only source providing data that includes all economically active persons, including such groups as self-employed, unpaid family workers, and private household workers. For States and local areas, tabulations by detailed occupation provides the only information we have on the occupational skills of the labor force. These data are used to formulate economic development programs, to provide data to government and private firms in locating facilities and new plants, as well as for the various manpower programs. The detailed listings of industry and occupation tabulated by other demographic and economic characteristics such as education and income are used in planning manpower training and utilization programs.

Income (20 percent)

Collected in each census since 1940. Several Federal programs are now based directly on the income levels of specific areas as measured in the census. For example, under the Economic Opportunity Act of 1964, and the Elementary and Secondary Education Act of 1965, Federal funds are distributed to States and counties in accordance with formulae that include census income as a basic element. Census income information (earnings and income other than earnings) is the only source which provides income size distribution data for small areas and the only source which relates such data to social and economic characteristics such as residence, sex, color, education, family type, employment status, industry, occupation, type of income received, and others. It is one of the best indicators of the economic welfare of the population. This information is used widely by businessmen to conduct marketing studies, city planners to formulate urban development and transportation plans, government officials to develop social programs for low income families, and economists to construct State and regional development plans. The expansion in income detail for the 1970 Census is designed to provide new information on, for example, levels and patterns of income of farmers and the composition and characteristics of families receiving public assistance payments.

Country of birth of parents (15 percent)

Collected in each census since 1870. This provides the basis for identifying the national origins of second generation Americans, i.e., persons who were born in the United States, but whose parents were born abroad. By comparing the social and economic characteristics of first and second generation Americans within each national origin group we can measure the progress that is being made by each group. This information was published for census tracts in 1960 and has been widely used to identify areas which are loosely called Irish, Polish, German, etc. The progress which second generation immigrants make in adjusting to American life is a matter of direct concern to many governmental agencies. Some groups have been more successful than others in making such adjustments. Communities with large numbers of first and second generation immigrants may have special problems in relation to schools, welfare programs, and the provision of other public services to these groups.

Mother tongue (15 percent)

Collected in each census since 1910 (except 1950). The primary use of these data will be to identify the Mexican-American, Puerto Rican, and other Spanish speaking groups in the population. Such information is especially needed in relation to educational programs, including adult and other special educational activities.

Data on mother tongue will also make possible the identification of such bilingual groups as the French-speaking in New England and Louisiana, the German-speaking in the midwest, the Czech in Texas, etc.

The mother tongue data will also provide a rough approximation of the national origin of the population.

Year moved into this house, place of residence 5 years ago (15 percent)

Data on year moved into house were collected for the first time in 1960. Data on past residence were collected in each census since 1940. Differences in growth rates of various sections of the country are in large part a function of migration. This is not only a matter of numbers, but primarily a matter of changing characteristics; witness the present concern with the effects of migration from rural to urban areas. Data on migration serve to explain differential rates of growth, and their social and economic impact in various parts of the country. The figures are particularly useful in projecting the future geographic distribution of the Nation's population by age, color and other characteristics. The figures for short-distance movers are used to study the rapid suburbanization in our metropolitan areas and to identify high turnover areas in the big cities. A knowledge of the number and characteristics of migrants, especially those into our large cities, is essential to programs for the improvement of large cities. The recently announced programs for the improvement of life in rural areas and the reduction of migration from such areas require information on the areas of outmigration and the number and characteristics of the outmigrants.

School or college enrollment (15 percent)

Collected in each census since 1850. Education has become a vast enterprise, involving about 30 percent of the population as students and accounting for 40 percent of State and local government expenditures. Furthermore, education is a major ingredient in many plans to improve the skills and performance of members of our society. The census question provides enrollment rates and a basis for analyzing the characteristics of dropouts. These items of information are essential for planning educational programs and assessing educational conditions in specific geographic areas and among different groups of people. Nursery school enrollment is now included because of the Federal support given this level in the Headstart program.

Veteran status (15 percent)

Collected in 1840, 1890, and 1910, and each census since 1930. The Veterans Administration has information about the veterans with whom it is in touch, but it needs the information from the census because it has no direct contact with many veterans. The number of veterans of various wars, and their age, provides information which that administration needs to plan its program. Moreover, information about the educational, occupational, and economic level of veterans in relation to other persons is used by the Veterans Administration and by other governmental agencies and the Congress in evaluating programs for the benefit of veterans.

Place of work, means of transportation to work (15 percent)

Questions on these subjects were asked for the first time in the census of 1960. In that census the classification of work place was limited to cities of 50,000 or more, the balance of counties containing cities of 50,000 or more, and the counties in which there was no such place. At present, the Bureau is examining the possibility of expanding this classification so that information on work place can be obtained by traffic zones, census tracts, and the like in metropolitan areas. This information would be extremely useful to persons planning highway construction and to urban planners generally. This information will aid in developing estimates of the daytime population of various areas which are particularly needed by the Office of Civil Defense. The information on extent of commuting between various areas is also used to define the very widely used Standard Metropolitan Statistical Areas.

Occupation-Industry 5 years ago (5 percent)

This is a new item. Addition of this item would allow us to gain an understanding of the dynamics of manpower allocation and economic opportunity. For the first time analysts could compute meaningful out-migration rates by socioeconomic status and function in the labor force. For depressed areas, such information would be invaluable in delineating the "push" in migration; for growing areas, in measuring the "pull" and identifying the sources of recruitment. Across the board, this kind of data would give important insight into the actual efficiency of migration as a means of facilitating occupational mobility. This item would also permit analysis of gross as well as net changes in the employment situation of specified population groups such as Negroes, older persons, women, etc. Manpower programs need information on the extent to which workers have moved from lower-paying to better-paying jobs, or vice versa, and also what is happening to persons who leave slow-growing or declining industries.

Citizenship (5 percent)

A question on citizenship was included in 1820, 1830, and 1870, and each census from 1890 to 1950. Since over 5 million immigrants have come to the United States in a 20-year interval, there is need for basic data on citizenship and the characteristics of aliens.

Information on citizens is useful in the measurement of the extent which people entitled to vote actually do so and of the assimilation of various categories of the foreign born by naturalization.

Year of immigration (5 percent)

A question on year of immigration was included in each census from 1890 to 1930. It permits the classification of the foreign born as long-term residents or recent arrivals. Those concerned with immigration legislation may evaluate the effect of previous legislation by comparing the characteristics of immigration before and after the law became effective. There is now particular interest in the effect of the labor force provision in the Immigration Act of 1965.

Marital history (5 percent)

Data on whether married more than once have been collected in each census since 1940; data on duration of marriage have been collected in each census since 1900 (except 1920). These data are used in studying permanence of marriage and in measuring the effect that the changing marriage age has on household formation and on the birth rate. Statistics derived from these questions are used to measure the relation between early marriage and the eventual disruption of marriage and to measure the extent to which changes in the fertility of women may be ascribed to changes in age at marriage and permanence of marriage. The newly-added question on how the first marriage of remarried persons was terminated will provide information on persons who have ever been widowed or ever divorced, orphans, children of divorce, and frequency of remarriage of widowed and divorced persons.

Vocational training completed (5 percent)

This is a new item in the census. This information is needed to assist the Federal, State and local government agencies in locating new vocational training facilities and assessing the potential market for various training programs. A comparison of the incomes and work experience of persons with and without vocational training, for specific occupations, will provide a rough measure of the financial return from an investment in vocational training.

Presence and duration of disability (5 percent)

Some questions on disability were asked in each census from 1830-1890 and one no duration of disability was asked in 1890. Questions on this subject will show whether the person has a health or physical condition which limits the amount or kind of work he can do, and how long he has been so limited. The data will meet an urgent need by government and volunteer agencies for a factual basis on which to make an efficient allocation of billions of dollars annually for the assistance of disabled persons.

HOUSING ITEMS

Number of units at this address (100 percent)

New item in 1970. The primary purpose of this item is to help the enumerator find housing units which might otherwise be missed in certain types of multi-unit structures.

Telephone (100 percent)

First collected in 1960. This item is collected as an aid to enumeration, so that in many cases the followup interviews can obtain information needed for completing a schedule, resolving inconsistencies, etc., by a telephone call rather than a personal call. Its tabulation as a statistic is therefore a by-product. The item is used as an indicator of the level of living.

Access to unit (100 percent)

First collected in 1960. Whether a particular living quarters constitutes a separate housing unit, depends, for the most part, on whether it has separate and independent access or complete kitchen facilities. Identification of the mode of access therefore is of fundamental importance in determining how many housing units there are in the United States.

Complete kitchen facilities (100 percent)

New item in 1970. Complete kitchen facilities are defined as including a range or stove, a mechanical refrigerator and a sink connected to piped water. This question is used as a component, together with mode of access, in defining a separate housing unit.

Rooms (100 percent)

Collected in each census since 1940. The number of rooms in the unit provides the only basis for estimating the amount of available living space in the housing unit. This item, together with *number of persons*, provides a *persons per room* ratio which is used as a measure of crowding.

Water supply, flush toilet, bathtub or shower (100 percent)

Collected in each census since 1940. The presence of these basic plumbing needs is a very significant indicator of housing quality.

Basement (100 percent)

First collected in 1960. The item is used for emergency planning by the Office of Civil Defense, which uses the data in developing shelter programs.

Tenure (100 percent)

First collected in 1890. Information on tenure gives a measure of the extent to which the goal of widespread home ownership is achieved. Agencies concerned with housing need to know also the characteristics of households which own their homes and those which rent. Data on owners and renters are used by builders, mortgage lenders, and national and local agencies in the planning of long-range housing programs.

Commercial establishment of property (100 percent)

Collected in each census since 1940. The question is used to exclude properties with a business establishment from the value data on single-family homes.

Value (100 percent)

Collected in each census since 1930. Value is not only a measure of the level of living, but over a period of time is a measure of the appreciation (or depreciation) of the home owner inventory. In the aggregate, value of homes is an important component of national wealth. The census is the only source of data with respect to current market value, as distinguished from construction cost or purchase price.

Contract rent (100 percent)

Collected in each census since 1930. Rent, like value, is a measure of the level of living and changes in the price of housing over the decades. It is an important characteristic of the rental housing inventory, particularly to those who analyze the rental housing market and predict demand for such housing.

Vacancy status (100 percent)

Collected in each census since 1940. Vacancy status provides a count of the vacant housing inventory and the type of vacancies—the amount of vacancies that are on the market for rent or for sale, those that are for seasonal use and those that are not on the market. The information on the supply of vacancies is used by the Nation's builders, lenders and Federal and local agencies for analyzing the supply and demand for housing.

Months vacant (100 percent)

First collected in 1960. The data are used by national and local builders, mortgage lenders, and housing agencies to estimate the amount of activity in the housing market, and to measure how quickly the vacant inventory is being utilized. This item, when cross-tabulated by selected characteristics of vacant units, is particularly useful in interpreting patterns and changes in local housing markets by indicating which types of units remain vacant longer, such as units with high or low values and rents, the older or newer units, etc.

Components of gross rent (20 percent)

Collected in each census since 1940. Gross rent is the sum of contract rent plus the additional cost, if any, to the renter for electricity, gas, water, and fuels. Gross rent or total shelter cost, therefore, makes all rents comparable. Gross rent as a percent of income shows the relationship between housing costs and income for various income groups within our population.

Heating equipment (20 percent)

Collected in each census since 1940. Type of heating equipment is an indicator of the level of living. This item is important to local agencies in the evaluation of health and safety standards in their communities.

Year structure built (20 percent)

Collected in each census since 1940. Cross-classifications of this item with other housing characteristics show the differences between housing built in recent decades as compared with that built earlier. Information about the age of our housing is also useful in assessing replacement needs. By comparing the age distributions of housing units in successive censuses, it is possible to measure the impact of new units and the disappearance of old units on the inventory. With the growing concern of Federal and municipal governments for the improvement of the available housing, information on the age of existing housing, and the proportion of relatively new housing in the total inventory is of prime importance.

Number of units in structure and whether a trailer (20 percent)

Number of units in structure was collected in each census since 1940. This item tells how many households live in one-family homes, or in two-family or other various sizes of apartment structures. It helps in planning the extension of utility lines, estimating automobile parking and traffic flow requirements, school, and playground and shopping center needs. This item, when cross-tabulated with other items such as income, household composition, rent, etc., describes the differences in the social and economic character of the people who live in one-family homes or in large or small apartment houses in various parts of a city.

Trailers were included in each census since 1950. Mobile homes have comprised a steadily increasing proportion of new one-family housing unit structures over the past few years. In 1966 they accounted for approximately 20 percent of such units. Information about the number of trailers (and mobile homes), their location, and about the people who live in them is important in estimating housing needs, and space and facilities requirements, and in assessing school and other public service requirements in a community.

Farm residence (20 percent)

Collected in each census since 1890. Information on acreage and sales of farm products is used to classify the Nation's population and its housing inventory by farm-nonfarm residence in rural territory. Data provided by the farm-nonfarm classification are widely used by many private and government agencies. They are used particularly by the Agriculture and the Housing and Urban Development Departments for the planning and implementation of their programs.

Source of water, sewage disposal (15 percent)

First collected in 1960. Both of these items were included at the request of public officials, for their bearing on problems of water-borne disease and of pollution. They are also useful to State and local public works officials in estimating prospective need for greater facilities (purification, treatment, distribution, etc.) and for new construction, such as extension of sewers. They are also important when cross-tabulated with other items such as washing machine or dishwasher to show the potential overloading of facilities.

Bathrooms (15 percent)

First collected in 1960. This item provides a measure of the number of complete and partial bathrooms. It is important to both the Federal Government and private organizations in measuring the quality of the housing units which have the minimum essentials.

Air conditioning (15 percent)

First collected in 1960. Air conditioning has become a fairly common feature of housing, so that it is an indicator of the level of living and power consumption. The distribution of water-cooled systems is important to studies of water usage.

Automobiles (15 percent)

First collected in 1960. This item was adopted for the 1960 Census of Housing at the urgent request of numerous planning groups for use in highway planning, thruway planning, other traffic planning, parking planning, and related uses. Increased congestion makes this item even more important for 1970.

Storics, elevator in structure (5 percent)

First collected in 1960. This item measures the extent to which the housing inventory includes walk-up apartments and also makes it possible to distinguish between multiunit structures which are of the high-rise type and those that are of the garden-apartment type. This item is used by local agencies in the establishment or modification of zoning codes and regulations.

Fuel—heating, cooking, water heating (5 percent)

Data on fuel used for heating and cooking have been collected in each census since 1940; data on fuel used for heating water were first collected in 1960. Data about domestic fuels are important for air pollution control activities, in public and industry studies of additional facilities needed (such as for natural gas transmission or long-distance electricity transmission), and are a measure of the level of living. The extent to which electricity is used for high-load purposes such as heating is distinctly important in planning for the availability of an adequate supply of power.

Bedrooms (5 percent)

First collected in 1960. Data on number of bedrooms are used to measure the adequacy of sleeping space. Data on bedrooms cross-classified with figures on rent and value provide a standardized basis for evaluating the cost of shelter. The item is also used to provide an alternative indicator of crowding, and, hence, of the level of living. For some purposes the number of bedrooms provides a more useful measure of the adequacy of housing than is given by number of rooms, especially in structures where living, dining, and kitchen space may not be clearly separated into rooms. The number of bedrooms in relation to family size gives local housing authorities important information on the adequacy of the local housing supply.

Clothes washing machine, clothes dryer,* dishwasher** (5 percent)*

*First collected in 1960. **New Item in 1970. These appliances indicate levels of living. In addition, information on these items shows the need for water and sewerage facilities and provides the data needed for the efficient planning of new utility lines and the modernization of existing facilities.

Home food freezer (5 percent)

First collected in 1960. This is descriptive of the level of living. Urban food freezers are related to the frequency and size of food purchases, and to the types of dealers from which the purchases are made, and thus are related to distribution channels and distribution costs for farm products and other foods. Data on food freezers are used in food production studies by agricultural agencies, home economists, and the food processing industry.

Television, radio** (5 percent)*

*Collected in each census since 1950, **Collected in each census since 1930. The question on the availability of a battery-operated radio provides information on the extent to which households can receive radio signals, particularly in disaster situations and during power failures. The inquiry on television sets is of particular concern to the FCC.

Second home (5 percent)

New item in 1970. "Second" or "vacation" homes are becoming an increasingly large part of the housing inventory. Second homes are of a great variety ranging from rustic cabins to high-rise condominiums. The data are needed by Federal agencies, the Nation's home builders, and financial institutions to determine the effect of this incremental housing demand on planning and program requirements.

 ANSWERS TO QUESTIONS ABOUT THE CENSUS
When?

In accordance with Article I of the Constitution, the next census of the United States will be taken as of April 1, 1970. The census has been taken once every 10 years since 1790.

Who is counted?

All persons living in the United States are counted where they usually live. Members of the Armed Forces stationed abroad and other Americans living abroad are also counted.

Why not just a head count?

Ever since 1790 the census, by law, has been a means of providing essential information about conditions in the country for the use of the Government and the public. The subjects included have changed as the needs for information have changed. For the last 30 years the law providing for the census has called for a Census of Population, Unemployment, and Housing (including utilities and equipment).

Must the census questions be answered?

Yes, the law requires that census questions be answered truthfully and to the best of the person's knowledge. This has been so for every census since 1790. The public has always cooperated with the census, and very few people have ever been fined by the courts for failure to cooperate. No one has been jailed.

Why must questions be answered?

The requirement that questions be answered emphasizes to everyone the importance of his participation, and assures him that the obligation is shared by all. It also gives assurance that statistics from the census will be accurate for very small areas, such as neighborhoods within a city, as well as for every city, county, and State. Voluntary surveys, such as those conducted by the Census Bureau and by private polling organizations, can produce estimates for the Nation or a State, but are not suitable for providing statistics for many small areas.

Privacy?

In a census the Government asks the public to provide certain information in order to prepare the statistical data which are needed by the Government, and not for any other purposes. All information given to the census taker must be held in confidence and only statistical totals may be published.

No one outside the Census Bureau can see the information for any individual. It cannot be given to any other Government agency, local officials, tax collectors, police, health, welfare, or school officers, nor to anyone else. *All* census workers—in Washington and elsewhere—are subject to severe penalties if they violate their oath not to reveal any information about persons or households.

Isn't the information already available?

The information to be provided by the census is not available from any other source in the degree of cross-classification and geographic detail which a census makes possible. For example, the tax returns cannot tell us about the relation between income and educational attainment, and the records of the Veterans Administration cannot give us data on the present employment status of World War II veterans.

How many questions?

For four households in five there are seven questions relating to each individual, three to make sure everyone has been counted, and 13 relating to the home. For

one household in five there are additional questions. The largest number is for one household in twenty, for whom the total could be 89 (including questions for the housing unit), but not all apply to every family. Answering most of the questions just means marking the correct category, such as highest grade of school attended or whether a veteran. The average household takes no more than 15 minutes to answer the questionnaire which goes to four out of five households; if the household is in the one-out-of-five sample, about 30 minutes more is required.

Is the sample fair?

Most of the information is collected from only a sample of the people. The selection of the sample is done entirely impersonally in accordance with scientific sampling procedures. Every household and every person has an equal chance of being included. Using a sample reduces costs and makes it easier for most of the public.

On what basis were census questions chosen?

Every question included in the census is asked because the information is needed by some agency of government, Federal, State, or local, to guide important programs in the public interest, such as improving education, employment, or housing. The fact that many of the statistics are also useful to others is an added benefit.

New questions?

The questions for 1970 are essentially the same as those which were answered in 1960. Most of them were included also in 1950 and earlier censuses.

Sharing bathroom?

No one will be asked with whom he shares his bathroom or kitchen. There will be questions, however, to find out how many families have such inadequate housing that they do not have a bathroom or kitchen for their own use.

What is meant by "statistical totals"?

The individual information is put together and published in statistical tables like this one from the 1960 Census:

Family income	Total number of families	Percent of families
Total	44, 950, 734	100. 0
Under \$1,000	2, 505, 966	5. 6
\$1,000 to \$1,999	3, 367, 124	7. 5
\$2,000 to \$2,999	3, 753, 364	8. 3
\$3,000 to \$3,999	4, 266, 149	9. 5
\$4,000 to \$4,999	4, 938, 300	11. 0
\$5,000 to \$5,999	5, 544, 416	12. 3
\$6,000 to \$6,999	4, 809, 174	10. 7
\$7,000 to \$9,999	9, 014, 622	20. 1
\$10,000 and over	6, 751, 619	15. 0
Median income	\$5, 657	.....

Who gets the information?

All statistics from the census are published and made generally available. Newspapers, magazines, and reference books are free to republish. Everyone is entitled to see the compiled statistics.

Will the information go into a data bank?

No, information on census questionnaires cannot be turned over to any other agency and, therefore, cannot be made available to any data bank.

In connection with the 1960 Census, President Eisenhower said:

"... The sole purpose of the census is to secure general statistical information regarding the population, its characteristics, and its homes . . . life and liberty in a free country entail a variety of cooperative actions for the common good. The prompt, complete, and accurate answering of all official inquiries made by census officials should be regarded as one of the requirements of good citizenship."

Every one of these statements applies also to the 1970 Census. If you wish further information about the 1970 Census, write to the Bureau of the Census, Washington, D.C. 20233.

THE 1970 CENSUS OF POPULATION AND HOUSING—MEASURE OF
AMERICA'S PROGRESS

U.S. Department of Commerce

Bureau of the Census

What kind of nation do we want? What kind of communities do we want? How well are we achieving our goals?

These and similar questions are back of every inquiry to be included in the 1970 census. Such questions have been back of every inquiry included in previous censuses, and the inquiries have been changed as the needs for information have changed.

OBJECTIVES OF THE CENSUS OF POPULATION AND HOUSING

The full list of census objectives is so long that only illustrative uses can be mentioned. For example, the 1970 census will provide the information necessary for reapportionment of the Congress, as well as for reapportionment of State legislatures. It will provide a basis also for many administrative actions, including the distribution of billions of dollars of Federal and State funds each year, the determination of the rights and duties of cities, towns, and villages, and the basis for many other governmental and private actions. It will give a basis for determining what progress we are making in meeting some major national goals, such as enabling everyone to have a job suited to his abilities; to have decent housing; to have an adequate income; and a good education. The census will also tell us in what regions. States, counties, cities, or parts of cities the needs are greatest.

It will tell us what racial groups or age groups need help in improving incomes, housing, jobs, and education in the Nation, in a State, metropolitan area, or city.

Such information will permit city, county, and State governments to make more effective plans for meeting the needs of their citizens for schools, sewage, water, streets, transportation, zoning, health, welfare, and other services.

Is the housing adequate in a city or a neighborhood? Adequate housing means that each family has its own home and that this home includes heat, a kitchen, and the standard plumbing facilities for the exclusive use of the family. Families which must share a kitchen or plumbing with others do not have housing which meets modern American standards, so the 1970 census will include several questions about housing. From the answers will come information on some subjects related to each block of a city; on other subjects, the statistics will relate to neighborhoods; on still others, the statistics will apply to cities, counties, or States, and, of course, to the Nation.

We know that, in general, incomes for Americans are rising; but some groups are not sharing in the rise. What kinds of people are they and where do they live? We can learn the answers from results of the 1970 census.

Incomes are closely related to jobs, and the census will produce information about people who have jobs and those who do not have them, in what kinds of occupations people are employed, and the earnings related to jobs, age, race, sex, and place.

The census will provide much information about the living conditions of the people. For example, it will tell us about the living conditions of the elderly population in rural and urban areas, the number of school dropouts and the kinds of work they are doing or whether they are unemployed. It will tell us how many very young children are living in families with incomes below the poverty level and where these families are most numerous. It will measure the rate at which white people are moving out of the big cities and into the suburbs, and how the racial composition of our population of big cities is changing. It will show the movement of people from rural to urban areas and from the South to the North and West, and give information on the people who remain in rural areas.

It will give information about the amount of education and the kinds of jobs which people have, and on the extent to which women are taking jobs outside the home. It will provide a measure of how much better off Americans generally are than they were in the past, and it will give information about the number of persons and families with poor housing, inadequate incomes, disabilities, and unemployment.

All citizens will be helping their Government, and thereby themselves, when they supply the information which is called for in the census.

CHANGING NEEDS FOR INFORMATION

The questions asked in the census have changed over the years as the needs for information have changed. Some of the inquiries which were included in the 1800's, and even in the early 1900's, no longer seem appropriate or necessary. In fact, some of them would be regarded today as improper invasions of privacy.

The first census, based on Article I of the Constitution, was concerned primarily with meeting the need for information needed to apportion the members of the House of Representatives by States. In that census the enumerators were instructed to distinguish free persons from slaves, and to distinguish the sex and color of free persons, and free males 16 years and upward from those under that age.

In response to changing needs, the Congress from time to time made changes in the questions to be asked. At some time during the 16 censuses between 1790 and 1960, information was collected on the number of foreigners not naturalized; on the number of deaf, dumb, and blind persons; on pensioners from the Revolutionary War; on illiteracy; on the number of sick and mentally defective persons in public or private charge; on State of birth; on the number of paupers and convicts; on physical disability; on place of birth of father and mother; on school attendance; on value of real estate and of personal estate owned; on mother tongue; on the number of persons suffering from acute or chronic disease; on mortgage debt; on year of immigration; on the number of survivors of the Union or Confederate Army; on employment and unemployment, occupation or industry, and employment in public emergency work; on births and marriages during the year; and on other topics. Many of these items are no longer included in the census.

1970 CENSUS QUESTIONS

A few questions will be asked of everyone. A part of the information which they will give is needed for congressional and State legislative apportionment and for redistricting. Together with some of the questions on housing, they help to describe neighborhoods in which families live.

Some other items will be asked of only one household in five. These households will be selected at random, in accordance with scientific sampling procedures. By limiting these questions to a sample of households, the cost of the census is held down and the burden on the public is reduced. The information collected on a sample basis will be published for cities, counties, and States, and for parts of the larger cities.

Most of the questions to be asked in 1970 were included in 1960 and in earlier censuses. New questions will be asked about such items as vocational training in addition to formal schooling, and whether the person has a health condition or disability which limits the kind or amount of work he can do. The average number of questions per person is less than in 1950 and some earlier censuses and is not much different from the 1960 census.

Every question included in the census is put there after consultation with many Federal, State, and local government agencies, with appropriate committees of the Congress, and with advisory groups representing many different public interests. The major purpose of the census is to meet government needs, but it is recognized that the information which serves government needs also meets many other needs.

HOW THE CENSUS IS TAKEN

In the larger metropolitan areas, householders will receive the questionnaire by mail and be asked to return it by mail. This procedure will enable householders to have time to complete the questionnaire at their convenience. Most of the questions will be answered by blacking in little circles which appear on the questionnaire beside appropriate answers. If the questionnaire is properly filled out and returned it will not be necessary for an enumerator to come to the home. Enumerators will call only at those households which do not return a questionnaire and those which return incomplete questionnaires. They will also collect information for vacant units. Outside the major metropolitan areas, enumerators will call at every household as in the past.

EVERYONE MUST BE COUNTED

Within the framework of the protection that is provided, the Census Act (Title 13, United States Code) requires that every household answer the questions asked in the census. This is the only way to be sure of obtaining data complete enough to provide reliable statistics for the areas for which statistics are needed.

PRIVACY IS PROTECTED

The privacy of the individual who reports in a census is protected by safeguards which have long been a part of the censuses. By law the Census Bureau may use the information on a census questionnaire only for statistical purposes; it may not be used for taxation, investigation, or regulation. Only Census Bureau employees are permitted to see questionnaires, and every employee must take an oath not to disclose information gathered in a census or survey conducted by the Bureau. The penalty for violation of the oath is up to 2 years in prison and/or a fine of up to \$1,000.

The privacy of every citizen in a census is protected by these confidentiality requirements.

A Presidential Proclamation issued at the time of the 1960 census sets forth the purpose of the census and the use to be made of the information. This statement applies equally to the 1970 census. It said, in part:

"The sole purpose of the Census is to secure general statistical information regarding the population, its characteristics and its homes. Replies are required from individuals only to enable the compilation of such general statistics. No person can be harmed in any way by furnishing the information required. . . .

"Life and liberty in a free country entail a variety of cooperative actions for the common good. The prompt, complete, and accurate answering of all official inquiries made by Census officials should be regarded as one of the requirements of good citizenship."

Secretary STANS. Thank you, Mr. Chairman.

Chairman TALMADGE. Mr. Secretary, I have one final question.

Is the Government, by allowing greater access to census data by non-governmental uses, becoming in fact a market research center for private industry?

Mr. ECKLER. Mr. Chairman, I believe that the use of the census by business as well as by Government is to be praised. It is not an improper development, but is in line with the experience in the past censuses. Every question on the census is there because of Government need. But if it is possible that the tabulations—many of which are paid for by private industry on the basis of the additional data that are provided—if those can serve the needs of business to enable our economic system to function better, and to enable the country as a whole to get a better return on this census, I believe that is desirable.

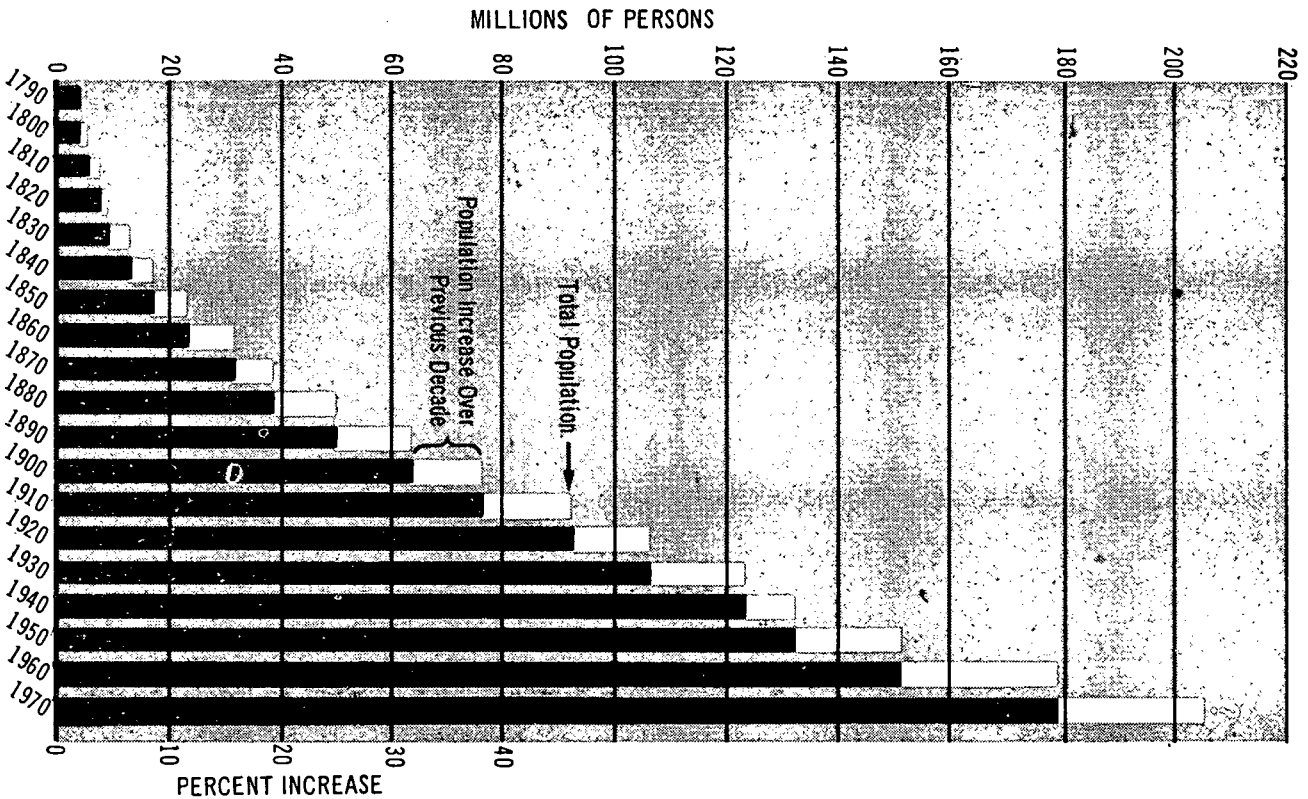
Chairman TALMADGE. In other words, if I want some information that may be beneficial to my business, I can get those data from the Census Bureau by paying the cost of your making the information available to me, is that correct?

Mr. ECKLER. That is correct, provided there are no individual data. It will be summary data for an area, no individual records. But that can be done. And we provide a great deal of that service each year. I think that represents an extra dividend that we get from this national inventory which the Secretary has been talking about.

Chairman TALMADGE. Mr. Secretary, and Dr. Eckler, I want to thank you on behalf of the subcommittee for your very fine statement and for your forthright and candid answers. We appreciate your appearance.

Secretary STANS. Thank you very much, Mr. Chairman.

TOTAL POPULATION, DECENNIAL POPULATION INCREASE,
AND PERCENT OF INCREASE: 1790 TO 1970



Chairman TALMADGE. The next witness is the Honorable Paul W. McCracken, Chairman of the Council of Economic Advisers.

Mr. Chairman, we are honored to have you appear before us, and you may proceed in any way you see fit, sir.

STATEMENT OF HON. PAUL W. McCRACKEN, CHAIRMAN OF THE COUNCIL OF ECONOMIC ADVISERS; ACCOMPANIED BY CHARLES B. WARDEN, JR., SPECIAL ASSISTANT TO THE CHAIRMAN

MR. McCRACKEN. Thank you, Mr. Chairman.

I also have with me today Dr. Charles Warden of the staff of the Council of Economic Advisers.

Chairman TALMADGE. We are delighted to have you, Doctor.

MR. McCRACKEN. Mr. Chairman, I want to express my appreciation to you for inviting me to testify here as you open your 1969 review of Federal statistical programs, and specifically as you consider matters associated with the U.S. census. Over the years this subcommittee has established an impressive record of constructive contribution to the technology and use of economic statistics. It is good to see this further expression today of your abiding interest in these matters.

I

As you know the Council of Economic Advisers has always considered the developments of economic and social data to be of foremost importance in shaping and managing this country's policies, and I think it is fair to say that improvements in data and statistical techniques during recent decades have enormously enhanced the Nation's ability to manage its economic affairs. Economists almost inevitably are more numerate than literate and it is to be expected that the Council of Economic Advisers has placed great emphasis on the development and the use of statistical data. It has published a statistical appendix to the annual Economic Report and this has become one of the most used sources of information by analysts throughout the country and indeed the world. The Council also combines with the Joint Economic Committee in producing the monthly *Economic Indicators*, which has an outstanding reputation for timeliness and usefulness.

It is with some pride that the Council can point to numerous efforts directed to improving our economic information system. During 1953-55 its former chairman, Arthur Burns, initiated moves to improve the availability, timely release, and general reliability of statistics for public use. He placed strong emphasis on the importance of detailed data, and developments during the intervening years have shown the wisdom of this emphasis.

More recently, my predecessor, Arthur Okun, chaired a task force to examine Federal statistics, their adequacy and coverage, and he testified before this subcommittee 2 years ago about the coordination and integration of the Federal statistical program. In the 1968 Economic Report the Council said:

The Federal statistics recording current economic developments are the compass by which policymakers must chart their course. The United States has the most accurate, comprehensive, and detailed economic statistics in the world, based on information that is consistently improved in accuracy, speed, and coverage. Yet the need for accurate and timely statistical data to guide the vital policy decision keeps outrunning the available information.

I share that judgment. I am firmly convinced that the continued availability of detailed and reliable social and economic data is critical to the good management of national policies. The point cannot be emphasized too strongly. Detailed social and economic statistics give us the ability to set objectives and to evaluate our successes and our failures. They also tell us about our own society—often telling us that much of what “everybody knows” is not always true.

II

I will limit the remainder of my comments to the area in which I feel I can speak with confidence—the role of the mandatory 1970 census in our economic and social information system. I will group my remarks under two headings. The first relates to the mandatory/voluntary issue and the second explores the relationship of these data to our information system generally, and the usefulness of the specific questions in the currently proposed census.

THE MANDATORY CHARACTER OF THE CENSUS

We should probably never contemplate a “voluntary census.” It would be expensive, and the results would be unreliable and beset by unknown statistical biases. If the 1970 census were to be made voluntary, we should at least consider scrapping it altogether except for the head count. The reasons for this are clear. Unless responses to the questions of the census are mandatory, the census at best would provide nothing that a well designed, carefully stratified survey would not accomplish.

We now do collect a great deal of data through sample surveys, and for many purposes this is quite satisfactory. A good sample survey, however, requires highly trained interviewers and it also involves rigid control of the sample drawn. Otherwise the sample contains biases that prevent using the results to represent the universe. A voluntary census is neither a census nor a well-designed sample. It is more in the nature of responses to a mail questionnaire—a technique of research that has a long history of misleading and capricious biases.

Moreover, the fine-grained detail of areas—townships, counties, metropolitan areas—and the universal coverage provided by a census cannot readily be duplicated by sample surveys in any case—and certainly not one reflecting a significant nonresponse rate. Unless a census is mandatory, it fails at the very thing it can do better than a sample survey.

Moreover, there are special statistical problems which arise if the response is mandatory. The responses are likely to be highest and most satisfactory in the average middle-class group.

This was a matter that Secretary Stans commented on earlier this morning. The response rate is apt to be lower to a significant, widely varying, and inevitably unknown extent among the poor, members of minority groups, social dropouts, subgroups among the well educated and perhaps the very affluent, and perhaps also those simply hostile to government. There are, of course, statistical techniques to adjust for biases whose direction and magnitude can be known, but biases introduced by incomplete responses to questionnaires require tech-

niques not yet available. Therefore, we would not be able to transform a partial coverage into a statistical series which would accurately portray the Nation and which could be satisfactorily linked to previous decennial series.

In particular, as I have indicated, it would not be feasible to blow up a voluntary response survey to cover, with the kind of detail that is necessary, the particular communities and localities where we are most in need of better information—the ghettos, poor areas, where the initial response rate may be quite low.

Let me comment now on the question of invasion of privacy. This is a real and serious issue. A basically liberal society, with its emphasis on the individual and the freedom of the individual, inevitably permits only with great reluctance government intrusion into personal matters. At the same time the census is probably not at the outer margin of this problem. The Internal Revenue Service has detailed information on our personal finances with the taxpayers identity maintained.

Responses to census questions are largely homogenized into data for area or groups, with no direct governmental interest in the individual response as such.

The questions asked were carefully chosen. Procedures to safeguard the individual's privacy are elaborate. The record is reassuring. As the Secretary of Commerce has pointed out, there has never been an instance where confidentiality has been violated.

THE RELATIONSHIP OF THE CENSUS TO OUR DATA SYSTEM GENERALLY

The decision which is made regarding the mandatory questions on the 1970 census has implications which range beyond this one census. On the one hand it raises issues of precedence for other equally important censuses which are mandatory. I have in mind the census of business, the census of manufacturers, the census of mineral industries, and the census of agriculture.

Furthermore, the mandatory census makes it possible to benchmark other data series which are carried on through sample procedure. Without the complete coverage provided by a census it would not always be possible to translate the evidence of a sample to the specific case of a community or bloc or small locality where it is often important to know specific characteristics.

Many governmental programs rely heavily on detailed census data. The National Air Pollution Control Administration, for example, relies upon data relating to residential units, amounts of commercial and industrial activity, distance from central business districts, characteristics of residents, types of fuels being burned, in determining the development of air pollution control programs. Data relating to housing and housing characteristics are obviously vital for our housing programs and housing objectives.

Furthermore, it should be remembered that State and local governments make important use of the census data. Because census data are fine-grained, highly detailed, and highly localized, they are valuable for local programs. Without such data the local and State governments would be severely handicapped in the pursuit of their objectives. One hears of calling upon States and local governments to undertake a greater share of responsibility for solving such national problems as

poverty, poor housing, inadequate transportation, pollution, and inadequate health and education. We cannot at the same time fail to assure local governments the necessary information. It would not be satisfactory for States or cities to conduct their own censuses. This would raise serious questions about standards, consistency, and other major problems as well as those of cost.

III

Our modern, complex economy requires a highly developed economic information system. The foundation of this system is the decennial census. It is here that basic benchmarks can be established from which for a period sample surveys can carry on.

It is the decennial census that provides information about the characteristics as well as the numbers of our people—information which can guide our social programs. And it is the census that is the fine-grained detail about small areas that is so essential for both government and business.

At the same time we must be alert to the heavy burdens and cost of providing basic information. These aspects of our information system need a searching re-examination. We must explore opportunities for using sample surveys to assemble information more efficiently and we must be unremitting in our sensitivity to the individual's concern about privacy. Perhaps these matters could be explored exhaustively by your subcommittee, or a national commission formed for an outside appraisal of these matters might be constituted.

In the foreseeable future, however, the decennial census will be needed as the foundation of our information system. It is essential to this system that the 1970 census, with its carefully prepared questions and procedures, go forward on schedule.

Thank you, Mr. Chairman.

Chairman TALMADGE. Thank you very much, Mr. McCracken, for your very fine statement.

Can you or the Council of Economic Advisers or any other governmental agency, including the FBI, obtain any confidential information about any individual from the Census Bureau?

Mr. McCracken. No; I think not, Mr. Chairman. At least I can say that I know of no instance when the Council of Economic Advisers ever raised that issue.

Chairman TALMADGE. You heard some of the things that I interrogated the Secretary of Commerce and the Director of the Census about. Do you have much need for who uses a flush toilet and who doesn't as the Chairman of the Council of Economic Advisers?

Mr. McCracken. We do have a continuing need for the kinds of questions which will identify and measure the quality of housing in the United States, because this is a matter of national concern. And these matters of adequacy of plumbing, and that sort of thing, would be a part of that.

Chairman TALMADGE. Congressman Conable?

Representative CONABLE. Dr. McCracken, these censuses have been going on for a long time now. How do you explain the resistance that has built up to them at this point in our national history?

Mr. McCracken. Sometimes we see a cumulative effect of concerns in various areas that seem to break through the threshold and come into focus on some issue. I think in our national life today there is a resurgence of concern about the individual, the freedom of the individual, and about some of the basic tenets of what I would call a liberal society such as ours. It may well be that these have sort of come into focus on this matter.

Representative Conable. Do you think this bears any relationship to what we have jocularly called the credibility gap of Government? Do you think people are concerned that they may not be able to trust the Government to use this information properly, and that, because of the specificity of the information they are required to give, be used in ways the Government is not making clear at this point?

Mr. McCracken. This may be. This may well be a part of the problem. And for that reason it is particularly important for us to make clear what I think is a rather impressive and reassuring record on this matter of protecting the confidentiality of the data.

Representative Conable. I suppose that is one of the reasons we are having this hearing. But I would like to ask you also if it isn't true that the Government has changed its view with respect to some of the devices that are used for the purpose of identification of individuals?

For instance, when the first social security bill was enacted, the use of the social security number for anything but social security was prohibited. And now the social security number is used to identify dividends and bank deposits, and for State income tax purposes not related to the Federal Government's activity. You can see some intrusion on the original intent of this particular identifying device.

Now, do you see any danger of that with respect to increasing specificity of the census?

Mr. McCracken. I don't see any major problem here so far as the kinds of questions asked and the procedures of the Census Bureau, as I understand it. I do think you are raising here a matter which is of legitimate concern to society, and as a matter of fact, it is something that the Government needs to think about also.

And there are two dimensions to this. We live in an increasingly complex and interdependent society. We have a growing demand for social programs, of which the Social Security program is one illustration. These all do carry with them, I suppose, a certain responsibility or requirement to make the information available for those programs to operate. To that extent we are not really pursuing the individualism to its ultimate extent, we have to operate in concert. At the same time, of course, the Government has to be very careful that what may seem to simplify administrative procedure does not in fact constitute an unwarranted intrusion into the privacy of the individual.

Representative Conable. Well, having observed the reactions in my mail I am inclined to want to speculate about it, too. And I do think it is really not quite enough to say that because of the increasing complexity of our society we have got to expect people to be acquiescent about an apparent extension of the Government's intrusion into their privacy. The balance between the individual and the social need is what the Congress is going to have to resolve in considering questions of this sort.

Thank you, Dr. McCracken.

Chairman TALMADGE. Thank you, Mr. Conable.

Dr. Warden, we thank you also for appearing before us.

The subcommittee has also received a statement from Walter E. Hoadley, executive vice president of the Bank of America, which, without objection, will be included in the record at this point.

STATEMENT OF WALTER E. HOADLEY, EXECUTIVE VICE PRESIDENT,
BANK OF AMERICA

My observations and comments are based upon the experience of more than 20 years as a user of statistics provided by the U.S. Government. As past president of the American Statistical Association I also serve as a member of the advisory committee to the Office of Statistical Standards of the Bureau of the Budget. I have great confidence in the general methods used by the Bureau of the Census. The information provided by the decennial census is a critically important element in formulating major policy decisions by all levels of government and in the private sector as well. The Bureau of the Census is a professional agency of the U.S. Government that is recognized throughout the world as having the most advanced statistical techniques. The Decennial 1970 Census deserves vigorous support for the following reasons:

1. *The Census of Population and Housing is an important cornerstone for statistical gathering by the Federal Government and hence the primary basis for most major policy decisions by governments at all levels.*

The United States is rightfully recognized as having the best statistical program available for describing the structure and growth of the economy. In many respects this is because the Census of Population and Housing provides the basic underpinning for the entire statistical gathering process. Not only does the decennial census provide basic information on the characteristics of the Nation's population, but it provides the key benchmarks (reference points) for annual and monthly surveys of economic data linked to population characteristics. For example, the census provides the structure for the monthly household survey on employment and unemployment statistics, among the most vital statistics needed to implement national stabilization policies.

From the time that the census was first taken Congress has realized that it has need for additional information about the population in the areas which legislators represent. Obviously, each individual legislator must understand the structure characteristics and trends of the community which he represents in Washington today. This is not possible without the data from the decennial census. With the recent vast increase in population in the United States and the increasing concern about social problems, income, and living standards, the information provided by the Census of Population is more necessary today than ever before and can only become more so.

A little investigation and reflection quickly reveal that an imposing amount of legislation concerned with the welfare of people in the United States to a large degree rests upon information provided either by the census directly or upon surveys based on the census. For ex-

ample, most people will agree that there is an acute need today to increase and upgrade the level of housing in the United States, particularly in the core cities. To implement present and future housing policies requires fairly precise information on the quality and quantity of the housing stock by small, administratively manageable geographic areas, especially covering the disadvantaged. Unfortunately, the housing sector continues to have among the weakest set of statistics in the United States, and no data on the national or local housing stock and its condition are available from any other source than the decennial census. The Census of Housing is the most important source of information because it alone provides virtually a complete count of housing units so necessary for policy purposes.

2. *Accurate accounting of the Nation's population and housing characteristics is an absolute necessity.*

Considerable controversy has revolved around the mandatory requirement for answering the census questionnaires. I can understand the concern about the invasion of privacy in the United States today but the need for accurate basic economic statistics should never be minimized. Public policy decisions—it should be recognized—are now mainly directed to overcome problems represented by the population groups as the “extreme” ends of the economic scale in terms of wealth, educational attainment, health, and other related characteristics. If there were to be a large number of nonresponses to a voluntary survey—an almost certainty—it is inevitable that these extreme groups would be badly represented and essential policies and programs misdirected. To account accurately for all segments of our citizens necessitates virtually a complete response from all members of the population survey.

Protective laws and the long record of confidentiality and integrity in the Bureau of the Census in collecting, compiling, and issuing population data provide ample reason for confidence that the individual information gathered will be held strictly confidential. The Census Bureau cannot legally, and from my close observation does not, have any interest in information about individual persons, but only in aggressive statistics relating to the characteristics of the population and housing.

The statutory requirement for filling out the 1970 census questionnaire is not as great a burden, certainly for most Americans, as often pointed out. According to field tests it will take about 15 minutes for a typical family to answer the population and housing census questions asked of all households and about another 30 minutes for a typical family in the sample answering the additional questions. This does not seem an unreasonable request to make of citizens once every 10 years, especially when Government and private policy decisions affecting their very lives and living standards are at stake. When special help is needed by respondents in completing the questionnaires it is usually forthcoming without difficulty. Those who object to the census questionnaire should compare the burden of the census with the task required of individuals annually in filling out the income tax return which typically involves even more personal economic information.

3. *The policy and planning effectiveness of the private sector depend heavily upon decennial 1970 census benchmark information.*

Some critics of the Census of Population and Housing have pointed out that the private sector gains advantages from the "free" information gathered. They further assert that the benefits from the decennial census could easily be derived by the private sector providing this same information through its own surveys.

It should be clear that: (a) *Both* the public and private sector require much of the same benchmark information. (b) The private sector now spends substantially more money for economic-market information than ever before. These surveys are rooted to the basic census data and add supplemental extensive insights and beneficial results far beyond that which is derived from primary Government data for the eventual gains of both the public and private sector. (c) Economic statistics are extremely expensive so only a very few large private companies could afford to make their population surveys. Lack of census benchmark data would be a substantial deterrent to new and small businesses. (d) The Census Bureau is the most efficient collector of statistical information having on average more concentrated professional ability in this field than private organizations.

Since the decisionmaking process by the private sector is now openly recognized within Government to be as important to most aspects of the overall growth and economic well-being of the country as policy decisions by the Federal, State and local governments, it would seem extremely short-sighted and wasteful to require duplication between basic public and private statistical programs. The primary objectives of Government should be to obtain the basic data it needs for public policy purposes and to provide unquestionably reliable benchmark data for widespread private sector use in developing specific market and allied information from its own surveys anchored statistically to the decennial census.

CONCLUSION

In summary the issue at stake in the 1970 census program is not the inconvenience to individuals or the invasion of their privacy, but the very integrity of future private and public policy decisions which will help shape much of what lies ahead for each one of us in our increasingly complex and sophisticated economy. Government programs at all levels are constantly coming under more questioning by the public because of rising doubts about their costs and benefits. To a considerable degree this reflects poorly implemented programs based on inadequately reliable statistical information. This is so true that a strong case can be made for collection of *more* not less census information.

Who will deny that America's current and impending social and economic problems will not confront us with more and more public concern and urgency? We dare not create havoc in the planned 1970 census. Whatever indignation arises over personal respondent inconvenience with the census questionnaires, it is sure to be infinitely greater if public and private policy falls short of what the American people need and expect.

Chairman TALMADGE. We have also received considerable mail from various city and State officials, and planning experts, economists, and so forth, in support of the 1970 Census that we will include in the record at this point.

THE BROOKINGS INSTITUTION,
Washington, D.C., April 28, 1969.

HON. HERMAN E. TALMADGE,
Chairman, Subcommittee on Economic Statistics,
Joint Economic Committee,
Washington, D.C.

DEAR MR. CHAIRMAN: We are alarmed by the numerous bills proposing to limit the questions to which response is mandatory in the decennial census of population and housing.

We are aware that Congress is concerned to protect citizens against invasions of privacy and we share that concern. We also know that the Congress recognizes that accurate information is required for the formulation and evaluation of public policies and for successful administration of the laws. We assume that the proponents of these bills have sought to strike a balance in what they believe to be a conflict between these two objectives.

Fortunately, in the case of the census questions, there is no real conflict between the privacy of citizens and the need for information; the steps taken to preserve the anonymity of respondents remove any danger of significant invasion of privacy, so that the restrictions proposed are unnecessary. At the same time, we fear that many members of Congress may not appreciate the extent to which the reliability of important information could be impaired by the proposed legislation. As research economists with experience in a variety of subject matter fields, we wish to express our conviction that this danger is real and serious.

This conviction rests on two judgments. First, the information to be collected is important and, aside from other uses, is needed by the federal government itself. This is as true of items pertaining to educational attainment, income, and housing characteristics, whose collection has been attacked as an invasion of privacy, as it is of other items. Second, the intent of the proposed new legislation is to allow individuals to decline to answer questions and some will decline; all voluntary surveys encounter the problem that some people do not respond. Nonrespondents are likely to differ from respondents. For example, they may be concentrated in the upper income groups. The more the public becomes aware that response is voluntary, the greater is likely to be the rate of nonresponse. At best, it will be impossible to be sure that census data are unbiased. At worst, the data collected may in fact be seriously biased and misleading. If any campaigns to encourage nonresponse were to be directed to particular groups—occupational, racial, religious, or any other—or were to be concentrated in particular geographic areas, biases in the census could be not only intolerably large but so obvious as to destroy the credibility of census data—and rightly so.

Bias in the results of the decennial census would not only impair the value of the 1970 data and the possibility of tracing changes in our society by comparison of 1970 and earlier census results. The future reliability of most data that are collected by sampling households or individuals would also be compromised, because decennial census data are commonly used to assure that samples are representative, and to establish universe totals to which samples are controlled. Much of the information on the population and the economy that is collected regularly and currently is of this character.

Plans for the 1970 census have been carefully drawn to minimize the burden on respondents. This burden is no greater than in past censuses and is imposed only once in ten years. We wish there were a way to avoid compulsory reporting without damage to the flow of necessary information, but we know of none.

Failure to use the occasion of the decennial census to obtain complete and unbiased information would throw away the one opportunity to get information that is essential for the analysis of a wide range of major policy questions. We urge, in the public interest, that the Subcommittee on Census and Statistics disapprove the bills that would limit the mandatory responses. We recommend that the 1970 census be conducted as planned.

Sincerely yours,

Gary Fromm, Benjamin Okner, Arthur M. Okun, Joseph A. Pechman,
Edward F. Denison, Charles L. Schultz, Walter S. Salant, Henry
Aaron, Alice M. Rivlin, William M. Capron, Lawrence B. Krause,
Wilfred Lewis, Jr., John A. Brittain, Merton J. Peck, Wilfred
Owens, *Senior Fellows, Division of Economic Studies.*

NATIONAL GOVERNORS' CONFERENCE,
OFFICE OF FEDERAL-STATE RELATIONS,
Washington, D.C., May 1, 1969.

HON. HERMAN E. TALMADGE,
*Chairman, Subcommittee on Economic Statistics,
Joint Economic Committee,
Washington, D.C.*

DEAR MR. CHAIRMAN: Enclosed is a copy of a letter addressed to the National Governors' Conference by Governor Keith H. Miller of the State of Alaska. This letter expresses the Governors' concern with the many bills that have been introduced which would delimit the census and Alaska's need for census data.

Since the first two days of the Subcommittee's hearings on "Progress Report on Key Areas of Federal Statistics to Meet the Needs of Public Policy" were devoted to an inquiry of the nature and necessity of certain census questions, the Governor has asked me to relay a copy of his letter to you and respectfully requests that it be made a part of the record of the hearings.

Sincerely,

ARLENE T. SHADOAN, *Special Assistant.*

STATE OF ALASKA,
OFFICE OF THE GOVERNOR,
Juneau, April 8, 1969.

NATIONAL GOVERNORS' CONFERENCE,
*Office of Federal-State Relations,
Washington, D.C.*

GENTLEMEN: As Governor of Alaska, I feel it is of utmost concern that I express my immediate concern regarding the proposed limit on the 1970 decennial census of population and housing.

Alaska has unique problems of size, isolation, diverse cultures, communication and transportation. Comprehensive census data is imperative so knowledgeable State planning can be carried out. As examples, this data is needed for planning educational facilities. Labor needs this data for determining employment trends and needs and to determine where training could be instituted. Housing and health needs are another area and the list goes on. Our State departments need information sources that now exist.

I strongly feel that the National Governors' Conference should not only oppose the limited census but give considerable thought to backing a five-year census to provide the valuable data which is so badly needed.

Best personal regards.

Sincerely yours,

KEITH H. MILLER, *Governor.*

YALE UNIVERSITY,
DEPARTMENT OF ECONOMICS,
New Haven, Conn., April 28, 1969.

HON. HERMAN TALMADGE,
*Chairman, Subcommittee on Economic Statistics,
Joint Economic Committee of the Congress,
Washington, D.C.*

DEAR SENATOR TALMADGE: Bills that are now being considered by Congressional committees would place severe limitations on the Census of Population, particularly as concerns the number of questions that would have to be answered by households. I take the liberty of submitting the present testimony to your Subcommittee as a citizen engaged in the teaching of economics and in research, but not in the name of any organization with which I am associated. In particular I am not testifying in the name of the American Economic Association of which I am this year's president, nor, of course, in the name of Yale University on the faculty of which I serve as professor of economics.

It is my conviction—

(a) that limiting the "mandatory" Census questions to a small number would be very harmful to economic research and would increase considerably the difficulty of reaching rational decisions in matters of economic policy;

(b) that the questionnaire which the Bureau of the Census now plans to use in the 1970 Census of Population is not objectionable;

(c) that nevertheless the problem of creating safeguards against possible misuses of authority in the future is an important one, and that it would be desirable to provide for a regular and systematic Congressional procedure by which future questionnaires would be examined and, if not found objectionable, would be approved;

(d) that the same safeguards would be desirable in relation to any questions the answers to which might be made optional as are in fact desirable in relation to questions the answers to which are mandatory, and that therefore answers to all questions that are not considered objectionable should *remain* mandatory;

(e) that, as concerns noncompliance, the jail penalty now in the statutes should be removed, and penalties should consist of fines.

I will be brief in trying to explain and to justify these views.

As for (a) and (b), the problem here of course is one of weighing privacy against the need to collect information on matters of legitimate public concern. Consequently, judgments such as mine are necessarily personal. Indeed, with respect to the specific questionnaire the use of which in the 1970 Census of Population is planned by the Bureau, such judgments are necessarily of *ad hoc* character. This must be admitted. Yet while I do not believe to be insensitive to arguments relating to the importance of protecting the privacy of citizens, I do not feel critical of the 1970 "Population" questionnaire. It is my conviction that it would be wrong to interfere with the plans of the Census Bureau in this regard.

As concerns (c) and (d), it seems obvious that anyone of us could formulate questions the answers to which would be of interest to researchers and which the government of a free country should nevertheless not ask its citizens to answer. The fact that many observers, including myself, do not detect such questions in the 1970 questionnaire, does not in itself create safeguards for the future. I believe that in the future a Congressional committee should examine the Census questionnaires in detail, and that in the course of its procedure the committee should pay due attention to the views of technical experts as well as of representative citizens from various walks of life. On the committee level approval should, in my opinion, not simply be a by-product of the activities of the Appropriation Committees of Congress, though I would hope that Congress itself, after receiving the reports of its committees, could express itself on the merits of the Census projects merely by way of the appropriation procedure. Unfortunately, my familiarity with the Congressional facts of life is quite insufficient for making suggestions about procedural details, so that in the preceding sentences I merely tried to express the essentials of a conception.

It follows from what I said above, that I hope that a questionnaire such as that planned for the 1970 Census of Population would pass the procedure I have in mind. In the future some questions that might come up for consideration could indeed be found objectionable and it is my conviction that these should not be *asked*, not even as "optional" questions. From the point of view of the households I see merely a small difference between exposing citizens to such questions in an "optional" way, and insisting on an answer. It is on the level of questioning itself that the citizen needs protection against objectionable intrusions into his privacy. While thus the bearing on privacy of the difference between mandatory and optional questions seems rather small to me, the bearing of the same difference on the usefulness of the data could be very large. Highly incomplete data, with an unknown relationship between essential variables and the willingness to provide the information, could render the statistical materials practically useless. I am inclined to the view that if a question is found objectionable it should not be asked in the Census, and if the question is approved, answering should be made mandatory.

As concerns (e), the fact that jail penalties are never imposed on violators of the mandatory provisions of the Census indicates that the prevalent value judgments of the country militate against inflicting jail penalties in such cases, as indeed my value judgments also would, and it is my conviction that under these circumstances such penalties should be removed from the statutes. I consider it wrong to expose the population to a threat the emptiness of which is clear to the sophisticated but is likely to be unclear to a large number of uninformed individuals. Statutory penalties should, in my opinion, be limited to fines.

With expression of my respect, I remain, Sir,

Very sincerely yours,

WILLIAM FELLNER.

CITY OF ATLANTA,
CITY HALL,
Atlanta, Ga., May 5, 1969.

Hon. HERMAN TALMADGE,
U.S. Senate,
Washington, D.C.

DEAR HERMAN: As you know, legislation has been introduced in the Congress to seriously limit the number of "mandatory response" items in the 1970 Census. This legislation was proposed by Congressman Jackson E. Betts of the Eighth District of Ohio, and is now supported by more than 114 Congressmen. I am seriously concerned about the passage of such legislation as it would severely handicap the efforts of the City of Atlanta in many areas.

One goal of the City of Atlanta is to become a truly national city. Without comparable data which reveals our strengths and weaknesses relative to other cities of the Nation, it is impossible to measure our progress towards our goal and make further plans to reach it.

In developing these plans and programs for such activities as economic development, neighborhood improvement, and in designing adequate community and transportation facilities, current, accurate statistical information is an absolute necessity. For the City to engage in data collection activities of the required magnitude would be prohibitively expensive, and because of the inability to locally enact and enforce "mandatory response" requirements, statistical accuracy would be highly questionable. Obviously, no acceptable alternative exists to the present method of collecting data using the Bureau of Census.

I don't believe that present census activities can be considered an unwarranted invasion of privacy. The unblemished record of the Census Bureau for maintaining the security of confidential records makes this especially true. Certainly, the many private investigations today of families and individuals far exceed the Census in invasion of privacy and the public benefit, if any, is nowhere near comparable.

I hope you will keep Atlanta's interest in mind as this legislation is reviewed by your joint subcommittee.

Sincerely,

IVAN ALLEN, Jr., Mayor.

COLUMBUS-MUSCOGEE COUNTY PLANNING COMMISSION,
Columbus, Ga., May 16, 1969.

Hon. HERMAN E. TALMADGE,
Chairman, Subcommittee on Economic Statistics,
Joint Economic Committee, Washington, D.C.

DEAR SENATOR TALMADGE: It has come to our attention that considerable legislation has been introduced in Congress which would severely limit the 1970 census. The purpose of this letter is to illustrate to you how one person in a local public office utilizes the census and why it is extremely important that the census not be altered in content or format.

First, let me admit that nothing annoys me more than someone badgering me at night or on the weekends to "answer a few questions". We have lived at our present address in Columbus, Georgia for over a year during which time at least fifteen different companies or agencies tried to solicit information about our family. I imagine that the information received, as is that received by credit card companies and credit bureaus, is not confidential for, unlike the census, it is available for the asking to almost everyone. If Congress is concerned with the invasion of privacy, I feel time could well be spent investigating the credit industry and the home interview-questionnaire companies.

Due to my own reluctance to give out personal information, I can easily understand concern on the part of many over the census. However, I think this concern is based more on ignorance than knowledge for anyone at all familiar with the actual U.S. Census would realize that the document is not only confidential but that no information is even included if the source in any way can be identified. For example, if only one industry in a category exists in a census tract, information about it is not included except where it is grouped at a city, county, SMSA, state or national level. Nowhere is information about it directly revealed.

I have personally used the census extensively both in graduate school and as a professional working for federal, state, regional and local government. The U.S. Census provides urban planners with the only sound basis of studying and analyzing an area. Historical trends are seen by comparing census information over 10, 20, . . . 60 year time periods. Any change within the census, for example, definitional, information groupings, makes an analysis of historical trends more difficult. Elimination of the material would make comparisons impossible, and projections therefore would be based on conjecture, not fact.

As you are perhaps aware, Columbus, along with other major metropolitan areas, is involved in an extensive area transportation study. The socio-economic data required for us to prepare for the State Highway Department is very comprehensive. In our case, the base year date was 1965 with projections being from 1970-1985. Data involved population, housing, family income, employment, floor space square footage, residential density, etc. Our projections were based on the 1950 and 1960 census and a 1965 questionnaire-interview. We plan to compare our 1970 projections with the 1970 census and adjust the projections accordingly. If Congress alters the content or format of the census, its usefulness to our office and every conscientious public office in the U.S.A. would be substantially lessened. Conceivably, each city and county would have to sponsor its own survey to find out the facts. This would be necessary to satisfy the Federal requirements for almost every federal aid program to local areas.

There is no advantage, in my opinion, in having each city and county do its own survey in addition to the U.S. Census. There is no guarantee of quality control, and no guarantee of confidentiality. Comparisons between cities and other areas would lose their validity unless all surveys were uniformly designed and carried out. If that is the case, why not stick to the census?

By definition the census is a factual gathering of information. Its value is enormous. Every day businessmen, students, newspapermen, government officials and interested citizens call and ask us for census information. It would make our work multiply several times in time, effort and money to provide the same information to the public if we had to survey the area every ten years. The Census is a proven, factual backbone on which many people and agencies rely heavily. Certainly professionals in the planning field would find it difficult to form competent plans without extensive use of the U.S. Census.

Although I am only one person writing you, I am sure that if the people who daily call our office and use census material realized the legislation pending in Congress restricting the 1970 Census they too would join me in asking you to oppose this legislation and support the 1970 U.S. Census as a sound, trusted document without restrictions.

I apologize for the length of this letter. Limiting the Census is a serious matter. I hope this letter will give you an idea of how important it is to keep the questionnaire intact.

Respectfully,

Mrs. SUSAN W. THORESEN, *Associate Planner.*

PURDUE-CALUMET DEVELOPMENT FOUNDATION,
East Chicago, Ind., May 14, 1969.

HON. HERMAN E. TALMADGE,
*Chairman, Subcommittee on Economic Statistics,
 Joint Economic Committee,
 Washington, D.C.*

DEAR MR. TALMADGE: Our work is concerned with improving the Calumet area in which we are located—an area that very much needs improvements. A serious obstacle in carrying out this work is the existing inadequacy of factual information. Our chief source of reliable comprehensive data has been the U.S. Census. Restrictions on the Census now being proposed in Congress would impede our activity, and in certain instances make it extremely difficult to carry out.

We, therefore, urge you to oppose the proposed changes so that the 1970 Census may proceed as formulated by the Department of Commerce.

Sincerely,

ARTHUR BASSIN, *Director of Planning.*

MAY 20, 1969.

POPULATION RESEARCH & TRAINING CENTER,
 AND CHICAGO COMMUNITY INVENTORY,
 UNIVERSITY OF CHICAGO,
Chicago, Ill., May 14, 1969.

HON. HERMAN E. TALMADGE,
*Chairman, Subcommittee on Economic Statistics,
 Joint Economic Committee
 Washington, D.C.*

DEAR MR. CHAIRMAN: On behalf of the Census Advisory Committee of the American Statistical Association, I am transmitting to you a copy of a statement which the Committee adopted at its meeting on April 25, 1969. A copy of the membership list of this Committee is also enclosed.

Your consideration of the Committee's position with respect to the 1970 census will be greatly appreciated.

Sincerely,

PHILIP M. HAUSER, *Director.*

STATEMENT OF THE CENSUS ADVISORY COMMITTEE OF THE AMERICAN STATISTICAL
 ASSOCIATION ON THE 1970 CENSUS

The American Statistical Association, a national organization of professional statisticians in the physical, biological, and social sciences, has a standing committee of selected members to advise the Bureau of the Census on its technical approach to data gathering and reporting. This Committee has carefully studied the plans for the 1970 census and has determined that they are fundamentally sound and well designed to meet the Nation's needs without undue respondent burden and with trustworthy protection of privacy.

The needs for complete coverage and consistent data for small geographic and political areas as well as for the Nation as a whole make it necessary, in the considered opinion of experienced survey technicians, to preserve the principle of legal requirement to answer census questions. Without such legal backing, the census would be like other voluntary surveys which even with high collection costs cannot yield information reliable and uniform enough to serve the statistical benchmark functions of the census.

The Committee has taken note of the changes recently announced for the 1970 census, and considers them the maximum modification compatible with efforts to maintain the census as an effective instrument of public policy. Any further reduction in the sampling rate for the census will make the sample too small to produce many types of data for use by Federal, State, and local governments and the public.

This country has been the beneficiary of a long tradition of continuity in its censuses. In addition, it has benefited by developments, especially in the last several decades, that have notably improved its entire statistical system while affording greater privacy protection and reducing respondent burden. The census over the decades has established an excellent record in providing the Nation

with basic information of great utility for public policy and administration. The 1970 census inquiries do not differ significantly from those of previous censuses and, in fact, are less demanding than some of the earlier censuses. Current concern over invasion of privacy had its inception, not in census statistical undertakings, but in certain other types of information gathering and use. It would be most unfortunate if measures to protect privacy were misdirected to the detriment of census and other statistical activities that serve the public well.

MEMBERSHIP CENSUS ADVISORY COMMITTEE OF THE AMERICAN STATISTICAL ASSOCIATION

CHAIRMAN

Philip M. Hauser, Director, Population Research and Training Center, University of Chicago, 1413 East 60th Street, Chicago, Ill. 60637.

OTHER MEMBERS

William F. Butler, The Chase Manhattan Bank, One Chase Manhattan Plaza, New York, N.Y. 10015.

Edward F. Denison, Brookings Institution, 1775 Massachusetts Avenue, NW., Washington, D.C. 20036.

Jacob J. Feldman, Department of Biostatistics, Harvard School of Public Health, 1 Shattuck Street, Boston Mass. 02115.

Ramanathan Gnanadesikan, Statistics and Data Analysis, Research Department, Bell Telephone Laboratories, Inc., Murray Hill, N.J. 07971.

Douglas Greenwald, Chief Economist, McGraw-Hill Publications, 330 West 42nd Street, New York, N.Y. 10036.

Lester S. Kellogg, Lecturer in Economics, Wofford College, Spartanburg, S.C. 29301.

John W. Kendrick, Professor of Economics, George Washington University, Suite 510, 1145 19th Street, NW., Washington, D.C. 20036.

George M. Kuznets, 207 Giannini Hall, University of California, Berkeley, Calif. 94720.

James N. Morgan, Program Director and Professor of Economics, Survey Research Center, University of Michigan, Ann Arbor, Mich. 48106.

Rudolph Oswald, Economist, Department of Research, American Federation of Labor and Congress of Industrial Organizations, 815 16th Street, NW., Washington, D.C. 20006.

Chester Rapkin, Professor of Urban Planning, School of Architecture, Columbia University, New York, N.Y. 10027.

Chairman TALMADGE. If there are no further questions, the subcommittee will stand in recess until 10 o'clock tomorrow morning.

(Whereupon, at 11:50 a.m., the subcommittee was adjourned, to reconvene at 10 a.m., Thursday, May 1, 1969.)

REVIEW OF FEDERAL STATISTICAL PROGRAMS

THURSDAY, MAY 1, 1969

CONGRESS OF THE UNITED STATES,
SUBCOMMITTEE ON ECONOMIC STATISTICS
OF THE JOINT ECONOMIC COMMITTEE,
Washington, D.C.

The Subcommittee on Economic Statistics met, pursuant to notice, at 10 a.m., in room 3110, New Senate Office Building, Hon. Herman E. Talmadge (chairman of the subcommittee) presiding.

Present: Senator Talmadge.

Also present: John R. Stark, executive director; James W. Knowles, director of research; and Douglas C. Frechtling, minority economist.

Chairman TALMADGE. The subcommittee will be in order.

Yesterday the subcommittee heard testimony from three outstanding witnesses. Congressman Betts testified about his objections to the questions asked on the 1970 census. Secretary of Commerce, Mr. Stans, defended the questions of the 1970 census, and the procedures used in collecting census data. Mr. Paul McCracken, Chairman of the Council of Economic Advisers, emphasized the importance of reliable census data in the management of economic affairs. I believe that yesterday's hearings were most productive. The subcommittee was able to throw considerable light on the aspects of the 1970 census which most concerned the American people.

Today, we will hear from nongovernmental users of the census data. Our leadoff witness will be Mr. Martin R. Gainsbrugh, senior vice president of the National Industrial Conference Board.

You have been with us many times, Mr. Gainsbrugh. We welcome you back.

STATEMENT OF MARTIN R. GAINSBROUGH, SENIOR VICE PRESIDENT, NATIONAL INDUSTRIAL CONFERENCE BOARD

Mr. GAINSBROUGH. I appear here today as a long-time user of the census data, and representing an institution that has the highest of admiration for the census; namely, the National Industrial Conference Board.

To reminisce a bit personally, in the early 1930's I cut my eye teeth on census data. I had just completed my work at Columbia University, and my dissertation was on high-level consumption. It took some courage at that time, Senator, with 10 to 15 million people unemployed, to be talking about what was going to happen over the next 10 or 20 years in terms of the demands that would emerge as America's consumers as they moved up in the income ladder.

And I built this benchmark of consumer economics around the censuses. It is still one of the standard treatises in the field. I am stressing from the outset, you see, the census as one of the major sources that we have used for understanding the processes of economic growth, and for building up, as they are now termed, models of the future.

I have a statement here that I have prepared, and I would like to go through it, if that meets with your approval.

Senator TALMADGE. You may proceed any way you see fit, sir.

Mr. GAINSBROUGH. Thank you.

I have been a close observer of three decennial censuses now, the 1940 census, the 1950 census, and 1960 census. The good Lord has now permitted me to see even the 1970 census in its early stages as it is being unveiled. More criticisms have been levied at the 1970 census than at any previous census. That may undercut cooperation on the part of the people who will be responding to the census, unless they understand the usefulness of this information once it is collected.

The functioning of an advanced and complex nation such as the United States depends very critically on accurate, up-to-date information. Neither the public nor the private sector can be efficient without reliable information on which to base decisions.

We are indeed fortunate, because ours is the best system of economic intelligence in the world, and in good part because of the contribution the census has made. One of the reasons why we have been so successful in fighting the problems of the business cycle is that we have spent as much time as we have developing this system. Now that we have made considerable progress in dealing with the problem of business cycles, we are moving on to the problem of stabilizing economic growth and achieving a desirable rate of economic growth without inflation. There again it is important that we have a continually improved system of economic reporting.

One of the great differences between the United States and other Western nations is the fact that we have had 18 trustworthy decennial censuses that produced data which business and government could use to plan and efficiently direct their operations. While the needs of the economy for information were very great from the first census throughout our history, the situation today seems to be most critical.

In respect to the need for data, you will hear from the other members of this panel as well as myself about social and economic pressures and the tensions in this Nation, particularly in our cities. They are reflected in the problems of education, employment, public welfare, and housing, all areas for which the census has in the past provided essential knowledge, and for which it proposes to provide even more essential knowledge in connection with the 1970 census.

I might add too that we are beginning to rethink our national manpower policy—and I will stress this as I advance my testimony—particularly the problems of structural and hard core unemployment. There again we need far more information. And here I speak with a degree of experience as a past member of President Kennedy's Committee on Employment and Unemployment. The need for more data about the hard core and structural unemployment is greater than ever before in the past. And the missing data can come only from the census.

The Government and private business alike require masses of detailed data about our people, their income, their spending habits, in order to conduct their operations efficiently. Reliable data on work force and market information are invaluable for making decisions about plant location, on the construction of transportation and communication facilities and, of course, the critical decisions about where to market one's product.

Business and government, scholars and administrators, planners and managers, all eagerly await the new figures from the 1970 census. These will help make our society function more efficiently in its social and economic aspects.

We have given a label to the 1970's which bears in part on the problems we have been discussing. We have called the decade ahead the socially sensitive 1970's, in which industry as well as government will be paying ever more attention to our societal problems.

So much for a general preamble.

Now, several proposals have been made which, if accepted, could jeopardize the success of the 1970 census. These proposals are familiar to you and call for a radical departure from the method by which every census since 1970 has been collected—namely, changing responses from a mandatory to a partly voluntary basis. The suggestions range from taking only a head count in the census, through making only a small number of demographic questions mandatory, to eliminating completely a large fraction of all questions. Proposals to reduce the number of sample respondents have also been made but I shall leave this technical question of necessary sample size to others and concentrate on the problems of mandatory response and the value of individual questions.

The mandatory response of all previous censuses has had a number of salutary effects. The principal reason for mandatory response is that it insures the completeness and accuracy so essential for the purposes to which the census information is put. The most important of these applications is, of course, the reapportionment of the House of Representatives. The voluntary response to part of the census questionnaire may very well lead to such unreliable data—and I emphasize unreliable—that even this fundamental purpose will not be properly served.

I think it should be underscored that ours is a system of largely voluntary reporting, it has been traditionally voluntary in the sense that individuals and business alike have developed an awareness on their part that they have an obligation in a democracy such as ours to contribute information which will make for more informed decisions both in Government and in business.

That is why our censuses have been so good in the past. It hasn't been through compulsion, but rather through an understanding on the part of the respondent that this was a constructive function that he could perform as an essential part of our democratic society.

This type of voluntary response to the questionnaire can be undermined by the disturbances which have been created by the emphasis upon compulsion, as if this were unique in American history relative to the census. Without such cooperation, reliance upon voluntary response to even part of the census questionnaire may very well lead, therefore, to entirely unreliable data. This can happen if either the

enumerators or the public become confused by the present criticism of census procedure, or the public becomes hostile to the entire operation.

I have now observed in a professional capacity three decennial censuses and I am observing the fourth. Never has there been such potential hostility on the part of the respondent as is beginning to well up now.

There is a basic distinction between a census, which by definition is a complete count, a global count, and other data collection procedures, such as sample surveys. In a nationwide census information of similar accuracy and validity is collected for every geographic area. In a sample survey the response may be limited or poor in some areas but this is offset by good data in other areas, so that the results can still be meaningful on a national or regional basis. That's not good enough, however, for census purposes. It is essential the census supply trustworthy information for each area as well as for the major regions or nationally.

It is the small area data that have become increasingly important as we deal with structural unemployment and with other microeconomic problems, as distinct from the macro.

The census permits research studies, projections, indicators of economic and social conditions, and policy decisions in the long, 10-year period between the censuses, to be based on reliable benchmarks. That is another invaluable purpose of the census, as a benchmark. Once again we will be checking the accuracy of the sampling procedures for many of our economic indicators against the global counts of the 1970 census.

These hearings concern the questions that the Bureau of the Census plans to ask in the 1970 census. It may be helpful, therefore, to discuss briefly the approach in the censuses of population and of housing separately and then to make some general comments.

Most of the proposals for limiting the number of required questions in the census call for making some demographic questions mandatory—age, sex, marital status, and relationship to head of household—and all other questions voluntary. The specific merit of the other questions, however, should be emphasized—in particular the question on race or color. While an inquiry on color or race may possibly intrude on the respondent's personal life, the need for knowledge on the question is very great. Many of the critical problems of our cities and rural areas cannot be fully understood without detailed knowledge on color or race. The employment, welfare, and educational status of nonwhites and the changes in their condition since the last census is basic to an understanding of many of our social problems.

Here I would like to underscore, in addition to what is in my statement, the fact that we are moving away from the conservative concept of full employment, which we placed at around 4 percent unemployment. We now propose to reduce that to ever lower levels in the 1970's, primarily through removing the structural blockages in our economy, through job training of the hard core, through better knowledge of job vacancies than currently exist, through a better match of the existing idle in the labor force and the job opportunities. So we need more detailed information and small area data rather than less relating to hard core unemployment.

When we had 10 or 15 million unemployed, it may have been sufficient from the standpoint of the public policy to have a general idea of the total volume of unemployed. But we are now trying to get below 4-percent unemployment and we need to know more about who the unemployed are, where they are, what their educational status is, why they are unemployed, and how best to motivate them.

This, then, is my reason for underscoring the need for the fine unemployment data, their educational status, both white and non-whites, and the changes in the composition of the unemployed since the last census.

Other significant questions for which a voluntary response has been proposed are those on place of birth, both of the respondent and of his parents, and the number of children ever born to female respondents.

Why do we need this information?

Planning for public facilities, in particular for educational institutions, requires accurate forecasts of population change, particularly for the kindergarten ages and below. Questions of this type are the basic ingredients in projections of the numbers and composition of those who use these public facilities.

The other questions in the census of population can be grouped under three main headings: Labor force, education, and welfare. The labor force questions are essential to obtain information on the critical questions I have underscored earlier such as unemployment and underemployment, occupation, skill and specialization, and place of work versus place of residence.

The uses of these data are manifold, ranging from that of the employment manager of the company in the local area who wishes to learn the structure of the available labor supply, to that of a local government planning transportation facilities and taxation policies for persons who reside or work in an area.

Data on the educational level of the population and the extent of enrollment in school or vocational training programs have so many uses that a complete listing would be very long. It may suffice to mention such uses as planning educational facilities, planning marketing for private companies, and comparing advantages or disadvantages open to different ethnic groups.

Finally, the basic measure of welfare included in the census of population stems from the question about income of persons in the previous year. Questions on income were first asked in the 1940 census, and I can remember the hullabaloo that arose at that particular time when it was proposed that these questions be asked.

Again, this was viewed as an invasion of privacy. As I recall, one of the devices to insure that privacy would not be invaded too closely was the flash card. The census enumerator would waive a card before the respondent and say, is your income in this particular bracket? And if it were not, he would move to another bracket and waive a flash card again. As the census actually took place, despite the concern that had been previously expressed, there was surprising cooperation in terms of the income data that was provided by the respondent. And the Census is the frame around which our knowledge of family income distribution has been built in this country ever since. It has aided us immeasurably in the war on poverty.

To repeat, these questions on income were first asked in the 1940 census, and encountered much the same degree of opposition as is currently arising in connection with some of the questions that I have discussed earlier that have been in the census in the past and are being repeated in the 1970 census.

These questions on income have proven invaluable to the public and private sectors in the three decades following that census. A few applications are to learn the distribution and characteristics of persons living in poverty in various geographic areas of the Nation; to plan taxation by State and local governments; and to market the products of industry more effectively.

In the 1970 Census of Housing, a number of questions are asked on the facilities of the household. This is of great value in determining the living levels of the population and extent to which public and private efforts must be exerted to improve the facilities available in specific geographic areas.

Related questions on the value of the property, or the rent paid, will give additional information on the quality of the housing unit and on the welfare of the residents in the unit. The appliances available in the housing unit provide measures of the welfare of the residents and also have valuable uses for planning power facilities and distribution and for marketing the appliances themselves.

As you know, the massive nature of the decennial census means that planning and preparation must begin several years in advance in order to insure the success of the entire operation. A staff of temporary enumerators, 150,000 strong, must be trained to perform this very important, complex job. They must understand their task thoroughly and must be able to convey to the entire population, clearly and unambiguously, the purpose and type of information required. Once an operation of this magnitude is begun, and enumerators are in the field, there is no way of turning back, no way of correcting errors in planning, or of adjusting for mistakes in survey design. If the census were undertaken in a way which turned out to be ill advised, producing a low rate of response, the entire operation might verge on failure.

Basic needs for important information could not be met, possibly for another 10 years. The thought of such a possibility is somewhat staggering. Lack of dependable data on which the Nation must base its actions would be serious, in terms of both production and well-being.

In my considered opinion the risk is real. The potential damage to our system of economic and social intelligence must be carefully weighed against the possible gains that may arise through departing from tradition and making part of the response to the census voluntary. There is, in fact, a built-in equity in a mandatory census. Each person is required to furnish the same information. He cannot, therefore, feel that he is being discriminated against when he is asked to furnish information on his education, income, family status, housing conditions, and the like.

Finally, some comments on the quality of confidentiality of the census.

I can assure you from three decades of personal experience that the employees of the Census Bureau carry out their mandate to protect the confidentiality of the responses to the letter.

I might also say, and have said, ad nauseam. Their zeal in safeguarding confidentiality has often been exasperating to me and to a legion of other researchers or businessmen who wish to obtain more specific information than appears in census applications. However frustrated I and others have been by this zealous attitude, we cannot help but admire the purpose and highly professional motives which inspire it. Those of us outside Government who have worked with the census have learned to respect its seal of confidentiality and would have no hesitation in responding to any of the questions that are planned for the 1970 census because of the fear of disclosure.

In summary, the decennial is too vital a source of essential economic, social and demographic data to risk a failure.

All of us are anticipating ever greater growth in the 1970's than in the 1960's. But this will be true only if we continue to transform our people who will be flooding into the labor force in the 1970's into ever more productive resources.

Absence of the information we traditionally have grown to expect from the census, or even a substantial delay in obtaining it, could do great damage to this Nation's potential economic growth in the 1970's. After 180 years of experience with the Census Bureau, this Nation is warranted in relying on its know-how, its expertise, its professional integrity and its unbroken seal of confidentiality.

Thank you.

Chairman TALMADGE. Thank you very much, Mr. Gainsbrugh.

I think we will proceed this morning to hear all the testimony and ask questions after it has been concluded. And some of you may want to comment on some aspects when the questions are asked.

The next witness is Mr. John Gunther, executive director, the Conference of Mayors of the United States.

We are very happy to have you with us, Mr. Gunther.

STATEMENT OF JOHN GUNTHER, EXECUTIVE DIRECTOR, CONFERENCE OF MAYORS OF THE UNITED STATES

Mr. GUNTHER. Mr. Chairman, I am pleased to appear before you this morning on a subject of basic importance to city governments, I should say all local governments. Even though I appear here as an individual, the two organizations of city government with which I am associated—the U.S. Conference of Mayors of which I am executive director, and the National League of Cities—are extremely interested in a 1970 census which will deliver the great bulk of data needed to plan for the urban environment of the 1970's. In fact, for many city governments, particularly smaller ones, the census represents the only practical means of gathering accurate data on a basis of comparability. Individual highly costly surveys conducted by individual communities are not acceptable alternatives. It is essential that the data produced in the census be reliable and complete in terms of providing a social, physical, and economic profile of our cities and towns.

The statistics provided by the census are put to a multitude of uses by local governments, including research, planning, and participation in Federal programs. City officials, it must be recognized, have a basic and irrevocable responsibility to serve their citizens in an effective and efficient manner.

The role of city governments has gone far beyond that of simple housekeeping. That is, collecting trash and garbage, repairing streets, and so forth. This role has expanded into the complex areas of total environmental planning and social services. Hence our officials have become intimately involved in the development and utilization of our full human potential and economic resources. To perform this task then, the city official's most essential tool is readily available, reliable accurate demographic, economic and environmental data such as are provided in the census.

Last week there were 10 mayors invited to meet with the President and the Vice President. And since I knew I would be here this week I had the opportunity to discuss with them what it is that they really get out of the census other than the detailed data. And they said the big thing that they are able to get, and that their people in the cities use, is the documentation of the diversity of the country. Mayors often try to explain to their local people why they can't do something in their city that seems to have worked in some other city.

And they are at a loss to try to figure out why what is good in Detroit doesn't seem to work in Los Angeles. And one of the things we have been suggesting to them is that they are not the same places, just because they are called city doesn't mean they are the same. And the mayors know this, but they need an ability to understand it better. Some of the cities are not only older in terms of years, they have an older population, or a younger population. What you need in that city is quite different from what you might need in another.

So they told me to stress here today that the census really doesn't show how much alike we are, it permits us to know how different we are in small units across this country, and to adopt our national programs to really meet the true situation that exists in that community. And we need this comparability or we can't do this tailoring.

It is my understanding that the Bureau of the Census will be asking essentially the same questions in 1970 as it did in 1960. In fact, many of these questions have been a part of the census for many decades. We also understand that greater use will be made of the mail and of statistical sampling procedures for easing the burden of response on individuals. The average person may have to answer no more than 26 questions in total which may require 15 to 20 minutes of his time. Those 15 to 20 minutes may save that citizen's city government months of time for program planning and execution which otherwise would have been spent in collection of data.

Let me be specific as to the use of census data. Questions relating to the family size, marital status, and divorce statistics help cities plan family services such as marriage counseling and health facilities. Questions relating to the desirability of members of the household assist in planning education, vocational training and jobs provide detailed summaries in addition to other Departments of Labor, Health, Education, and Welfare, and Commerce statistics of the educational and training needs of our citizens and, of course, as to the unemployment in various areas.

Particularly I think it is important that we know in detail the depths or the heights of unemployment in these specific areas, because, as Mr. Gainsbrugh pointed out, we are getting to very low levels of national unemployed, and therefore we must know where we have to look to

concentrate. We know, yes, it is a poor area, it is a ghetto. But we need to know in detail what is the difference between one census tract and the other as far as unemployment, so that we can start looking to the individual and the individual in a small group, so that we can tailor our program better.

Questions related to income have a variety of uses not the least of which attempt to maintain a fair and equitable tax burden and most importantly to provide essential maintenance services to those unable to afford them.

Questions relating to appliances in the household relate to the quality of housing, the inventory of adequate, safe housing, the planning of adequate water, sewage, and electrical facilities, the control of deterioration, identification of available relocation housing adequate to serve the needs of families removed from their previous dwellings, often by Federal programs, State programs, and city programs.

I believe it is also important to point out the relationship census data bears to Federal programs. As recipients of Federal aid, cities are required to provide detailed data in specific program areas. The effect of these programs has been to move cities into many new areas and, of course, has required much new data for planning purposes. This effect has been extremely beneficial of course to the cities, and has also helped insure effective use of Federal funds in local programs. We cannot now allow anything to thwart the provision of this data.

I can think of no better example for this than the model cities program. The administration announced its plans on Monday to reorient the model cities program so that cities may make citywide application in its execution. The program will now enable city officials to identify essential program needs throughout their cities and concentrate and coordinate all available Federal, State, and local services in fulfillment of these needs. The statistical needs of such an undertaking are immense as you can well imagine. The 1970 census will, therefore, play a major role both in program planning and program evaluation.

And I ought to stress the problem of program evaluation. In too many of the programs we have undertaken we really don't know where we have started, so we can't tell how far we have gone, and we are too far removed from the last census, and we really need the one that is coming up. And we will be able to measure for the 5, 6 or 7 years after this 1970 census against some real benchmarks to determine whether we have made progress.

I would be remiss not to turn my attention to a serious threat being directed at the census by certain Members of Congress.

Cities and other local governments stand to be most seriously damaged by legislation that would undermine the reliability of the 1970 census and limit the comparability of its findings with those of earlier censuses. This, we submit, would clearly result if Congress were to enact a bill like H.R. 20 or similar measures introduced this year.

Provision for mandatory reporting is essential to the completeness and reliability of the census. This has been recognized by the Congress since it first required reporting for the first census, in 1790. It is recognized even by those sponsoring the amendatory legislation, in their suggestion that response should be legally required for a few key questions. But since reliable information is also needed on various

other subjects, it would be poor policy indeed so to hamper questioning that the findings about them might be seriously incorrect as a result of incomplete and biased coverage.

Worries about abusive invasion of privacy through the census are grossly exaggerated, if not in fact wholly unfounded.

Even the National Board of the American Civil Liberties Union recently indicated as much by recommending that all questions in the 1970 census, except for that concerning race or color, be on a compulsory reporting basis. As Representative Olsen has pointed out, "there is no known case of any census employee violating his oath of confidentiality."

I would suggest, Mr. Chairman, that with respect to race or color that if it is going to be on the census it should be mandatory. It would be a mistake to intermix voluntary questions with mandatory ones.

The planned use of mail canvassing for most of the 1970 census will actually increase the anonymity and impersonality of the operation, as compared with methods used in the past.

There remains widespread public faith in the safeguard which the Congress has carefully provided to insure the confidentiality of census-gathered information. But that public faith could be seriously eroded if the Congress now—after 180 years of a different policy—were to bow to the unwarranted fears of a tiny minority of the population, and thereby greatly hazard the assembling of statistics that are important for intelligent, fact-based administration at every level of government.

None of us are particularly happy with the inevitable invasions of individual privacy which have accompanied population growth; however, I would suggest that the census presents a very minor part of this invasion and that those invasions by totally unregulated but dominant private investigatory enterprises such as credit bureaus are the real threat.

Thank you, Mr. Chairman.

Chairman TALMADGE. Thank you very much for a very fine statement.

The next witness is Mr. Harold W. Watts, director of the Institute for Research on Poverty, University of Wisconsin.

We are very glad to have you with us, Mr. Watts.

STATEMENT OF HAROLD W. WATTS, DIRECTOR, INSTITUTE FOR RESEARCH ON POVERTY, UNIVERSITY OF WISCONSIN

Mr. WATTS. Mr. Chairman, I am indeed grateful for the opportunity to testify here today concerning the importance of the U.S. census, and the requirements for continuation of its authority and integrity.

The value of an unquestioned set of basic facts about our national, State, and even neighborhood populations has, perhaps, been lost sight of recently, because it has come to be taken for granted. But let us consider for a moment how much of our policy would necessarily be based on the myth, the journalistic impression, and the lobby-selected example if we could not appeal in the last analysis to accurate and impartial statistics for verification or rejection of particular claims.

Being accustomed to having dependable estimates of our population, and its demographic, economic, and social characteristics, we forget

how easy it would be in their absence, to forge convincing arguments quite a distance from the truth. It is of great importance to me, and, I should think to all citizens, that there be a sure defense against such misdirected policies, whether these arise from honest mistakes or from the enthusiasm of self-interest.

It does not follow that bare statistical facts from our census lead to any particular policy, let alone an infallible one. But they do, if appropriately considered, enable us to avoid a large class of particularly wasteful and needless mistakes. They also either forestall or drastically shorten public disputes over the actual characteristics of the Nation's population as described by the census data. There are already so many considerations to be weighed in designing policies to meet our problems that it would be tragic to add to these any substantial uncertainty about simple and readily ascertainable facts.

Analysis, interpretation, and the interjection of values and priorities, are all indispensable parts of the policymaking function, and cannot be accomplished by any prespecified set of steps. But authoritative data are a prerequisite for any of them. If the public and its representatives cannot be freed from concern about the mere facts, how can they be expected to concentrate fruitfully on the further problems of policymaking?

A complete enumeration such as the U.S. census is perhaps the best among several possible ways to get accurate and generally credible information about the entire Nation or major subdivisions. But for smaller areas—cities, towns, counties, neighborhoods, and so forth—it is about the only way. I happen to be one of those who favor a substantial decentralization of planning, managing, and designing public policies and institutions, but the gains of making more of Government “by and for the people” cannot be secured unless those same people have the basic facts about their respective communities.

I wish I had made a record of the occasions during the past 5 years when I was asked, by people trying to carry out the requirements of Federal programs, for help in finding out the basic demographic and economic facts about their communities—how many poor, illiterate, well or badly housed, et cetera? These people were, generally, aware of the data from the 1960 U.S. census but were searching—quite in vain—for comparable information relating to 1969, 1968, or 1967, or even something for 1965. I had to disappoint these people by telling them there was nothing since 1960 that was reliable—even for States, let alone localities. I assured them—and this was hardly comforting news—that everyone else faced the same problem in trying to comply responsibly with the call from the administration and the Congress for well-founded and documented proposals.

In a more general sense, the farther we go toward bringing modern scientific methods to bear on the problems of managing governmental operations, the greater will be our need for the special capacities of the U.S. census.

It is simply that no other source of information offers the freedom from nonresponse distortions in data that can support small-area generalizations.

It would be impossible to provide a wide range of statistics on any reliable basis for small areas, if response were voluntary. For one

thing, it would require far more highly capable interviewers than, in fact, exist. To try to combine, in one canvass of the traditional sort, both compulsory and voluntary questions would almost certainly make the voluntary responses worthless. It would also probably create enough public misunderstanding and confusion to make even the answers to the mandatory ones unreliable.

Moreover, even if they were reliable, the value of reliable data giving only counts by age, sex, marital status, and kinship would be extremely small in terms of our public policy and administrative needs.

The fact that the census is a complete enumeration is one of its greatest strengths. But this same fact means that it must rely on a huge temporary organization of briefly trained and slightly experienced enumerators. That the Bureau is able to carry out such an assignment every 10 years and produce information of unchallenged validity is in no small part due to two important provisions: (1) a provision which compels everyone to answer duly authorized questions, and (2) another which obliges the Bureau and each employee to hold information on any individual in the strictest confidence. Having this unusual power and obligation the Census Bureau is able to provide a firm statistical foundation for policy in an economical and efficient manner.

Without them, its findings would be subject to challenge by any survey organization who felt it had a better solution to the non-response problems; and the whole structure of survey measurement, private as well as public, would be without firm benchmark standards for validating sample surveys.

INTRUSION INTO PRIVACY?

Both the unblemished record of the census in maintaining the confidentiality of individual responses and their acute sensitivity to problems of offending their respondents' sense of privacy add up to an extremely minor intrusion—as is witnessed by a long history of cheerful compliance on the part of the public. When this is set against the immense actual and potential benefits both in terms of more efficient public programs and private activities, I find a major and debilitating change in the law—such as has been suggested—a very disheartening prospect.

Certainly the census, in the interest of maintaining the highest standards of accuracy, must in fact rely heavily on the voluntary cooperation of almost all of its respondents. This effectively prevents queries which are offensive to any substantial fraction of the population. The census recognizes that the information will be useless if they cannot expect a free and accurate response from virtually everyone. Moreover, the capacity of a questionnaire which does not tax the respondent's patience is well known to be extremely limited relative to the needs for information. There is, therefore, intense competition for inclusion among different sets of highly useful information. This, too, militates against any proliferation of doubtful or frivolous inquiries.

The questions on the census have met very severe tests, both of seriousness of purpose and acceptability. There is, moreover, every

reason to expect that the motivation of the census toward the highest standards of accuracy will be sufficient to maintain the force of these tests in the future.

MORE FREQUENT SURVEYS

The benefits of the census in the form of accurate and geographically comprehensive data are so impressive, indeed, that I would press the case for a more frequent canvass. We emphatically need more frequent rather than reduced in size decennial censuses.

Consider the plight of someone who attempts to determine whether Headstart is reaching a large or small fraction of the disadvantaged children who are eligible for it. He can use current population survey data to get an answer for the whole country, and for other large aggregates such as regions or metropolitan areas. But if he wants authoritative data on smaller areas he can only go back to the 1960 census which is well before the current Headstart youngsters were born.

This general problem becomes very acute for any designer or administrator of public programs—or any evaluator of them—toward the end of each decade. The preceding decennial census refers to the population status as of spring 1960—some things such as income are for 1959. This makes these data about 9 years old and it will be at least 2 years more before most of the next census tabulations will be available for use.

I can think of no more promising measure for improving the quality and effectiveness of public programs than change to a 5-year census cycle. As the pace of movement and change becomes more rapid in our society, and as we seek ever higher standards of efficient performance in public and private activities at all levels, there is a growing need for timely and accurate information. If we seriously expect more of the initiative and responsibility to be placed at the local levels, then we must try to insure that they will have the information they need to do a good job. At the present time this information is plainly inadequate.

CONCLUSION

I do not think a mandatory obligation to answer the decennial census is something to be taken lightly—it is a real power and is capable of abuse. But I feel that we have, in this country, a Census Bureau and a tradition which has used that power with the utmost circumspection, and seems likely to continue to do so. With this power they have secured another important value—the freedom from uncertainty, doubt, and suspicion concerning official and unofficial statements about the status of the population. I think the proposed legislation would virtually paralyze the census in obtaining this valuable information and even in performing its constitutional duties.

I would like to conclude by introducing into the record a letter that I wrote to Secretary Stans—on behalf of the 133 economists who are members of the Conference on Income and Wealth—expressing emphatic support of his position that the census must remain compulsory.

Chairman TALMADGE. Without objection the insertion will be made. (The document referred to was included in the supplementary materials submitted by Secretary Stans and appears in this volume on page 66.)

Chairman TALMADGE. And thank you for your very fine statement.

Why do you gentlemen think that there is so much hostility to the census that we haven't had before?

What is your view, Mr. Gainsbrugh?

Mr. GAINSBROUGH. I think it stems in part from the doubt that has been expressed over earlier proposals for the creation of a central data bank. There is deeper concern over the extent to which information for a given individual or for a given enterprise might then be placed in one central bank and perhaps a dossier developed for each person, with general overtones that "Big Brother" might be looking over the shoulder of each citizen, or each enterprise. This type of concern, I think, has developed and is widespread.

Therefore I think it is extremely important that the confidentiality of the census, the 1970 census, be stressed even more than in the past.

I would like in that connection, if I may, to direct attention to a report that came out in October of 1968 "Government Reports and Statistics," the interim report of the Select Committee on Small Business of the U.S. Senate. In it this following statement appears on confidentiality:

The Special Subcommittee on Invasion of Privacy of the House Committee on Government Operations held a series of hearings relating to threats to invade the privacy of individual and business firms in 1965 and 1966, and has continued its investigations in these matters. The subject has also been examined from time to time by a committee of the Senate, notably the Subcommittee on Constitutional Rights of the Judiciary Committee and the Post Office and Civil Service Committee, the latter specifically relating to the confidentiality of census reports.

So far as the business unity is concerned, on the whole, Federal agencies have zealously observed—

This is the conclusion, you see—

the confidentiality of information entrusted to them in both compulsory and voluntary reporting systems. Federal administrators well understand that without confidentiality and privacy safeguards an entire reporting system could be jeopardized. For this reason in the past statistical agencies have gone to the courts to defend themselves against demands made by regulatory agencies for individual firm data.

This is a strong, positive finding, after a series of hearings, on the extent to which confidentiality continues to surround the census material.

Chairman TALMADGE. Would you like to comment on that, Mr. Gunther?

Mr. GUNTHER. Mr. Chairman, I think it is clear that these are not quiet times. Most Americans long for the quiet time the past, mostly because they have probably forgotten how unquiet they were in the 1930's.

But there is a great deal of unrest across the land. And people know that we have programs to help the poor, we have programs to get the students in the college, and when they get there, they don't act so nice. So many of our citizens think that someone or some group must be behind all this, and it is probably "the establishment." And the establishment to them is big corporate business and big government.

And they ask who really needs all this information anyway? Well, it is big corporations and big business and big government. So I think it is really the underlying unrest. People don't really understand

why we need this information. And we do know as we read the papers that there are many, many people gathering information for many different purposes. And I don't believe that the citizen is in a position to differentiate as to why it is being gathered, whether it is the census for an essentially public purpose, or whether it is the credit investigator. You can't buy insurance, you can't get a job, you can't purchase or rent a home unless somebody investigates you.

But it is hard for the citizen to tell whether these investigators are Government agents. They sort of sound like Government agents.

I guess I talk to the FBI or civil service or some military intelligence investigator at least once a week, and I have a hard time from the questions they asked knowing whether they are the Government or some private bank. And I think that the people are just sort of leery that all of this information is being gathered. We have read in the paper about the young man who lost his insurance policy because he kept a dirty house—the insurance policy on his car, not on his house.

Also, I think that this is a period where people don't like bigness.

So I think it is unrest aimed at bigness and against the establishment.

Chairman TALMADGE. Would you like to comment on it, Mr. Watts?

Mr. WATTS. I think it is from a compounding of the increasing harassments to people. I think it is rooted in both ends of the political spectrum. People imagine hostile conspiracies and worry about the accumulation of a personal dossier. Such a fear does not distinguish between the purposes of something like the census, and something where there really is a record developed that does immediately affect the options available to specific individuals. The census produces the more aggregate kind of records that are collected to guide the availability of programs to larger groups of people—typically on a non-compulsory basis. I think part of the problem is a failure to distinguish between those two kinds of things. I can become exercised, personally, about some of the intrusions that come about through non-governmental accumulations of records—particularly when there is no possibility of correcting those records.

Chairman TALMADGE. I take it from your testimony that each of you agrees that the census—the mandatory census—is the sole source of small area data. Do all of you agree that only a mandatory census can produce these data in an acceptable level of accuracy?

Mr. GAINSBROUGH. That is very important. In the event that we go to voluntary reporting, we will never have the needed or adequate knowledge of the biases of the nonrespondents, especially in these small areas. And small area data are essential for the type of planning that the mayors need for the war on poverty, and in my particular emphasis, for manpower policy purposes.

Chairman TALMADGE. Do you agree with that, Mr. Gunther?

Mr. GUNTHER. I would agree with that.

Mr. WATTS. Of course, the census is very much a solid rock on which most of the other work of a sample nature can be built. If it wasn't there much of the sample work that is done on a voluntary basis would become very much adrift.

Chairman TALMADGE. Mr. Gunther, do you have any idea of what it would cost the cities to get the information which they might need for planning, except for the census?

Mr. GUNTHER. Well, I don't think it can be done by the cities. In the first place, the data that they would have would be suspect. If I want to compare a situation in Chicago with one in Atlanta I would rather have the data gathered by an information-gathering agency which wasn't working for either one of them, because I don't really think it is practical to ask a city to follow rigid guidelines—you would have to set up some similar standards and train your collectors of the data on the same system. I just don't think that is practical.

In fact, after every census—I remember very clearly after the 1960 census, a number of our cities the mayors called me up and said, "The Census Bureau did us in." And I said, "What do you mean?"

And they said, "Well, we are much smaller than we are."

Chairman TALMADGE. Deflated the chamber of commerce's pride?

Mr. GUNTHER. Well, they were more concerned about losing the Federal and State aid which is based on how many people you have got.

And they also said, "Our population has got more money than it has got, and some of the programs are limited to helping the poor communities."

So we went back with the Bureau of the Census into several of the communities to find out. And to my knowledge there was no significant change. It was the discussion that you have had yesterday, and which we have been discussing ever since 1960, about the problem of really finding and encountering some of the people who were very poor, particularly the black inner-city male. There might have been an undercount there. But we didn't pick that up when we went back with the city people and the census people.

People who don't want to be counted seem to be able to avoid being counted.

Chairman TALMADGE. Most of the testimony yesterday, and some of it today, revolved about possible restrictions of the census. Would you comment on what improvements are needed in this important statistical field?

Any comment, Mr. Gainsbrugh?

Mr. GAINSBROUGH. I haven't as yet examined in depth the questions that are being proposed as they relate to manpower supply and manpower demand. But I have singled out in past hearings of this committee several major areas of deficiency in our system of economic intelligence. One is the need for better measures of job vacancies than we have, the creation of a job bank, as it were, so that we would know—

Chairman TALMADGE. Isn't it important to the labor movement?

Mr. GAINSBROUGH. The Labor Department has been reluctant to, until very recently. We at the Conference Board operating with funds supplied by the Ford Foundation, were the first to measure job vacancies.

Chairman TALMADGE. I thought I saw something in the press to the effect that they were going to set up a system where the unemployed would know where the job availability is.

Mr. GAINSBROUGH. The present Secretary of Labor is far more receptive to this than was the past Secretary.

Chairman TALMADGE. It seems to me that that is vital.

Mr. GAINSBROUGH. Up to this time we haven't known whether we had unemployment in this country because we lacked jobs for the un-

employed or because the unemployed lacked the skill to mesh with the existing job opportunities. Ours was a lopsided system of manpower intelligence. While we are beginning to catch up with that deficiency, it will take time.

We also need manpower occupational data in far greater detail than we have had in the past. Again, with the aid of the Office of Education, and with the Advertising Council, the Conference Board is now undertaking a new program designed to acquaint the youth of America with the tremendous job opportunities that are now available to them if they will stay in school longer and take 2 more years of education at the community college or technical school level. Surveys of job opportunities for the 1970's indicate a shortfall of perhaps a half million or more, technical assistants that are needed by our corporations.

It is in the area of manpower demand, the projection of employment requirements within Government and private industry, where better measures are sorely needed. These projections can be better meshed in the future with educational inputs. This is a serious area of deficiency in our system of economic intelligence.

Another such area is the service sector. Ours has now become a society in which more people are employed in the service industries than in all other sectors of the economy combined. And yet most of the information we get from public sources as well as from private sources still centers upon goods production in our society rather than the mushrooming service industry.

A third area is one the American Economics Association has grown increasingly concerned with, and that is our system of industrial classification. In a society in which the multi-industry, multiproduct company becomes the rule rather than the exception, our system of industrial classification that we have devised in the past verges on the obsolete.

A fourth area that Mr. Watts may wish to speak to is the need for a better bank of social and economic indicators. In the 1970's we are going to be increasingly dealing with such unresolved social problems as poverty, environmental control, the problems of the central city, et cetera. We do have a good system, and are improving it, of economic intelligence, but it would help to have a battery of socioeconomic indicators to go along with it.

These are some of the deficiencies I think that we should begin to recognize as we look to the seventies, and move from the \$100 billion economy of yesterday to the trillion-dollar economy of today. And with it Mr. Watts has already stressed the desirability perhaps of more frequent census materials than just the decennial census.

Chairman TALMADGE. Do you think we ought to have one every 5 years?

Mr. GAINSBROUGH. With the tempo of change coming as rapidly as it has, that would seem desirable.

Chairman TALMADGE. Are all of you agreed on 5 years?

Mr. GAINSBROUGH. And with the fact that we need so much more data at the local level and at the national level, there is something to be said for giving serious consideration to a natural count on a more frequent basis than 10 years.

Chairman TALMADGE. Mr. Gunther, do you have anything to add to what Mr. Gainsbrugh said?

Mr. GUNTHER. On the question of 5 years, yes; we were very disappointed that we didn't get one in 1965. And as soon as we get this matter out of the way successfully, we will start working to get the Congress to authorize and fund one for 1975. With the mobility of our population, the migration, it is not only important to know the densities and the characteristics of the population in the new places where the new people went, it is also important to know who has been left behind. And this has been very difficult to determine. And I think in addition to the manpower data, which is very important, usually—in fact, up until 4 or 5 years ago—most mayors, when we tried to tell them they should start developing local manpower programs, they sort of suggested that they didn't pay us to tell them what to do.

But now there is hardly a mayor of any substantial city that doesn't have a manpower program or at least isn't out looking for a couple of manpower experts to help him. And this expert is going to need the kind of information Mr. Gainsbrugh is referring to.

We are on various committees working with the census in developing the questionnaire. And if they had put all the questions in, that our cities asked them to, it would have been a very thick catalog of questions.

But one area which is very important to us, and where we really probably aren't going to get enough information, is the whole area of health. We need that. With the provision of the opportunity now for individuals who before didn't have the funds to purchase health services, all of a sudden we are even in greater stress, in short supply of those who render health services. And I think that in order to plan and encourage people to move into these service areas, we are going to need a lot more information as to the size of the health problem.

Chairman TALMADGE. Any comment, Mr. Watts?

Mr. WATTS. The two areas that I find most deficient are the areas of (i) income distribution and (ii) population migration. We need more detail, I think, on the sources of income that families as contrasted with data on individuals have. We also need information on their incomes over longer periods of time. One problem, certainly, is knowing how to interpret the poverty statistics. To take an example: What fraction of those counted as poor are fairly temporary? How many are, say, below the poverty line only 1 year out of five, and above it the other four, and how many are above it 1 year and below it the next? We don't have nearly as much need to know the composition of the group that finds itself below the poverty line in any one year as we do for the group which is chronically poor.

In interpreting these data we do know that there is movement from year to year of those incomes. But what are the main sources of this instability? Is it mainly wages, changes in the employment level, or does it come from sickness, what does cause this instability?

Understanding the whole process by which people's incomes get determined and get changed from period to period is very important and we need much more data to get this understanding.

Information on migration and geographical mobility is badly needed now to understand what is going on in our cities—how many of the

people in the most depressed areas of our cities are people of long-standing residence in that city, how many of them came in fairly recently, and how many really stay in that particular area for a long time. It is often very frustrating to people who are trying to improve conditions in a particular area of the city, when they provide a great deal of help to the individuals in that area but produce no visible change in the neighborhood.

The help is mainly useful in enabling people to escape the neighborhood. But if they are replaced by others, the change is unnoticed. If one only looks at the conditions in the *area* as they exist through time, we might find a very stagnant or even deteriorating situation in a case where in fact there is a substantial improvement with respect to the lives of individual people.

There is for this reason widespread confusion between the status of a particular area and the status of people.

Chairman TALMADGE. How can we move toward a reduction of the undercount of some 5,600,000 that we experienced in the 1960 census?

Mr. WATTS. I am really not very much of an expert on how one could actually find and enumerate in the proper location these additional people. It is certainly possible to estimate the total by knowing how many there were when they were 6 years old, and how many reappear again when they are 26.

Chairman TALMADGE. Would you like to comment on that, Mr. Gunther?

Mr. GUNTHER. I do know that the people at the Census Bureau have been asking the same question of everybody in the country for about 10 years, or about 8 years. And I think every economist and practitioner at the legal level has been queried. And whatever information we had has been submitted and was received with great thanks by the Bureau, because the evidence is that they have been working very hard at trying to improve that.

Chairman TALMADGE. Mr. Gainsbrugh?

Mr. GAINSBROUGH. I have nothing to add to that.

If I may, I would like to go back to your previous question for a minute, and read you a letter sent by the president-elect of the American Economic Association in which he says:

I am planning to devote two of the larger sessions to problems of primary data gathering and data use by government businesses and academic research organizations. My interest in this subject derives from the conviction that not only the future of economics as a branch of knowledge, but the successful development of modern private business and of public policies both on the Federal and local levels will, to a large extent, depend on a new more systematic and quantitatively much more massive approach to these problems.

In my reply to him—and I agreed with the emphasis he placed upon the need for better data—I said:

My initial reaction is favorable for a number of reasons that might in turn be explored. Private and public economic analysts alike, including this observer, the Council of Economic Advisers and our own Economic Forum, turned in a very poor forecasting performance for 1968. Data inadequacy for inventories, profits, capital spending, among others, were in part responsible. Most year-end forecasts for 1969 were made with third quarter data—and again missed the upsurge in inventories and capital outlays for lack of current data. The "fine tuners" are more humble, as a result, but the need for up-to-the-minute data for public policy purposes was never greater. Nor did the model builders fare much better. The Wharton School model has business investment stable (!) in the opening half, 1969.

Turning from the need for more current data (possibly a monthly GNP) we also need more extensive coverage of our burgeoning service sector. Such current measures as we have relate largely to goods; those for services are all too often interpolations of annual data. Another related area is financial data. The traditional measures of money supply are far less useful than they were in earlier generations when commercial banks dominated money markets. In sum, change has accelerated throughout the economy; measures adequate for a hundred billion dollar society have only limited usefulness in a trillion dollar economy.

I thought this was personal to your question.

Chairman TALMADGE. Is there really any alternative to your present census program that would yield the same data accurately at the same or less total cost and be less burdensome on the individual respondents?

Are all of you in accord that there is no alternative?

Mr. GAINSBROUGH. In some instances the data as they relate to markets and spending could be collected by industry at their expense rather than Government expense. Were this done the cost would be much higher as a result of duplicative activities. And the material would not then be in the public domain, available to all as it is currently, but would remain largely in private files. I think the costs are far lower, and the results are far more accurate done as they are under the auspices of the census, than if this were done by those who could afford to do it in the private sector.

Chairman TALMADGE. Do you share that view, Mr. Gunther?

Mr. GUNTHER. Yes, particularly, Mr. Chairman, in the sense of accuracy and comparability, I don't think as far as local government is concerned it could be done. I would agree that the businesses, particularly the larger corporations, could probably figure out a way of doing it. The smaller businessman would have difficulties. And certainly in the sense of governments, I don't see how it could be done other than by the Federal Government.

Chairman TALMADGE. Do you agree, Mr. Watts?

Mr. WATTS. Yes, I think it could not be done any other way, except as a large multiple of the current cost. My strong impression, certainly, is that the operation of the Census Bureau in carrying out the U.S. Census is little short of miraculous in terms of its efficiency in getting the job done promptly.

Chairman TALMADGE. What rate of response would be a reasonable expectation for a voluntary response, particularly a mail survey such as the census will use in 1970? What has been the experience in private surveys?

Mr. Gainsbrugh?

Mr. GAINSBROUGH. We resort to mail surveys of a business audience very frequently. For some of our subscription appeals we would regard a response of 10 to 20 percent as good, if not on the high side. Where we can persuade the respondents of the urgencies of the question, we get a higher response rate. I might tell you that our concern over the repeal of the 7 percent investment tax was such that last week we sent out a thousand night letters to the presidents and chairmen of the board of the largest manufacturing corporations.

There our results were 60 to 70 percent responses within the course of 48 or 72 hours.

Chairman TALMADGE. You had a pocketbook issue involved there, though.

Mr. GAINSBROUGH. Yes. That is why I stress how the urgency aspect influences response.

In the case of the mailed census questionnaire for the individual, there are many other compelling levies upon an individual's time in a society that is volatile as the present. There is already a degree of public concern and agitation relative to cooperation on a voluntary basis. This might conceivably lead to ratios of voluntary replies as low as 10 or 20 percent in some areas and for some income and ethnic groups.

Chairman TALMADGE. Mr. Gunther?

Mr. GUNTHER. We have had very little experience at the local level, except in the urban renewal program. And there the compulsion isn't one of penalty, it is that if you don't tell our people either through mail or through individual home visits the information, then you are not eligible for all of the relocation benefits, or for the rehabilitation loans. So that there is a great deal of force behind the question. And even there we have found that to get over 60 or 70 percent you have got to go and knock on each door and explain to them that they can get money at 3 percent or 1 percent or no percent to rehabilitate their house if they will answer some questions.

And I would say that a voluntary response is not effective particularly among the poor and lesser educated people of the society.

Chairman TALMADGE. Mr. Watts?

Mr. WATTS. I should think it would be extremely low. One might approach 50 or 60 percent in surveys where there is a clear and immediate benefit accruing to the respondent. But I think that would not be the case were the upcoming census carried out by mail.

I should think a much more likely outcome would be in the neighborhood of 25 percent as an upper bound. To achieve even that would take a strong advertising campaign.

Chairman TALMADGE. I certainly appreciate your appearing before the committee. I think we have had a very enlightening discussion. I thank you very much. And the subcommittee will stand in recess until Thursday, May 15, at 10 o'clock, when we will resume these hearings in room S-407 of the Capitol.

(Whereupon, at 11:20 a.m., the Subcommittee on Economic Statistics was adjourned, to meet again May 15 in room S-407, the Capitol, at 10 a.m.)

REVIEW OF FEDERAL STATISTICAL PROGRAMS

THURSDAY, MAY 15, 1969

CONGRESS OF THE UNITED STATES,
SUBCOMMITTEE ON ECONOMIC STATISTICS
OF THE JOINT ECONOMIC COMMITTEE,
Washington, D.C.

The Subcommittee on Economic Statistics met, pursuant to notice, at 10 a.m., in room S-407, the Capitol, Hon. Herman E. Talmadge (chairman of the subcommittee) presiding.

Present: Senator Talmadge and Representative Conable.

Also present: James W. Knowles, director of research, and Douglas C. Frechtling, minority economist.

Chairman TALMADGE. The subcommittee will please come to order.

I think it particularly appropriate that the Subcommittee on Economic Statistics of the Joint Economic Committee consider the two items on today's agenda—the statistics of inflation and the statistics of job vacancies.

The galloping inflation that grips our economy has created a national problem that could become a national crisis. The 5.1-percent rate of inflation we experienced during the past year has robbed the American consumer of much of his purchasing power. To the family who must buy a home and pay 8 percent interest, to the couple who can no longer afford to dine out occasionally, to the housewife who finds that she must work harder to stretch her food dollar, inflation is not just something you read about in the daily newspaper. It is a harsh reality. Most distressing is the fact that the anti-inflationary measures taken during the past year seem to have had no effect. The American taxpayer was told that the 10-percent tax surcharge was necessary to stem the tide of inflation. Now, almost a year later, he finds that inflation is worse than ever. During the first quarter of 1969, prices rose 1.5 percent. In March, prices rose at an annual rate of 9.6 percent.

Since coming to the Senate, I have paid close attention to the mail I receive from my constituents. Never, in over 12 years in the Senate, have I noted so much disillusionment and frustration among my constituents as I have in the past few months. Americans are angry—they are fed up with paying higher taxes. They are fed up with an economic system that gives them increases in wages but takes these increases away with higher living costs. When former Secretary of the Treasury Joseph Barr testified before the Joint Economic Committee earlier in the year, he warned of a taxpayer's revolt. I believe that if we fail to cope effectively with the problem of higher taxes and inflation, we may be faced not only with a taxpayers' revolt, but also with a consumers' revolt.

I think it is necessary that all public servants with a hand in shaping our fiscal policy reexamine some of our basic ideas about the best way to stop inflation. In my estimation, a good place to start is to take a careful look at the statistical program which tells us how much inflation we have.

The second item on today's agenda is of no little significance. Although the rate of unemployment is currently only 3.5 percent of the labor force, 2,540,000 people are out of work. I believe that a nationwide program for the regular collection of job vacancy data would assist these 2½ million to get jobs, and would make our rate of unemployment even lower. While some people are unable to find jobs, many industries complain of chronic shortage of workers. This problem was brought vividly to my attention when I read last week that one of the oldest textile mills in the Atlanta area is forced to close because of an inability to get labor—this at a time when unemployment in some counties of Georgia is running over 7 percent. I feel that the Government must do a better job of matching jobseekers with job vacancies.

I am delighted to have as our leadoff witness, Dr. Geoffrey H. Moore, Commissioner of the Bureau of Labor Statistics.

Dr. Moore, you may proceed as you see fit, sir.

STATEMENT OF GEOFFREY H. MOORE, COMMISSIONER, BUREAU OF LABOR STATISTICS; ACCOMPANIED BY ARNOLD CHASE AND HAROLD GOLDSTEIN

Mr. MOORE. Thank you, Mr. Chairman.

I have prepared a statement which I believe you have, and with your permission I would like to have it placed in the record.

Chairman TALMADGE. Without objection it will be inserted in the record.

Mr. MOORE. And what I should like to do is go through the statement briefly and summarize the major points as I see them.

In view of your statement concerning the seriousness of the problem of inflation, and in view also of the fact that the data provided by the Bureau of Labor Statistics are widely used in this context, I believe the committee may wish me to review the current inflation indicators briefly before proceeding to discuss the technicalities of price measurements.

I would like to do this by referring to the materials presented in chart 1 (p. 174) which is attached to the statement, entitled "Measures of the Rate of Inflation." These materials are designed to help answer the question whether the rate of inflation is accelerating, continuing about the same, or slowing down.

You will see in the chart that we have provided various ways of measuring this rate. In the panels on the left-hand side the changes are measured over 1 month spans, with the latest change being the February to March increase that the chairman referred to, namely 9.6 percent at an annual rate. In the middle panel the changes are measured over 3 months, and in the right-hand panel over 12 months. That is, in the panels on the right-hand side the changes are reported from March to March, or from February to February, and so on, with the latest entry there for March 1968 to March 1969 of 5.1 percent.

I should emphasize that a downward slope on any line in these charts does not mean that prices actually declined, but only that the rate of increase diminished. A decline in prices is indicated only when the line goes below zero on the scale.

And as you can see, that hasn't happened lately.

I should further explain that all the figures are plotted at annual rates, even when they pertain only to changes over a month or three months. In general the shorter span rates are more erratic than the longer span rates. But the reason for looking at the month-to-month and the 3-month changes closely is that if there is a change in the rate of inflation, these short span rates are likely to show it sooner. And since we are all anxious to know when the rate of inflation has diminished, it is important, I think, to look at the data in all these ways.

The first three panels show the trends of Consumer Price Index and its two major components, commodities and services, separately. And as you can see, although the rate of increase in the total CPI index slowed temporarily in November and December of last year, it accelerated during the first quarter of 1969 to the sharpest rate of advance since mid-1956.

You can see further in the chart that prices of consumer services have been climbing considerably faster than the prices for commodities. The level of the line for the service index is considerably higher than that of the commodity index.

Senator TALMADGE. The consumer service index is based almost exclusively on the charges for the services, or income to the individuals who provide the services, is that not true?

Mr. MOORE. It is based on the prices of the services provided; yes.

Chairman TALMADGE. That would indicate, then, that wages are rising faster than commodities.

Mr. MOORE. I think that is one of the implications; yes, sir.

Mortgage interest charges, which are included in the service index, have had a considerable influence on it. They climbed sharply last summer, leveled off for a few months thereafter, but then jumped again in the first quarter of this year. And we have calculated that if the mortgage interest charges had remained unchanged during the period from March 1968 to March 1969, the increase in the total index would have been about four and a half percent instead of 5.1 percent.

Chairman TALMADGE. Have you noticed the trend recently by many major lenders, particularly some of the insurance companies, to demand a piece of the action in addition to the interest rates.

Mr. MOORE. Yes, sir, I have.

Chairman TALMADGE. Do you have any statistics to measure what that might be?

Mr. MOORE. I don't know of any that we have at present, sir.

Chairman TALMADGE. I read an article—I suspect you saw it also—in one of the Washington papers within the last day or two, or maybe it was the Wall Street Journal, about this trend. Apparently it is something new and novel in this country, and it has developed within the last 2 or 3 years. But many of my friends who are in the building business now tell me that when they approach an insurance company for a loan to finance an apartment house or a shopping center or something of that nature, the companies want a fantastic interest rate,

something like 8 or 8½ percent, plus an equity interest in the property itself, and sometimes an option to purchase when the mortgage has been repaid. Have we had that heretofore in the entire history of our country?

Mr. MOORE. I don't recall anything like it. I think this is a new development. I believe it has been tried in other countries, especially some of the South American countries, where they have had tremendous rates of inflation. It is a way of meeting that problem.

Chairman TALMADGE. I was down in Rio de Janeiro several years ago, and the rate of inflation there was almost unbelievable, and I assume it is still fantastic. I asked some citizens "How can you do business in a country where your inflationary spiral is 50 or 100 percent a year?"

They said, "Well just as fast as we get any money we put it into something of value, such as an apartment house, and by the time we get it constructed the apartment house has enhanced enormously in value. We sell it, get the money, and build another one."

Representative CONABLE. This is an inevitable concomitant of the high cost of money, is it not, that people will want to take an equity position where they possibly can do it? And of course the lender has leverage, and he is going to use that leverage for whatever benefit he can legally achieve. It is probably not a remarkable development, except to the extent that we find insurance companies and lenders on that scale going into equity. Always the individual lender has been looking for ways to improve his position.

Mr. MOORE. I think it is generated particularly because of the change in expectations with regard to price increases. People currently are expecting further inflation, and they want to protect themselves against it, and they build into their financial arrangements these devices that will give them some protection. If those expectations were shifted downward, I think there would be less tendency to do this.

Representative CONABLE. Don't we call this "Banana Republic" psychology?

Mr. MOORE. That is a pretty good name for it, yes.

One further remark on that is that I haven't observed, though I may not be fully up to date, this happening in the mortgage market for single family houses. It is mostly on income producing properties that these devices are used to establish an equity position.

Representative CONABLE. The device in the residential market is "points," is it not?

Mr. MOORE. Yes.

Representative CONABLE. Where additional amounts are charged to cover the cost of processing the loan, which may amount to a very substantial economic factor in total, which may not legally be interest, but still have a major financial impact on the borrower?

Mr. MOORE. Yes, that is a device used in that situation.

The rate of increase in charges for medical services slowed for a few months last year, but has accelerated in recent months. And that has also helped to push up the total service components of the Consumer Price Index.

Chairman TALMADGE. Dr. Moore, in your prepared statement you indicate that the increase in CPI for March 1968-March 1969 would

have been four and a half percent instead of the 5.1 percent actually shown if mortgage interest rates had remained unchanged. How could mortgage interest rates have such large weight in the index?

Mr. MOORE. Well, as I understand it—and Mr. Chase of my staff is here to correct me if I am wrong—the mortgage interest rates are weighted by the total amount of interest payments in the base period on newly purchased houses. That is the weight they get in the total index. Of course the fact that this increase added so much to the total index is partly a matter of the weight and partly a matter of how rapidly mortgage interest rates went up. It is a combination of those two influences.

Chairman TALMADGE. Are the interest rates still tending to rise, or have they leveled off?

Mr. MOORE. Well, that is a tough question. I really can't answer that question properly.

Representative CONABLE. Certainly you don't think we would be justified in extrapolating along the curve in a straight line, do you? Interest rates have risen sharply, but you don't think they will continue to rise in the same way?

Mr. MOORE. Well, I must say that over the past 2 or 3 years or so the way interest rates have gone up has been something of a surprise. I think that has been true generally.

One of the factors, of course, is the influence of the Federal Reserve in keeping a tight lid on the money supply, which I believe they are continuing to do. I believe the main factor is the need to shift consumer's and businessmen's expectations regarding the future of the price level in this country. That will be one of the main factors that will tend to bring the interest rate level down. It has been pushed up, I believe, very largely because those expectations moved up in an inflationary direction, and until that process is reversed, I don't think there will be very much decline in interest rates.

The bottom panel on the chart shows the GNP implicit price deflator, which is the price index for the total output of the economy. This measure of price trend shows a good deal more stability in its rate of increase than the CPI does. And the latest figure is slightly above 4 percent.

The wholesale price for industrial commodities, which is charted on the next page of the chart, the top three panels, has been climbing at an accelerated pace since the middle of 1968, and showed no sign of a lower rate of increase until just last month, that is, in April.

It is still too early, I think, to determine whether this is only a temporary pause in the rate of increase or the beginning of a new trend, in view of the wide fluctuations which this indicator has shown.

The last two panels on the chart are regarded as having a bearing on past and possible future price trends, in as much as they reflect trends of labor costs which are an important factor in determining prices, especially in the case of services.

The rise in unit labor costs in the private nonfarm economy slowed down somewhat during 1968, because the rate of increase in productivity, that is, output per man-hour, which is shown on the bottom chart, advanced more than the rate of increase in labor compensation per hour, which is also shown on the bottom chart.

However, this trend was reversed in the first quarter of 1969, and there was an upward jump in the rate of increase of unit labor costs, with the latest figure 4.8 percent on a 12-month basis.

Chairman TALMADGE. I notice output per man-hour on the bottom chart has gone down. Does that mean the productivity of our labor is decreasing?

Mr. MOORE. Well, in the first quarter of 1969 there was an actual decrease. I myself think that is a very temporary decline, and will very likely be reversed or revised when the figures are revised.

Representative CONABLE. There was a reduction actually in the growth rate of the economy in the first quarter, wasn't there?

Mr. MOORE. Yes, sir.

Representative CONABLE. And so this doesn't reflect an unemployment increase so much as an underemployment increase, wouldn't you think?

Mr. MOORE. Well, it reflects—

Representative CONABLE. Some slack, anyway, in the upward thrust of the economy?

Mr. MOORE. It reflects the fact that employment kept on rising practically as fast as before, but output didn't rise as rapidly. So output per man-hour declined.

In summary, the price and cost indexes give no clear indication of deceleration in the rate of inflation through the first quarter of this year. I don't find this pattern so surprising, in view of the lags that are built into the price and cost structure of the economy.

Now, let me turn, if I may, to a broad discussion of the Bureau of Labor Statistics program to improve the Nation's price statistics. Since I have only recently become Commissioner of Labor Statistics I shall be reporting to you on developments prior to my appointment as well as on plans for the future. This position, incidentally, gives me an opportunity to take a more critical view of what has been done or not done, though I realize the next time around it will be my turn to be held accountable.

I will comment first on prices, and then on the job vacancy statistical program. And what I will try to do is summarize what the Bureau of Labor Statistics has done in response to the several recommendations of the Price Statistics Review Committee and the Joint Economic Committee.

One of the first recommendations was that the BLS publish the method used in compiling price indexes. The BLS has issued several bulletins—I have copies of them here, and copies are available to members of the committee—explaining how the price indexes compiled by the BLS are actually computed.

A second recommendation of the review committee was that the Bureau adopt probability sampling for the price indexes. The Bureau had planned to use this technique and proceeded to implement this recommendation for the CPI at the time of its comprehensive revision in 1964. However, there has been some experience now with this system of sampling for prices, and we are currently undertaking a re-examination of that idea. Some of the problems connected with it are mentioned in my testimony. I don't know that the committee needs to deal with them individually at this moment.

Chairman TALMADGE. Doctor, if you ran into trouble matching the probability samples of items with the probability samples of outlets, why would this create any trouble? If you get a correct sample of outlets according to the laws of probability, shouldn't you also have a representative sample of items automatically?

Mr. MOORE. I would think not automatically; that is, the outlets that have the largest volume of total sales may not have the largest volume of the sales of the particular item that is included in the probability sample. So there is not a one-to-one matching in the ways of selecting a sample.

There is also a difficulty in that connection with respect to the price series that are used in many instances for long-term contract escalation, and the need to have continuity in those prices. This probability method introduces some discontinuity, and discontinuity in that case ought to be avoided. That is particularly true with respect to the Wholesale Price Index.

Turning to seasonal adjustment, one of the recommendations of the Price Statistics Review Committee was that seasonally adjusted price indexes be made available. We have followed that recommendation and now do publish seasonally adjusted price indexes for farm products, food, apparel, and transportation. And we are prepared to supply seasonally adjusted factors for some of the other series within the Wholesale Price Index.

Representative CONABLE. Why is seasonal adjustment necessary with respect to transportation?

Mr. MOORE. Well, I presume it is—though maybe Mr. Chase can amplify this—that prices of new cars are subject to seasonal variations. They typically vary over the model year. And I think the same thing is true of used cars.

Chairman TALMADGE. Would weather conditions have anything to do with that?

Mr. MOORE. I can't think of any good reason why they would, sir.

Representative CONABLE. Certainly there shouldn't be any adjustment on commercial transportation, that doesn't vary—

Mr. MOORE. You mean commercial transportation rates?

Representative CONABLE. Yes. I wouldn't think there would be much seasonal variance there.

Mr. CHASE. If I may amplify that, in the case of used cars, there is a seasonable variation that is partly the result of weather, because in the winter months people are not in the market for used cars nearly to the extent that they are in the spring months when the weather is better for driving. And with regard to the new cars usually there are no concessions, or at least very small concessions, offered by dealers at the time when the new models are introduced. But as the model years go on they give concessions in the form of discounts or larger trade-in allowances just to move a larger volume of new cars.

Representative CONABLE. I am glad to know that. I wouldn't have realized that it made that much difference.

Mr. MOORE. We do not currently seasonally adjust the CPI or the WPI, the total indexes. But since coming to the Bureau of Labor Statistics I have felt some need to look into that question, and will reexamine it myself.

I would like to turn next to adjustments for change in the quality of production. This subject was of considerable concern to the review committee as well as the Joint Economic Committee. And one of the recommendations was that the statistical agencies should be provided with research divisions. A research division was established in the BLS in 1963, and has devoted most of its attention to improved techniques for quality adjustments.

They have made, I believe, considerable progress toward perfecting multiple regression techniques which would be used to determine what part of the difference in prices between various qualities of the same product should be attributed to quality factors. They have used these techniques to test the accuracy of the quality change adjustments which have been incorporated into the various price series over the past several years.

In general, these tests indicate that some parts of the index have an upward bias, while others have a downward bias, but have not revealed any overall bias either upward or downward resulting from inadequacy of quality adjustments. I believe it is fair to say that the accuracy of adjustment for quality changes used by the BLS has improved significantly within the last 5 or 6 years.

So far, however, we have not found a clear indication in the overall indexes of bias on that account.

We plan to continue our research effort to improve the techniques for adjusting price quotations for quality. More work is required to perfect the theoretical underpinnings of the regression technique, and particularly to develop methods that could be used to adjust prices for services. These are particularly difficult to adjust, because quality cannot be so easily related to quantifiable physical characteristics of services as compared with commodities.

Another result of this research has led us to a conclusion which runs counter to a recommendation of the review committee; namely, that the specification pricing be made more flexible. If we are to do a better job of adjusting prices for changes in the quality of products, we must obtain more precise information about the characteristics of a product which contribute most to differences in prices. I believe this means that we have got to obtain prices on a broad cross section of qualities available in the marketplace, but at the same time use specifications that are sufficiently rigid so that they distinguish these price determining characteristics.

Another recommendation of the committee was that new commodities should be introduced into the price indexes more promptly. The research that has been done so far indicates that it is a very difficult question to determine when the proper time to introduce specific new products is. A great deal depends on the rate at which the product is accepted in the market and the rate at which competing producers are able to develop and market a similar or a substitute product. We believe that in many cases we can't make that decision right at the moment the best time to introduce the product has arrived. As a consequence, we may have to introduce new products retroactively, and this will mean revising the index. The general problem that that produces is that since these price indexes are used in escalating contracts involving millions or billions of dollars, any revision that is made may have a major impact on these contracts and on the people involved in them.

So in general the BLS has tried to avoid frequent revisions of its price index figures.

Turning now to transaction prices, the review committee recommended that price information be obtained from buyers as well as sellers of the actual transaction prices paid. Some of the preliminary results that Prof. George Stigler, who was chairman of the review committee, has carried on for the National Bureau of Economic Research throw light on this problem of obtaining actual transaction prices from buyers.

Professor Stigler finds that transaction prices are more flexible both upward and downward than the price quotations used in the BLS indexes. On the other hand, he did not find that the transaction prices typically turn earlier in the business cycle, as many people expected that he would. Apparently at least part of the reason for that is the wide use of long-term supply contracts in many industries, and as a result of these contracts, the prices that are actually paid do not change as quickly as might be expected.

On the other hand, since actual transaction prices are important to measure, I think we should be putting a heavy effort into obtaining data on that basis.

The problem, of course, in doing this, collecting data from buyers, is the cost. We have attempted to obtain funds in our budget for the last 2 years to finance a survey of buyers on actual transaction prices, but have not obtained the funds so far.

In his appearance before the Joint Economic Committee in May of 1966, former Commissioner Arthur Ross outlined the Bureau's plans for a comprehensive system of industry sector price indexes. We have progressed in our planning for this project, and I am glad to be able to submit a more detailed outline for the whole system, as well as an evaluation of where we stand at present. The table that is attached to the back of this statement shows that system of industry indexes, and indicates how far the price data for each of some 900 industries are available.

Once this framework has been filled in to a larger extent than it now is, it will permit significant improvements in many of the important measures of economic developments, and facilitate various types of economic analysis.

One of the striking facts that emerges from the table is the paucity of coverage by presently available price statistics. There is pretty good coverage of agriculture and mining, but a surprisingly inadequate coverage of manufacturing, and to some extent of retail trade.

So far the BLS has found the price series sufficiently complete and reliable to warrant publication of some 99 industry indexes, all in the mining and manufacturing sector. This is out of about 900 industries altogether, or about one out of nine.

Chairman TALMADGE. How do you get statistics out of those that are omitted, Doctor?

Mr. MOORE. Well, there are just no statistics for some of those industries, or they are simply very inadequate in their coverage. And that is the reason why we simply omitted the publication of industry indexes.

Chairman TALMADGE. In other words if you can't reach a firm conclusion about those industries without guesswork you simply omit the indexes, is that it?

Mr. MOORE. Right.

The total coverage in terms of value of the domestic output in 1958, which is the last year we have good comprehensive data on this basis, we find that the published price indexes cover only about 13 percent of the total output. We have pretty good coverage of another 16 percent, so that the published coverage could rather easily be more than doubled. That would raise it, say, to roughly 29 percent. But going beyond that, the problem becomes more difficult and more expensive. And it is clear that to accomplish a major breakthrough, substantial additional resources for the statistical agency would be required.

Chairman TALMADGE. Doctor, with those omissions, wouldn't there be some question as to the accuracy of the overall index?

Mr. MOORE. Yes; I believe it does. Maybe Mr. Chase would want to make some comment on that.

Mr. CHASE. Yes, sir, except that there are price series for some of these other industries, they are not completely lacking, they simply are not sufficiently wide in coverage to permit publication of a separate index. In other words, this might exaggerate the inadequacy of the present index, putting it this way.

Chairman TALMADGE. Dr. Kravis, it is out of order, but would you like to comment on that?

Mr. KRAVIS. Yes. I think the main area of omission from the Wholesale Price Index, which is the general index to which reference is being made, that would be important for problems of measuring inflation, would be those very sectors in which technological progress has been most rapid. I am referring particularly to producers' durable goods. I think if you talked to a businessman who has been buying equipment and asked him what has been happening to the prices of his equipment in terms of its efficiency units, what he can get out of it, you won't get quite the story of rapid inflation from him that you get when you talk about ordinary food and other items like that. No one really can say how much the omission affects the Wholesale Price Index, but I think it is very important that these items be brought into the scope of the index. The regression method to which Mr. Moore referred does provide a good handle for dealing with the difficult measurement problems that they involve, since their characteristics are changing all the time.

Chairman TALMADGE. I was talking with Mr. Knowles and one of my associates a few minutes before this hearing started. Back about 30 years ago, right after I got out of law school, you could buy a pretty nice five or six room bungalow in Atlanta, Ga., for \$2,500. This same house would probably sell for \$18,000 to \$25,000 today. In other words, the inflation has probably been a thousand percent in those bungalows in 30 years time. Yet I doubt if the index would show that much inflation would it, Dr. Moore?

Mr. MOORE. I don't think our actual figures would show that much.

Representative CONABLE. There may be regional factors there too.

Chairman TALMADGE. There may be regional factors, cost of the land—

Mr. KRAVIS. I think the site value would be the thing that pushed the prices up the most. I doubt if the cost of putting up the bungalow on the site, once you own the site, would be increased that much.

As a matter of fact, in my testimony I want to make reference on a construction cost index.

Chairman TALMADGE. Thank you.

Representative CONABLE. Mr. Chairman, let me ask, if there has been particularly rapid progress in the area of durable goods, then that inevitably makes the statistics less reliable there, doesn't it.

Mr. KRAVIS. Yes, sir.

Representative CONABLE. So in considering their impact on the overall price index, you have to constantly balance the advantage to be gained from broader scope against the disadvantage resulting from unreliability. So our problem becomes one of analysis as much as one of omission, doesn't it?

Mr. MOORE. I believe that is a fair way to put it. We could increase, I presume, the scope considerably, but at some cost in reliability of the individual items that are being priced. And that is, I think, one of the reasons why there is relative undercoverage of this more complicated equipment or durable goods prices. They are more difficult to price, they are complicated, they vary a great deal in their characteristics, and to get a comparable price is somewhat difficult.

Representative CONABLE. As Mr. Kravis said, there is a very serious question of analyzing the quality improvement too.

Mr. KRAVIS. Yes. But I think there is a technique through which a lot of this can be caught that is now available as a result of the computer. In this technique you take the capacity measures of difficult models on the market at a given time, and you see how price is correlated with those capacity measures.

Representative CONABLE. Generally, speaking, are our testing abilities progressing as fast as other aspects of our technology?

Mr. MOORE. What sort of testing?

Representative CONABLE. Testing, for instance, such things as quality in durable goods. Are we putting as much effort into the process of testing as we are into the process of technological improvement generally?

Mr. KRAVIS. Sir, if you would change that question to ask whether we have been putting as much effort into measurement of quality change as the measurement of price change, I think the answer would be easier to give.

Representative CONABLE. All right, I accept the amendment.

Mr. KRAVIS. That is an old trick of a professor, you know, if you can't answer the question you reformulate it so that you can.

Chairman TALMADGE. How can you measure quality? In the final analysis doesn't it depend on the consumer? Some people would swear that Ford would be better than Chevrolet, and vice versa.

Mr. KRAVIS. Yes. You can't measure all aspects of the quality. You have to look at the market and see which aspect of quality you can measure, that is, those for which you can directly or indirectly identify market prices.

For example, the market does tell you that a large car is more expensive than a small car.

And it tells you a car with high horsepower is more expensive than one with low horsepower. You can identify some characteristics that people are looking for in a car that are measurable. There are some you can't measure such as the amount of chrome or the beauty of the

interior, the shape of the fender—and there are a number of them that you can measure. What we find in this work—and the Bureau has done some of it and some of it has been done elsewhere—is that you can account for a very large percentage of the price variation in models on the market by taking some of these measurable characteristics and correlating price with them. So then if you can explain price in one year that way, and you can explain price in the second year with the same characteristics, you have a basis for measuring price change or quality change, quality being limited to the particular characteristics that you can grasp, you can get a handle on.

We can't measure all aspects of quality, but we can measure more aspects than we have been doing. And this is one of my bones of contention with my friends at the Bureau.

Chairman TALMADGE. How are you going to measure the quality of, say, California champagne against French champagne?

Representative CONABLE. That is harder than measuring it against New York champagne, I will tell you that.

Mr. KRAVIS. I would like to try, not only because that sounds like an attractive effort to indulge in, but because I think we might find ways that the psychologists could help us tackle a problem like this one that we haven't begun to delve into. This area of price research needs developmental work that hasn't gone into it for 30 or 40 years. The Price Statistics Review Committee said almost 10 years ago that the methods of making price indexes at that time were no different than what they were 30 years ago, while the world had changed. Almost the same thing can be said today, although there are promising avenues of exploration. And I think it is very important that this research group to which Mr. Moore refers has been established, and I would like to urge that it be encouraged and supported.

Chairman TALMADGE. Thank you.

Dr. Moore, you may proceed.

Mr. MOORE. Thank you.

I am coming to a subject that is also of great interest to Mr. Kravis, namely, measures of international price competitiveness. This is a sector in which we hope to expand our price work during the coming year.

The Joint Economic Committee in its report on the 1969 Economic Report of the President stressed the need for better information on export and import prices in order to assess the international price competitiveness of the United States in world markets.

Chairman TALMADGE. Let's reduce that to simplicity, if we can, now. We hear a good deal of discussion about that when we start talking about our balance of payments. When we ship something overseas how do we sell it, c.i.f. or f.o.b.?

Mr. MOORE. I think Mr. Kravis is more competent to answer that than I am.

Mr. KRAVIS. I don't know what the answer to that question is. I am sure it is some of both. But I don't know what the proportions are.

Chairman TALMADGE. Many people have told me that we get an unfair trade balance by the system that we use, that our system shortchanges us compared to what the foreigners use. Which one uses f.o.b., we or the foreigners?

Mr. KRAVIS. I see. You are referring to the statistics. We use f.o.b. in our measures of exports.

Chairman TALMADGE. You use f.o.b. That is American, that means "free on board ship," say, in New York?

Mr. KRAVIS. Right.

Chairman TALMADGE. Say that item costs \$20, free on board a ship in New York. And then the foreigners use what they call c.i.f.; is that not true?

Mr. KRAVIS. That is right.

Chairman TALMADGE. What does "c.i.f." mean?

Mr. KRAVIS. Excuse me, sir. I think really technically f.o.b. would refer to the price at the factory, the place of production.

Chairman TALMADGE. And not on the ship?

Mr. KRAVIS. Yes. And I think the other term that is commonly used is "f.a.s." And I think that means either "free alongside" or "freight alongside," it means the goods delivered to the dock but still not on the ship. Now, we price our exports f.o.b.

Chairman TALMADGE. And most of your exports go in foreign ships?

Mr. KRAVIS. I think a large fraction of them do.

Chairman TALMADGE. Except where the law, perhaps, requires otherwise. And the foreign system is f.a.s. What is that?

Mr. KRAVIS. Most import statistics of other countries measure their purchases with cost insurance and freight added.

Chairman TALMADGE. So when we start considering the two we are actually talking about two different things, aren't we?

Mr. KRAVIS. Yes. But unfortunately that difference isn't large enough to really help us very much. It wouldn't really affect significantly the analytical conclusions that we have drawn from our balance-of-payments statistics.

Chairman TALMADGE. Some people have told me this f.a.s. factor is really about 20 percent over and above the cost of the goods. By the time you add your freight, your insurance, and one thing and another, they say it runs as high as about 20 percent.

Mr. KRAVIS. I doubt that.

Chairman TALMADGE. You don't think it does?

Mr. KRAVIS. I think it does for some categories.

Representative CONABLE. It would depend a lot on the goods being transshipped.

Mr. KRAVIS. Yes. I can't give you a really authoritative number, and if I used Mr. Moore's standard for his index, I wouldn't give you any number. But the overall average might be something like 7 percent.

Chairman TALMADGE. Many people have told me that for quite some time our trade statistics have been unrealistic when you consider the subsidized commodities, the freight and insurance added. When you consider the two different measurements that we use and what most foreigners use, there has been a deficit for some time.

Do you have any comment on that, Professor Kravis?

Mr. KRAVIS. Well, there are always some special factors affecting the trade of a large country like the United States, in any one year, so that you can always reach a conclusion like that. For example, until a couple of years ago our exports exceeded our imports by about \$5 billion a year. That is a rough average during most of the

postwar period. And of course it was always open to someone to say, well, if there has been no aid which was financing these exports, Public Law 480 and the rest of it, that surplus would have disappeared.

Now, it is very hard to know what would have happened if there had been no aid.

Representative CONABLE. Because of the substitution factor?

Mr. KRAVIS. Yes, exactly. Would the foreigners not have bought any wheat from us, would they have bought it at higher prices? What would have happened to our military exports if there had been no aid at all? Probably they would have been lower, but how much lower would they have been?

And what else do you want to change? If you are going to stop our aid flows, does that not imply a set of circumstances in which U.S. expenditures abroad might have been lower?

So once you begin this game of changing what actually is and asking what would be, unless you can set up a sort of definite situation it is very hard to come to an answer.

Chairman TALMADGE. That is what I was hoping we could do by reducing these terms to something simple, but I don't believe we have reached that conclusion yet.

Mr. MOORE. Well, the Bureau has for several years been interested in the development of better measures of price competitiveness of U.S. products in world markets. And it is clear, I think, to virtually everyone that we do really need this better information. We have been reviewing very carefully the work that Mr. Kravis and Robert Lipsey at the National Bureau of Economic Research have done in this field, and have worked out a framework for collecting, at least on an experimental basis, these prices, especially in the field of durable manufactured products exported from the United States, and from other countries. The plan is to obtain data from a survey of U.S. companies, a review of commercial invoices accompanying imports at major U.S. ports, and the collection of price offers submitted by foreign and domestic suppliers for custom-built equipment procured by Government and international agencies.

Much of the experimental work, as I said, has been done by Mr. Kravis and Mr. Lipsey.

Representative CONABLE. Mr. Chairman?

Chairman TALMADGE. Yes, Mr. Conable.

Representative CONABLE. Let me ask you sir, in considering price competitiveness, did you consider at all such things as nontariff barriers which do not necessarily affect price, but which affect competitiveness.

Mr. MOORE. I don't think that would be included in the price collection program. It would have to be considered in any review of the whole problem. But I don't believe it would be in the price statistics themselves.

Representative CONABLE. It does have an impact, of course, on competition.

Mr. MOORE. There is no question about that.

Another way to put it, this will not provide the whole answer to that question of how competitive U.S. producers are in world markets because of other factors affecting competition.

Representative CONABLE. Competitiveness assumes an equal opportunity to buy, I imagine, which is not always available under the restraint of nontariff barriers.

Mr. MOORE. Well, I think in terms of prices that we would try to collect. They would represent prices that were effective, that is, where commodities could have been bought at those prices if the buyers had decided to do so.

Mr. KRAVIS. May I just mention one other factor. The third market is involved also, that is, you are thinking perhaps of the nontariff barriers to, say, American automobiles in France or Germany.

Representative CONABLE. And Japan.

Mr. KRAVIS. But both the United States and Germany, or France, or Japan, or whatever country it is, have the opportunity to export to all other countries of the world. And for the most part in third markets they face equal tariff barriers, or equal nontariff barriers as well. So that these comparisons of FOB, export prices from each country could provide very useful information, although, as Mr. Moore says, they wouldn't tell you everything you wanted to know about the competitive position of the United States by any means.

Representative CONABLE. Thank you, Mr. Chairman.

Mr. MOORE. The BLS has requested funds for fiscal year 1970 to expand its survey of U.S. firms to begin the price collection from import documents, and to intensify our efforts to develop cooperative arrangements with other OECD countries. We believe we can make considerable progress in the collection and processing of the data required if Congress authorized the budget increase requested for this program. Since I am sure Mr. Kravis is going to expand on that subject, I won't deal with it any further.

Chairman TALMADGE. How much additional money will you need for that program?

Mr. MOORE. The amount we have requested in the budget is \$150,000 for this next fiscal year.

The review committee recommended periodic revisions of the major price indexes. And the Bureau has fully agreed with this recommendation.

With respect to the Wholesale Price Index, we have not found it possible to make a revision based on the 1967 industrial censuses. So the WPI has continued to be based upon the 1963 weights. We estimate that it would cost about \$200,000 to revise the index to incorporate 1967 weights.

We have made plans for a comprehensive revision of the Consumer Price Index beginning in fiscal 1970, and to be completed in fiscal 1975. This would constitute an interval of 11 years after the last comprehensive revision which was completed in 1964. Our ability to carry out this revision will depend upon the availability of substantial additional funds beginning in this next fiscal year 1970.

In that instance the amount requested in the budget is \$600,000 for fiscal 1970.

Representative CONABLE. That would be an annual cost, then, would it?

Mr. MOORE. Well, it would be the first year cost. Next year it would be substantially higher than that. It would continue up for some few years, and then diminish. By 1975 the program would be completed.

The committee recommended that the Consumer Price Index be modified in the direction of a true cost of living index, as contrasted with the Consumer Price Index that it now is. There are two main features that distinguish such an index from the price index. One of them is that a true cost of living index takes into account the fact that consumers can offset to a greater or less extent the effect of a rise in the price of one commodity by substituting another which has become relatively cheaper. In the price index, in other words, we don't provide for such substitutions as a rule. It is a more or less fixed basket of goods that is priced, and substitutions on this account, that is, because one commodity becomes more expensive and consumers turn to another that is cheaper, are not reflected in the index.

One way to give some effect to this substitution phenomenon is to revise the weights rather frequently. This is what the review committee recommended.

On the other hand, the research that we have done fairly recently has shown that some feasible methods exist for estimating these rates of substitution of one product for another in response to changes in their relative prices.

We have been testing these methods, and find fairly favorable results as a result of these tests.

The upshot is that we believe we would be able to make some of these substitutions on a regular basis for some commodity groups, and for others we might adopt more frequent weight revisions, particularly for products that are well established in the market.

The second distinction between the Consumer Price Index and a true cost of living index lies in the treatment of consumer durables. In the CPI, which is a measure of current purchase prices, durable goods prices and the interest rates paid for funds borrowed to purchase them are those obtaining in the period for which the index is being calculated. But durable goods provide a service over many time periods. It is the value of this service which is appropriate for inclusion in a true cost-of-living index.

One way of getting at the value of that service would be to get rental prices for the services of these durable goods. While that is fairly easy to do for some items such as dwelling units, it is more difficult for others. For example, dishwashers are typically not rented, and it would be hard to get a rental price for them in the market. Other rental prices are rather complicated in what they cover—for example new car rentals. So that a fairly difficult problem would be faced in interpreting the rental data.

Nevertheless, we think that some work toward the objective of a true cost of living index can be done. Our tentative name for such an index is a Cost of Living Oriented Index, to distinguish it from a true cost of living index. We believe that it would fill a serious gap in our economic information.

Before concluding my remarks on the subject of prices, I should like to mention two other points. One of them is that if we make attempts to measure changes in quality and provide for quality adjustment, and also make attempts to approach a true cost of living index, we are going to find ourselves up against a time problem in the sense that we can make preliminary estimates of what these techniques should

yield, but in the final analysis there will be revisions to be made. So that one of the results will be both preliminary and final indexes. There are problems, as I mentioned before, in connection with having a system of both preliminary and final index numbers in our price statistics. But that is one of the implications of using these more complicated techniques.

The second topic that I think needs some consideration is the need for annual consumer expenditure surveys. So far such surveys have been undertaken only at very long intervals, something like a decade apart. If we had them on an annual basis they would provide the figures that are needed to revise the weights and to provide estimates for the substitutions of one commodity for another that consumers make in adjusting to changes in the price levels.

Furthermore, they would have a lot of other uses—and I have mentioned them in the prepared statement—the possibility of determining how consumers reacted to the surtax in 1968, and for measuring the impact of inflation on the poor, on those who live on relatively fixed incomes, and on other groups.

That completes my remarks about the price statistics program. I would like to turn now to the job vacancy statistics area.

Here I believe we have made a significant start on the regular collection of job vacancy data. These data are, I believe, of very great importance for general economic analysis, since they represent in effect the unfilled demand for labor. They are also, as the chairman indicated at the outset, important in helping to meet labor shortages and to identify needed training programs. In employment service operations of the Department of Labor they provide a way of assessing the coverage and representatives of the openings that are listed in these local offices.

Chairman TALMADGE. Dr. Moore, do you have any idea now as to the number of job openings available in this country at the present time?

Mr. MOORE. No, sir, I do not.

Chairman TALMADGE. Does anyone have any idea?

Mr. MOORE. Not so far as I know.

Chairman TALMADGE. Do you know what job vacancies are available in any area of the country, say, Atlanta, Ga. for instance?

Mr. MOORE. Well, we are beginning to tabulate, but I have not seen the results of the tabulations of this preliminary collection of data in various cities.

Chairman TALMADGE. Everywhere I go I buy the local newspaper. You can get a pretty good idea of the city by looking at the want ad sections, the price of homes, and the price of land, and the jobs available. And I see in every paper large and small help wanted. At the same time two and a half million people in this country are unemployed. It seems to me we need some better system of determining what is available in certain areas and that we should try to find the talent to match it. Are we making any progress in that direction?

Mr. MOORE. Yes; I believe we are. The Department of Labor does have a program, which is now on an experimental basis, but is scheduled to be expanded, the so-called Job Bank program, where lists of job openings are made available throughout a city. For example, in Baltimore they have this system, so that every employment agency in the city has this list. And it can match its clients, the people who are

seeking jobs, against this complete list of openings. With the aid of the computer this information can become available very quickly.

Chairman TALMADGE. Congressman Conable?

Representative CONABLE. Isn't it true that you do have some statistics available on a metropolitan area basis? The problem has been that you don't have comprehensive statistics on any nationwide basis because of comparatively modest collection facilities for this type of statistic; isn't that correct? The reason I ask is that somebody is making available—perhaps it is the State, I don't know—in my own particular area, Rochester, N.Y., statistics on an unfilled job rate, as well as on an unemployment rate. I am happy to say that in my particular area the unfilled job rate is higher than the unemployment rate generally. But somebody is making that available, and I have thought that it was the Department of Labor.

Is that incorrect?

Mr. MOORE. Well, perhaps Mr. Goldstein can answer that specific question.

Mr. GOLDSTEIN. Sir, you may be referring to one of two different kinds of information. There has been an experimental survey in Rochester, it happens, of job vacancies statistics. This was made several years ago, and they tried to correct it. And that may be the information you are talking about.

The other possibility—

Representative CONABLE. That was done by your Department, was it?

Mr. GOLDSTEIN. No; that was done by the National Industrial Conference Board. We have made similar experimental surveys in a number of other cities in order to lay a foundation for the present program that we have tried to start.

The other current source of information that you may be referring to are the job openings reported by the local officers of the State employment services. They do report the unfilled job openings that they have at the end of every month, the job openings that they got during the month which they have not been able to fill. This has been the long-standing program. The only problem about it is that they don't get all the job openings in the community by any means. Sometimes the number they do get is a rather small percentage of the total.

What we are trying to do in the program Mr. Moore is talking about, is get an estimate of the total number of vacancies.

Representative CONABLE. Thank you.

Chairman TALMADGE. Proceed, Dr. Moore.

Mr. MOORE. The other information I might say that is available to this and that you may have in mind is the help wanted advertising indexes that the National Industrial Conference Board also produces. But again this covers only the advertisements that are in the papers. It doesn't give really a count of the jobs that are available.

Chairman TALMADGE. Let me ask you another question. I am sure we have unemployed people in Atlanta, Ga. Dr. Abernathy said we have many of them. Yet, every time I stop at a filling station, the operators are hunting for additional labor, and can't get it. Do we have any source of information as to how many of this two and a half million unemployed don't want a job or wouldn't work if you offered them one?

Mr. MOORE. Well, by the definition of how these people are identified they are supposed to be seeking work. Now, I believe it is really essentially their own interpretation of what seeking work means. No formal test is made as to just exactly what they are doing and what kind of job they would be willing to accept if one were offered. So there is a little vagueness in the meaning of that term. And consequently there is a little vagueness in the two and a half million people that are so identified.

Chairman TALMADGE. Do you have any idea as to what percentage of the unemployed over a long period of years are always going to be unemployed because of the lack of motivation to work?

Mr. MOORE. I don't have any general information of that sort. We are this year engaging in a survey of a rather concentrated sort in some six cities, particularly in the ghetto areas of those cities, to find out what are the attitudes toward work of the people in those areas. We do not yet have the results of that survey. It began around last July, and we have been tabulating the results as they come along. We will have results later this year.

Chairman TALMADGE. Professor Kravis, would you like to comment on that?

Mr. KRAVIS. I have nothing to add to what Mr. Moore said on this question.

Chairman TALMADGE. Congressman Conable?

Representative CONABLE. Dr. Moore, isn't it true that, quite apart from the question of motivation, that you have a real serious problem determining what constitutes an unemployed person, particularly where that person has borne no previous relation to the labor market?

For instance, a teenager, let's say, who has dropped out of school, may or may not be included in your statistics, depending on for what purpose you have accumulated them. And beyond that the definition of unemployment varies widely, doesn't it, in any statistician's viewpoint?

For instance, those who have retired early and are under social security, are they unemployed or not? Is a housewife who has taken part-time work on a seasonal basis in the past sufficiently related to the labor market to be seasonably unemployed? Or someone whose unemployment insurance has run out some time ago and who has made no effort to reinstate himself as a member of the working force? All these people are involved in different ways and in different definitions of unemployment, are they not, and therefore the whole area is one that requires some careful specification in order to advise people of exactly what you are talking about?

Mr. MOORE. I think in general that is true. As I said before, the objective part of the definition of unemployment, I think, is whether or not the person is seeking work, and whatever that means, that is what we attempt to measure. But it is true that the people that are seeking work are in very different circumstances, faced by very different circumstances. They have gotten into the situation of seeking work and not being able to find it by very different routes.

For example, the number of people who are unemployed that have actually lost a job and haven't been able to find another one is only about 40 percent of the total number of unemployed. For those people it seems clear that they would expect to find another job because they have lost the job they had.

Other people who are counted as unemployed have quit their jobs and haven't found new ones. There might be a little less certainty as to just how actively they were seeking work, although many of them of course would be.

And then there are people who were in the labor market some time ago and have decided to get back into the labor market, as well as those who never had a job before and have decided to look for work.

So there are those categories of people, all of whom are considered and counted as being unemployed, but they get to that state in these different ways. I think the significant thing is that the situation that unemployment produces for them is very different, depending on how they reach that state.

To get back to the job vacancy statistics program, we are now, and since January of this year have been, collecting job vacancy data by industry monthly in 26 metropolitan areas. In 17 of those areas there will be data classified by occupation at least once each quarter. In addition, job vacancy data for the manufacturing and mining industries are covered in all States and estimates will be prepared for additional areas and the Nation.

This program is combined and integrated with the labor turnover statistics program, partly for reasons of economy, and partly because of the analytical relations between labor turnover data and job vacancy data.

What we hope to come up with from this program are figures on total job openings, job openings continued unfilled for a month or longer, and job openings with future starting dates.

Since it is a new program we will be very carefully analyzing and evaluating the data before they are published.

The present program is a good deal more limited in its coverage than we should like. It does not fully meet the need for comprehensive job vacancy statistics classified by area, industry and occupation. We are currently considering several alternative directions in which expansion should take place.

Our aim is to establish a broad national system of job vacancy statistics which provide data for all forms of employment for the Nation as a whole as well as for individual areas.

We have a need, I believe, for an ongoing program of research with respect to job vacancy data. I have listed in my testimony several areas in which research, I think, should be undertaken by the Bureau of Labor Statistics.

The job vacancy data should provide new and useful insights into the nature and operation of the labor market, particularly when considered in conjunction with the related data on employment and unemployment.

For example, the BLS recently released unemployment data for four broad geographic regions, and for the 10 most populous States. These data indicate that the unemployment rates were appreciably higher in the Western part of the country than in the rest of the country. Unemployment rates in the States were found to range from 5.1 percent in California to 2.9 percent in Massachusetts.

It would be important to know whether there was a similar pattern of job vacancy rates in these States and regions, since a high unemployment rate, accompanied by a high vacancy rate, has different

implications for economic policy than if it is accompanied by a low vacancy rate.

As these job vacancy data are developed, we should be looking into the relationships between them and employment, unemployment, labor force participation, wage rates, and labor turnover.

It is clear that while we will be much better situated once we have job vacancy data on this comprehensive basis, we do need other data that relate to it. One particular example is employment data by occupation in local areas, which will be needed in computed job vacancy rates by occupation. We have done some work in providing local area data on employment and unemployment. I think the need for those data will become even more evident when the job vacancy data become available as well.

I anticipate that all these statistics and the studies they make possible will in due course have an important bearing on the desirable extent of manpower training and placement programs as well as on the directions in which they are focused. A new tool for analyzing manpower and other economic policies is being forged, and I think it is to the great credit of this committee that it saw the need for this instrumentality and supported its development.

(Dr. Moore's prepared statement follows:)

PREPARED STATEMENT OF HON. GEOFFREY H. MOORE

In view of the Chairman's statement concerning the seriousness of the problem of inflation in the announcement of this hearing, and in view also of the fact that the data provided by the Bureau of Labor Statistics are widely used in this context, I believe the subcommittee may wish me to review the current inflation indicators briefly, before proceeding to discuss the technicalities of price measurement. I shall do this by referring to the materials presented in chart 1: "Measures of the Rate of Inflation." These materials are designed to help answer the question whether the rate of inflation is accelerating, continuing about the same, or slowing down.

THE RATE OF INFLATION

Having the measures of inflation plotted over different time spans (as shown in chart 1) facilitates observation of current fluctuations, short-term trends, and longer-term trends. Perhaps I should emphasize that a downward slope in any line on these charts does not mean that prices actually declined but only that the rate of increase diminished. A decline in prices is indicated only when the line goes below zero on the scale. I should further explain that all the figures plotted are at annual rates, even when they pertain to changes over a one-month span, or over a three-month span. In general, the shorter span rates are more erratic than the longer span rates, but if there is a change in the rate of inflation, the shorter-span rates are likely to show it sooner.

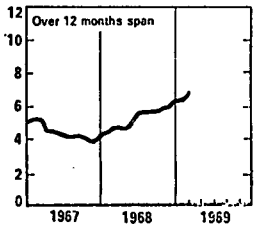
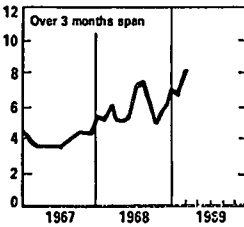
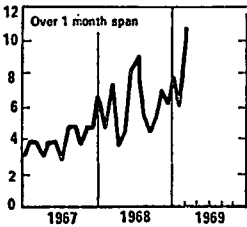
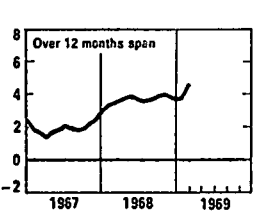
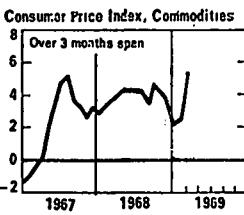
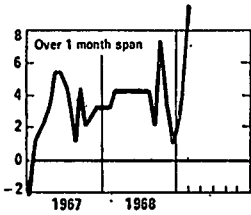
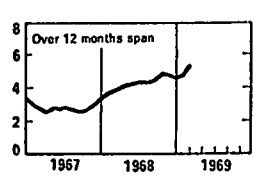
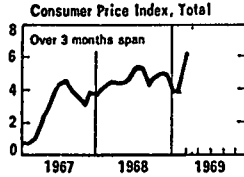
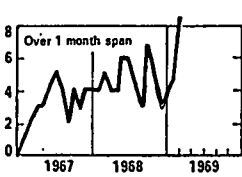
The first three panels show trends of the Consumer Price Index, and its major components (commodities and services) separately. Although the rate of increase in the CPI slowed temporarily in November and December of last year, it accelerated during the first quarter of 1969, to the sharpest rate of advance since mid-1956.

Prices of consumer services have been climbing at a considerably faster rate than prices for commodities. Moreover, the differential has been widening of late.

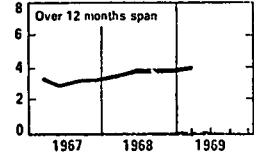
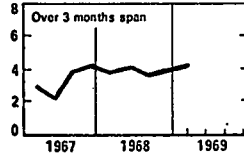
Mortgage interest charges have had a considerable influence on the index for consumer services. They climbed sharply last summer, levelled off for a few months thereafter, but then jumped again during the first quarter of this year. In fact, if mortgage interest charges had remained unchanged, the increase in the CPI from March 1968 to March 1969 would have been 4.5 percent instead of 5.1 percent. The rate of increase in charges for medical services also slowed for a few months last year, but has accelerated in recent months. Still another factor affecting the rate of increase in service prices is the rate of advance in labor compensation, which was considerably higher in 1968 than in 1967.

Chart 1. Measures of the Rate of Inflation

Percent changes expressed at annual rates,
and plotted at terminal month of span.



GNP Implicit Price Deflator (quarterly)

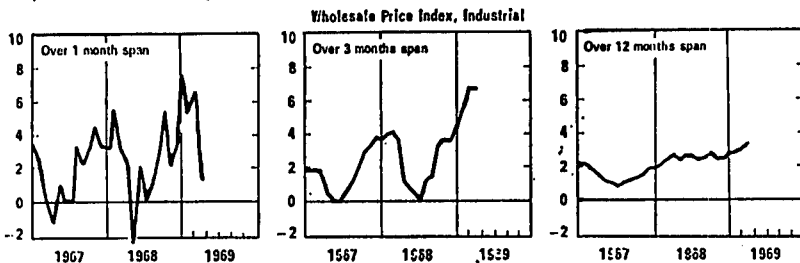


Monthly data plotted
through March.

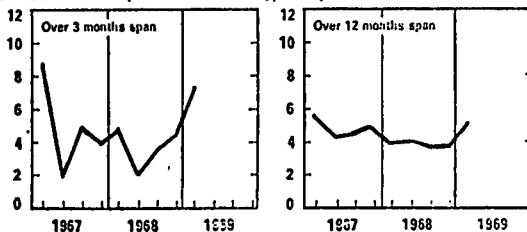
Quarterly data plotted
through first quarter.

Chart 1. (continued) Measures of the Rate of Inflation

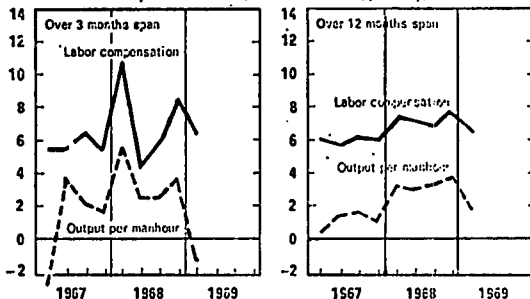
Percent changes expressed at annual rates, and plotted at terminal month of span.



Labor Cost Per Unit of Output, Private Nonfarm (quarterly)



Labor Compensation Per Manhour and Output Per Manhour, Private Nonfarm (quarterly)



Monthly data plotted through April.

Quarterly data plotted through first quarter.

Referring next to the panel presenting the GNP implicit price deflator, which is a price index for the total output of the economy, this broader measure of price trends shows greater stability in the rate of increase than the CPI, with the latest figure slightly above 4 percent. The Wholesale Price Index for industrial commodities, shown on the second page, has been climbing at an accelerated pace since the middle of last year, and showed no sign of a slower rate of increase until just last month. It still is too early to determine whether this is only a temporary pause in the rate of increase, or the beginning of a new trend, in view of wide fluctuations which this indicator has shown.

The last two panels on chart 1 are regarded as having a bearing on past and possible future price trends, inasmuch as they reflect trends of labor costs which are an important factor in determining prices, especially, as I mentioned, in the case of services. The rise in labor cost per unit of output in the private economy slowed down somewhat during 1968, because the rate of increase in productivity advanced more than did the rate of increase in labor compensation per hour. However, the trend was reversed during the first quarter of 1969, when growth in output per man-hour slowed relative to the rise in labor compensation per hour, and the increase in unit labor costs approached that of early 1967.

In summary, the price and cost indexes give no clear indication of deceleration in the rate of inflation through the first quarter of this year.

Let me now turn to a broad discussion of the Bureau's program to improve the Nation's price statistics. Since I have only recently become Commissioner of Labor Statistics, I shall be reporting to you on developments prior to my appointment, as well as on plans for the future. This position, incidentally, gives me an opportunity to take a more critical view of what has been done, or not done, though I realize that the next time around it will be my turn to be held accountable.

PRICE STATISTICS

Methodological Reports

First, I should like to summarize the actions the Bureau of Labor Statistics has taken in response to the several recommendations of the Price Statistics Review Committee and the Joint Economic Committee. One recommendation was that the Bureau of Labor Statistics should publish the methods used in compiling the price indexes. We have issued BLS Bulletin 1458, *Handbook of Methods for Surveys and Studies* (October 1966), which describes the procedures followed in compiling not only the price indexes but all other major statistical series for which the Bureau is responsible. Two major bulletins have dealt with the methodology for the CPI specifically: BLS Bulletin No. 1517, *The Consumer Price Index: History and Techniques* (1966) and BLS Bulletin 1554, *The Consumer Price Index: Technical Notes, 1959-63* (1967). We regard these reports as representing the kind of publication program for price index methodology which the committee recommended. Copies are available for members of this committee.

Probability Sampling

A second recommendation of the Review Committee was that the Bureau adopt probability sampling for the price indexes. The Bureau had already planned to use this technique and proceeded, therefore, to implement this recommendation for the CPI at the time of its comprehensive revision in 1964. Experience with probability samples of items and outlets, however, has led us to undertake a re-examination of the probability selection concept in connection with our planning of the next comprehensive revision of the index. The first difficulty which we encountered was that involved in matching probability samples of items with probability samples of outlets. In many cases items selected by this procedure could not be priced in outlets selected according to probability. It was necessary, therefore, to make substitutions or modify specifications in order to be able to price items actually sold in the outlets selected.

Another problem arose in connection with the interpretation of data resulting from the probability selection procedure. This procedure involves assigning weights in some instances to items which in themselves are of comparatively little importance in total consumer expenditures. Although the selection frame is designed to arrange items in categories subject presumably to similar price influences, we have not been able to avoid some uneasiness with respect to the fidelity with which probability selected items actually represent price movements of all other items within the category. Our research on this question has not been completed. I can not say, therefore, whether the probability selection

procedure will continue to be followed after the next comprehensive revision of the CPI.

We have not found probability selection procedures to be suitable for application to the Wholesale Price Index. In the first place, we do not have sufficiently detailed information concerning the wide range of items which this index should cover. This is especially true concerning the value of shipments of detailed items which is the basis for determining probability selection. Another reason that we have not adopted probability procedures for the WPI is that detailed individual price series from this index are widely used in connection with long-term contract escalation. Therefore, the individual series themselves are of considerable importance to enable those who wish to use them for contract escalation to develop their own most appropriate combinations of series. We do not anticipate adopting probability sampling procedures for the WPI, at least in the immediate future.

Seasonally-adjusted Indexes

Users of price statistics have long recognized a need for seasonally-adjusted data, and the compilation of seasonally-adjusted indexes was a recommendation of the Price Statistics Review Committee.

Several components of both the CPI and the WPI undergo rather large seasonal fluctuations. We have complied with the recommendations of the Review Committee as well as the suggestions of many of our users, particularly professional economists, by publishing seasonally-adjusted series for such categories as farm products, foods, apparel and transportation. In addition, we supply seasonal adjustment factors upon request for the use of those who wish to seasonally adjust more detailed series within the industrial commodities category of the WPI. On the other hand, the BLS has not felt that the seasonal fluctuations in the *all items* CPI or *all commodities* WPI were of sufficient magnitude to warrant publication of these indexes on a seasonally-adjusted basis. I intend to re-examine this question.

Adjustment for Change in Quality of Products

One of the most important recommendations of the Review Committee, which was strongly supported by the Joint Economic Committee, was that the statistical agencies should be provided with research divisions. A number of high-priority areas of research were outlined. Among these was a recommendation that improved techniques be developed for adjusting price data for changes in the quality of products. A research division was established in the BLS in FY 1963, and it has given major attention to developing improved techniques for quality adjustments. This work has been handicapped considerably by the lack of a broad spectrum of price quotations representing different qualities of a given product available in the market. The Review Committee recognized this problem in its recommendation that price data collection should be expanded beyond the needs of the current price indexes. However, the BLS has not been able to obtain the resources necessary to carry out this recommendation.

In spite of this difficulty, considerable progress has been made toward perfecting empirical multiple regression techniques which could be used to determine what part of the difference in prices between various qualities of the same product should be attributed to quality factors. These techniques have been used to test the accuracy of quality change adjustments which have been incorporated into the various price series over the past several years. In general, although the tests indicate that some segments of the index have an upward bias while others have a downward bias, they have not revealed any overall bias, either upward or downward, resulting from inadequacy of quality adjustments. I think it is fair to say that the accuracy of adjustments for quality changes has been improved significantly within the last 5 or 6 years through more intensive application of the regular procedures historically followed by the Bureau.

We plan to continue our research effort to improve the techniques used for adjusting price quotations for changes in the quality of products. More work is required to perfect the theoretical underpinnings of the regression technique and toward finding methods that can be used to adjust the prices of services. From a practical point of view, services seem more difficult to adjust because quality cannot be so easily related to quantifiable physical characteristics as in the case of other goods. The regression analyses which have been made and those which will be carried on in the future will assist us not only in adjusting

price quotations after they are obtained but also in refining the technical specifications which we use in obtaining prices in the first place. In other words, these techniques reveal which characteristics of product are most significant from the standpoint of their contribution to quality and price attributes.

More Flexible Specification Pricing

Another result of this research has led us to a conclusion which runs counter to a recommendation of the Review Committee, namely that specification pricing be made more flexible. If we are to do a better job of adjusting prices for changes in the quality of products, we must obtain more precise information about the characteristics of a product which contribute most to differences in prices. While this means we should obtain prices on a broader cross-section of qualities available in the market place, it also means that the specifications must be sufficiently rigid so that they distinguish these price-determining characteristics.

Earlier Introduction of New Commodities

A related recommendation was that new commodities should be introduced into the price indexes more promptly. The limited research which we have been able to do so far on this question indicates that a considerable amount of discrimination needs to be exercised with respect to the proper time to introduce specific individual products into a price index. In fact, it is exceedingly difficult to a recommendation of the Review Committee, namely, that specification pricing product. A great deal depends upon the rate at which the product is accepted in the market and the rate at which competing producers are able to develop and market a similar or substitute product. Under these circumstances, it may be that the proper decision can not be made until some time after the appropriate time has arrived. As a result, new products may have to be introduced retroactively, which means revising the index. This raises the ever-present problem faced by the official price statistics agencies concerning revisions of previously published series, some of which may have been used to adjust contracts involving millions or billions of dollars. I shall discuss this question more fully later in connection with the subject of a cost-of-living index.

Actual Transaction Prices

In connection with the WPI, the Review Committee called attention to the problem of obtaining actual transaction prices and recommend that price information be obtained from buyers of products rather than sellers. I might say that most economists believe that the trend of actual transaction prices departs from that of published list prices on which much of the WPI is based, particularly at turning points in the business cycle. The preliminary results of some research being carried on by Professor George Stigler for the National Bureau of Economic Research, with which we have maintained fairly close contact, throw light upon this basic assumption. Professor Stigler finds that transaction prices are more flexible, both upward and downward, than the price quotations used in the BLS indexes. On the other hand, he does not find that transaction prices typically turn earlier in the business cycle. Because of the wide use of long-term supply contracts in many industries, the prices at which manufacturers, for example, buy materials, supplies, or components are not as immediately responsive to changes in the market as is generally presumed. However, this does not imply that every effort should not be made to put the WPI on an actual transaction price basis to the maximum extent possible.

At the same time, it raises the question of how long-term supply contract prices should be treated in the WPI. The answer depends on uses of the index. One major use is to deflate value aggregates in order to measure real output (GNP in constant dollars, industrial production, etc.). This use calls for prices involved in long-term contracts to be kept in the index as long as the contracts run, or at least until the contract prices are changed.

On the other hand, the WPI and its components are also widely used as economic indicators, measures of inflationary pressures, etc., which call for a sensitive indicator of new contract prices uninfluenced by the drag which results from keeping long-term contract prices in the index for their duration. Several similar conflicts of uses also exist with respect to the CPI. The only solution to these problems appears to be to compile several price indexes designed to meet different needs. Some of our current and planned future program proposals are for the purpose of making progress in this direction.

One of the steps required for this purpose is to collect price data from buyers, as well as from sellers. But this is an expensive process. For the last two fiscal years, BLS has requested funds to begin the collection of actual transaction prices from buyers. To date, we have not received these funds. Our immediate objective would be to collect price data from buyers where necessary in connection with development of a comprehensive system of price indexes by industries and sectors of the economy, which was a further recommendation of the Review Committee.

Industry-Sector Price Indexes

In his appearance before the JEC in May 1966, Commissioner Arthur Ross outlined the Bureau's plans for a comprehensive system of industry-sector price indexes. We have progressed in our planning for this project and I am glad to be able to submit a more detailed outline of the whole system as well as an evaluation of where we stand at present with respect to development of the complete system. The major purpose of the program is to provide price data on the same basis and within the same framework as data already available on production (from Census and other sources) employment, productivity, unit labor costs, and other related economic statistics. When this has been accomplished, it will permit significant improvements in many of the important measures of economic developments and facilitate economic analysis, especially inter-industry, economic growth, and price-factor cost relationship studies.

The basic organization of the data will be by production sectors, including agriculture, mining, manufacturing, services, utilities, construction, transportation, and distribution. More details of the 4-digit (SIC) industries within these sectors are shown on the accompanying table at the end of the text. At the same time, it will be a relatively easy matter to re-arrange the same data within final demand sectors to correspond with the national product accounts (GNP). Other re-arrangements also will be facilitated to permit different approaches to economic analysis.

The most striking fact which emerges from the evaluation given in the accompanying table is the paucity of coverage by presently available price statistics. Agriculture and mining are reasonably well covered, but the coverage of manufacturing is surprisingly low. Even the coverage of retail trade is generally poorer than usually assumed in view of the extensive data collection carried on for use in compiling the Consumer Price Index.

So far, the BLS has found price series sufficiently complete and reliable to warrant publication of separate indexes for only 99 4-digit industries in the mining and manufacturing sectors. While the table shows good coverage in the agriculture sector, based on data compiled by the U.S. Department of Agriculture, there are questions of the level of pricing (whether close enough to the farm), and changes in product mix that are permitted to affect average prices, which must be resolved before separate agricultural industry indexes can be published.

Some data are available for the transportation sector, from the Interstate Commerce Commission and other regulatory agencies, which may fill a small part of the gap in that sector. Likewise, work is being done by BLS and the Bureau of the Census to develop more nearly adequate series for the construction sector.

The table makes clear that a great deal remains to be done to develop a complete system of price indexes for important industries and sectors of the economy. Of the total value of domestic output of \$822 billion in 1958, published price indexes cover only about 13 percent. Since there is good, but unpublished, price coverage of another 16 percent, the presently available published coverage could rather easily be more than doubled. But going beyond that the problem becomes more difficult, and more expensive. It is clear that to accomplish a major breakthrough substantial additional resources for the statistical agencies will be required.

International Price Competitiveness

One sector on which we hope to expand our price work during the coming year is that of foreign trade. I noted with great interest that in your report on the 1969 Economic Report of the President, this committee stressed the need for better information on export and import prices in order to assess the international price competitiveness of the United States in world markets.

The BLS has for several years been interested in the development of new measures of the price competitiveness of U.S. products in world markets. Government policy decisions on balance-of-payments and trade problems have been se-

riously hampered by the lack of reliable and comprehensive data on the comparative prices of commodities exported by the United States and other major trading countries. These measures are needed to evaluate alternative financial and trade policies and to provide information required for export promotion to achieve the annual \$50 billion export goal established recently by the Cabinet Committee on Export Expansion.

Although our work on the international price program has been seriously impeded by lack of adequate funds, we have made some progress. We have carefully reviewed the pilot work in this field done by Irving Kravis and Robert Lipsey at the National Bureau of Economic Research. During the past year, we have worked out the conceptual framework for the international price program and have carried out some experimental price collection. Our plan is to compute indexes showing the trend of export prices of durable manufactured products for the United States and for several other major industrial countries. The data required for the new statistical measures will be secured from: (1) a survey of U.S. companies; (2) a review of commercial invoices accompanying imports at major U.S. ports; and (3) collection of price offers submitted by foreign and domestic suppliers for custom-built equipment procured by government and international agencies. In addition, data will be obtained from other countries through cooperative arrangements under OECD auspices.

We have made some progress this year in collecting export prices. Survey forms were developed and approved by the Budget Bureau last June. Since that time, BLS staff members have visited officials in more than 50 large American companies to obtain background information and to arrange for the annual reporting of export prices to the Bureau. Arrangements have also been made to collect from U.S. government agencies price offers submitted by foreign and domestic suppliers for procurement of heavy electrical equipment.

The Bureau has requested funds for fiscal year 1970 to expand the survey of U.S. firms, to begin price collection from import documents, and to intensify our efforts to develop cooperative arrangements with other OECD countries. We believe that we can make considerable progress in the collection and processing of the data required for the program if Congress authorizes the budget increase requested for the international price program.

Periodic Revisions of Price Indexes

The Review Committee recommended periodic revisions of the major price indexes. The BLS agrees fully with this recommendation and has attempted to implement it. However, limitations of resources have made it impossible for us to carry out a reweighting of the wholesale price indexes to make use of data which have become available from the 1967 industrial censuses, and the wholesale price indexes have continued to be based upon 1963 weights.

We have made tentative plans for a comprehensive revision of the CPI beginning in FY 1970 and to be completed in FY 1975. This would be 11 years after the last comprehensive revision which was completed in 1964. Our ability to carry out this revision will depend upon the availability of substantial additional funds, beginning in FY 1970. A considerable amount of planning has already been done in connection with the proposed forthcoming comprehensive revision of the CPI. If this program is able to proceed, then we expect to carry out several additional recommendations of both the Price Statistics Review Committee and the Joint Economic Committee.

A True Cost-of-Living Index

These recommendations relate primarily to the committee's view that the CPI be modified in the direction of a true cost-of-living index. There are two main features of such an index that distinguish it from the CPI. First, and foremost, a true cost-of-living index takes into account the fact that consumers can offset, to a greater or lesser degree, the effect of a rise in the price of one commodity by substituting another which has become relatively cheaper. The Review Committee recommended frequent weight revisions as a means of reflecting this phenomenon. Undoubtedly they did so because, at the time, it did not seem feasible to estimate the rates at which consumers substitute products in response to relative price changes. Recent research by BLS has shown that tractable methods exist for estimating these rates among groups of commodities. We are rigorously testing these methods with data and tentative results for selected commodity groups are favorable. Of course, for some commodity groups we shall probably not be able to obtain estimates of substitution

rates. For these, more frequent weight revisions would be helpful, although primarily for identifying new products and for dealing to some extent with long-run substitutions, rather than coping with the pervasive, week-to-week substitution problem in foods, for example.

A second distinction between the OPI and a true cost-of-living index lies in the treatment of consumer durables. In the OPI, which is a measure of current purchase prices, durable goods prices and the interest rates paid for funds borrowed to purchase them, are those obtaining in the period for which the index is being calculated. But durable goods provide a service over many time periods. It is the value of this service which is appropriate for inclusion in a true cost-of-living index, as the Review Committee recognized. The most comprehensive measure of this service value per unit time is the rent one would have to pay to obtain the services of a durable. The rent presumably depends on the current price of the asset, the interest the purchaser would have to pay on any funds borrowed to buy it, an assessment of future economic conditions by both buyer and seller, etc. If pricing could be expanded, as it should for reasons already set forth, we would probably be able to collect rents for dwelling units comparable to owned units. However, for other types of durables, rental data are difficult to collect and interpret. For example, rentals for dishwashers would be difficult, if not impossible, to collect; those for new cars, difficult to interpret. An alternative, user-cost measure is available but it is only a proxy for what is needed.

A Cost-of-Living Oriented Index

Although for the reasons indicated a true cost-of-living index is probably an unattainable objective, we believe it would be desirable to make the changes discussed above. The resulting index would be a "cost-of-living oriented" index and would fill a serious gap in our economic data. We have made important strides in working toward this more limited, but nonetheless important, objective. Much more needs to be done, however, so that it will be some years before an alternative to the OPI in its present conceptual framework will appear. Moreover, there will be a continuing need for purchase price indexes for the consumption sector of our economy, since they serve such important purposes as the analysis of the causes of inflation and the derivation of constant dollar estimates of the Gross National Product.

Preliminary and Final Indexes

Before concluding my remarks on this subject, I should like to mention two related points. First, both the new methods for quality adjustment and the new ways to approach a true cost-of-living index require use of sophisticated techniques for obtaining information from primary data. Because such methods take time to apply, it will be necessary to publish both preliminary and final index numbers. The preliminary estimates, though crude, will be of great use for many purposes and consistent with our objective to make data available as promptly as possible. The final estimates will be more precise, in keeping with the high standards of our statistical system.

Annual Surveys of Consumer Expenditures

A second topic implicit in this discussion is the need for annual consumer expenditure surveys. Such surveys would provide the basis for more frequent weight revisions and facilitate the estimation of the price-induced commodity substitutions of consumers for the cost-of-living oriented index. But they have more far-reaching uses. For example, if we had such detailed data for 1968 we could better assess how consumers reacted to the surtax. Another important use is to assess the impact of inflation on the poor, on those who live on relatively fixed incomes, and on various other groups. The need for such information to guide economic policy, as well as to measure its effects, cannot be met by comprehensive surveys taken every decade.

JOB VACANCY STATISTICS

I am pleased to report to you that we have made a significant start on the regular collection of job vacancy data.

The development of comprehensive job vacancy data has attracted the attention of economists and political scientists interested in the labor market, as well as the Department of Labor, because of their wide range of potential uses in economic analysis and in improving the efficiency of the labor market. These data, which represent, in effect, the unfilled demand for labor, can be of value in the analysis of general economic conditions. They should help us to appraise and to understand the balance between supply and demand, and alert us to the

development of inflationary or deflationary pressures on the economy. Improved analysis and understanding of these basic labor market relationships can, in turn, be of value in developing policies to deal with these problems both nationally and in individual states and localities. The data, taken together with other information, provide a better view of emerging labor shortages or surpluses, and help to identify needed training programs. In this way they supplement the systematic projections of occupational manpower needs for the Nation and local areas being developed by the Department of Labor and State employment security agencies. In employment service operations, comprehensive job vacancy statistics can serve to identify the industries and occupations most likely to provide employment opportunities, and as a means of assessing the coverage and representativeness of the openings listed with the local office.

Beginning in January of this year, the Department of Labor initiated a program which, for the first time, will provide a substantial amount of job vacancy data regularly. Under this program monthly job vacancy data, by industry, will be generated for all nonagricultural industries in 26 metropolitan areas, and in 17 of these areas the data will be classified by occupation once each quarter. Job vacancy data covering manufacturing and mining industries will be provided for all States, for 24 additional areas, and for the Nation.

This is a somewhat different program than the one discussed before this committee in May 1966. At that time, there was some question whether job vacancy data would be collected independently of any existing collection program or through the medium of the existing cooperative Labor Turnover Statistics system operated by the Bureau of Labor Statistics, the Manpower Administration and the cooperating State employment security agencies. After a period of intensive review within the Department, the latter approach was adopted because it presented a number of operating economies and analytical advantages. As in the cooperative Current Employment Statistics program, the cooperating State employment security agencies collect the data and prepare estimates for local metropolitan areas. The Bureau of Labor Statistics is to prepare and analyze the national estimate and is responsible for the technical aspects. The Manpower Administration is responsible for the administrative aspects of the program.

The present program represents a much closer integration of job vacancy and labor turnover data than was contemplated earlier. The former Monthly Report on Labor Turnover has been modified to include three new items—total job openings, openings continuing unfilled for a month or longer, and job openings with future starting dates. The existing sample of 40,000 establishments in manufacturing and mining, which covers all States, was solicited for reports using the new schedule. This sample is in the process of being supplemented by the solicitation of a sample of establishments in nonmanufacturing industries in the 26 areas where coverage is to include all non-agricultural industries. The quarterly information on job openings by occupation will be collected on a supplementary schedule which will be sent along with the regular monthly report. Since this is a new program involving new concepts and presenting new technical and analytical problems, the data it generates will be carefully analyzed and evaluated.

The system provides data in the manufacturing and mining industries for the Nation as a whole, all 50 States and 50 metropolitan areas, and provides all States with experience in the collection and estimation of job vacancy data. This latter element is important in providing flexibility in a cooperative Federal-State program.

The present program is more limited in its coverage than we should like, and it does not fully meet the need for comprehensive job vacancy statistics classified by area, industry and occupation. We are currently considering several alternative directions in which expansion could take place.

Our aim is to establish a broad national system of job vacancy statistics which provides data for all forms of employment for the Nation as a whole, and for individual metropolitan areas. I anticipate that the expansion necessary to meet this aim will take place with a single sample of establishments serving as the basis for comprehensive data for the large nonagricultural wage and salary sector much as our establishment sample in the Current Employment Statistics program meets the need for employment data for the Nation, States and metropolitan areas without duplication.

Accompanying the on-going program next year, there will be a continued program of supportive evaluation and research. The specific nature of the projects to be undertaken is currently being developed, but they will likely include:

(1) A study of the accuracy of occupational coding designed to test the consistency of coders in assigning occupational codes, the accuracy with which codes can be assigned, and to ascertain where the codes can be assigned most accurately within the cooperating State agencies.

(2) Surveys designed to determine the accuracy with which employers report job vacancy data and the reason for errors, and to identify problems encountered by employers in providing job vacancy data with a view towards simplifying reporting. In some areas the basic survey would be supplemented by questions designed to elicit information on other aspects of the program such as the number and reportability of vacancies for temporary and part-time workers. The latter elements would also be assessed in terms of their significance in the total and would serve to identify the industries and occupations in which they are prevalent.

(3) An assessment of the significance of vacancies in new firms in the vacancy total and the development of means whereby they may be reflected more adequately. Firms just starting in business may have a higher-than-average ratio of job vacancies, and present survey techniques may not result in the addition of new firms to the sample rapidly enough to reflect these vacancies fully.

(4) A detailed analysis of the relationship between job vacancies and openings listed in job banks. This study will serve as the model for the application of data developed in the program to job bank operations and will focus on identifying the occupations and industries most likely to provide employment opportunities, assessing the number and representativeness of the job bank openings, and identifying means whereby their number and representativeness may be increased. The relationship between employment service unfilled openings and job vacancies will also be examined.

(5) A study designed to determine the consistency and accuracy with which it may be determined how the wage rates associated with job vacancies reported by employers compare with the wages generally offered by employers in the area for these occupations.

I might also note that the present program covers only wage and salary workers in nonagricultural industries and, therefore, provides no coverage of the 10 percent of the labor force that is engaged in agricultural work, employed in private households or is self-employed. As resources permit, we will investigate the concept of job vacancies as it applies to these elements of the labor force and determine how best to extent coverage to them.

The job vacancy data should provide useful new insights into the nature and operation of the labor market, particularly when considered in conjunction with related data on employment and unemployment. For example, the Bureau of Labor Statistics has recently released unemployment data for four broad geographical regions and for the 10 most populous States. These data indicate that unemployment rates were appreciably higher in the West than in the rest of the country. The unemployment rates in the States were found to range from 5.1 percent in California to 2.9 percent in Massachusetts. It would be important to know whether there was a similar pattern of job vacancy rates in these States and regions, since a high unemployment rate accompanied by a high vacancy rate has very different implications for economic policy than if it is accompanied by a low vacancy rate. As the job vacancy data are developed, we shall be looking into the relationship between job vacancies and employment, unemployment, labor force participation, wage rates, and labor turnover, examining how these elements interact, and ascertaining trends in the job vacancy data themselves in relation to these and other labor market indicators.

It is clear, however, that we do not have all the information needed to utilize the job vacancy data fully, particularly at the local area level. One need is for employment by occupation in local areas for use in computing occupational job vacancy rates. A total of 200 vacancies for, say, typists may not represent a substantial part of the total employed in the occupation in any one area, but could be quite significant in an occupation in which fewer people are employed. Another need is for improved area unemployment estimates and for the more extensive information on the labor force provided for the Nation by the Current Population Survey. The Department of Labor, I might add, is working towards improving area unemployment estimates.

I anticipate that all these statistics and the studies they make possible will, in due course, have an important bearing on the desirable extent of manpower training and placement programs, as well as on the directions in which they are focused. A new tool for analyzing manpower and other economic policies is being forged, and it is to the great credit of this Committee that it saw the need for this instrument and supported its development.

Coverage by the Bureau of Labor Statistics and Other
Price Indexes of Domestic Output of the U.S., 1958 1/

Industry	Industry Definition (SIC Codes) 1/	Domestic Output Value (millions of dollars) 1/	Coverage of 4-digit Industries 2/						Source of Prices			See Note:
			Number of Industries			Value Coverage (Percent) 3/			WPI	CPI	Other	
			Total	Published	Not Published	Published	Not Published	Good					Fair	Poor or None
<u>Agriculture, Forestry, and Fisheries</u>												
1. Livestock and livestock products	013, pt 014, 0193, 0729	26,085	8		4	4	97		3	X		a
2. Other agricultural products	011, 012, pt 014, 0192, 0199	23,044	8		6	2	86		14	X		b, a
3. Forestry and fishery products	074, 081, 082, 084, 086, 09	922	12			1	11		na	na	X	
4. Agricultural, forestry and fishery services	071, 0723, pt 0729, 085, 098	1,019	9			9				100		
<u>Mining</u>												
5. Iron and ferro- alloy ores mining	1011, 106	777	4			1	3		86	14	X	c
6. Nonferrous metal ores mining	102, 103, 104, 105, 108, 109	1,017	11				11			100		c
7. Coal mining	11, 12	2,749	5	2			3	97		3	X	c
8. Crude petroleum and natural gas	1311, 1321	9,668	2	1			1	84		16	X	

Coverage by the Bureau of Labor Statistics and Other
Price Indexes of Domestic Output of the U.S., 1958 1/

Industry	Industry Definition (SIC Codes) <u>1/</u>	Domestic Output Value (millions of dollars) <u>1/</u>	Coverage of 4-digit Industries <u>2/</u>									Source of Prices			See Note:
			Number of Industries			Value Coverage (Percent) <u>3/</u>									
			Total	Published	Not Published	Published	Not Published	Not Published	Good	Fair	Poor or None	WPI	CPI	Other	
9. Stone and clay mining and quarrying	141, 142, 144, 145, 148, 149	1,404	21	4	1	16	67	1	32		X				
10. Chemical and fertilizer mineral mining	147	469	7	3		4	60		40		X				
<u>Contract Construction</u>															
11. New construction	138, pt 15, pt 16, pt 17, pt 6561	52,416	22			22			100			X	d		
12. Maintenance and repair construction	pt 15, pt 16, pt 17	16,875	(21)			(21)			100		X				
<u>Manufacturing</u>															
13. Ordnance and accessories	19	4,149	9			2	7		7	93	X				
14. Food and kindred products	20	62,347	44	20	5	2	17	48	10	7	35	X			
14.1 Meat products	201	17,212	3	3				100				X			
14.2 Dairy products	202	9,407	5	1	1	1	2	10	9	6	73	X			
14.3 Canning, pre-serving, fruits, vegetables and sea foods	203	5,468	7	2		1	4	46	15	39		X			

Coverage by the Bureau of Labor Statistics and Other
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Industry	Industry Definition (SIC Codes) ^{1/}	Domestic Output Value (millions of dollars) ^{1/}	Coverage of 4-digit Industries ^{2/}									Source of Prices WPI CPI Other	See Note:
			Number of Industries			Value Coverage (Percent) ^{3/}							
			Total	Published	Not Published	Published			Not Published				
						Good	Fair	Poor or None	Good	Fair	Poor or None		
14.4 Grain mill products	204	6,972	6	1	2	3	5	77	18	X			
14.5 Bakery products	205	5,363	2	1		1	19		81	X			
14.6 Sugar	206	1,532	3	3			100			X			
14.7 Confectionery and related products	207	1,831	3	1		2	10		90	X			
14.8 Beverage industries	208	7,814	6	3	2	1	45	46	9	X			
14.9 Miscellaneous food and kindred products	209	6,748	9	5		4	46		54	X			
15. Tobacco manufacturers	21	5,918	4	3		1	70		30	X			
16. Broad and narrow fabrics, yarn and thread mills	221, 222, 223, 224, 226, 228	10,481	11		1	1	9	11	12	77	X		
17. Miscellaneous textile goods and floor coverings	227, 229	2,028	12	1	1	10	16	15	69	X			
18. Apparel	225, 23 excl. 239, pt 3999	14,201	30	7	2	3	18	28	23	12	37	X	

Coverage by the Bureau of Labor Statistics and Other
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Industry	Industry Definition (SIC Codes) ^{1/}	Domestic Output Value (millions of dollars) ^{1/}	Coverage of 4-digit Industries ^{2/}										Source of Prices WPI CPI Other	See Note:	
			Number of Industries			Value Coverage (Percent) ^{3/}									
			Total	Published	Not Published	Published			Not Published						
						Good	Fair	Poor or None	Good	Fair	Poor or None				
19. Miscellaneous fabricated textile products	239	1,856	8									100	X		
20. Lumber and wood products, ex. containers	24 excl. 244	7,644	9	1		4	4	4				76	21	X	
21. Wooden containers	244	408	4	1				3				24		X	
22. Household furniture	251	3,177	5	1		2	2	17				67	16	X	
23. Other furniture and fixtures	25 excl. 251	1,351	7	1				6				5		95	X
24. Paper and allied products, ex. containers	26 excl. 265	9,297	12	1	3	2	6	8	58	15	19			X	
25. Paperboard containers and boxes	265	3,559	5	1	1	1	2	19	46	25	11			X	
26. Printing and publishing	27	12,450	15											100	
27. Chemicals and selected chemical products	281 excl. alumina pt of 2819, 286, 287, 289	10,304	15	3	1	1	10	12	29	8	52			X	

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Price Indexes of Domestic Output of the U.S., 1958 ^{1/}

Industry	Industry Definition (SIC Codes) ^{1/}	Domestic Output Value (millions of dollars) ^{1/}	Coverage of 4-digit Industries ^{2/}								Source of Prices			See Note:
			Number of Industries				Value Coverage (Percent) ^{3/}				WPI	CPI	Other	
			Total	Published	Not Published		Published	Not Published						
					Good	Fair		Poor or None	Good	Fair					Poor or None
28. Plastics and synthetic materials	282	3,766	4	3		1		51		49		X		
29. Drugs, cleaning and toilet prep.	283, 284	6,220	7		1	2	4		41	42	17		X	
30. Paints and allied products	285	1,815	1			1				100			X	
31. Petroleum refining and related industries	29	16,870	5	1		4		93		7			X	
32. Rubber and miscellaneous plastic products	30	6,541	5			1	4			29	71		X	
33. Leather tanning and industrial leather products	311, 312	874	2	2				100					X	
34. Footwear and other leather products	31, excl. 311 and 312	3,048	8			1	7			66	34		X	
35. Glass and glass products	321, 322, 323	2,123	4	1			3	40		60			X	
36. Stone and clay products	324, 325, 326, 327, 328, 329	7,298	23	10		2	11	58		16	26		X	

Coverage by the Bureau of Labor Statistics and Other
Price Indexes of Domestic Output of the U.S., 1958 ^{1/}

Industry	Industry Definition (SIC Codes) ^{1/}	Domestic Output Value (millions of dollars) ^{1/}	Coverage of 4-digit Industries ^{2/}								Source of Prices			See Note:
			Number of Industries				Value Coverage (Percent) ^{3/}				WPI	CPI	Other	
			Total	Published	Not Published		Published	Not Published						
				Good	Fair	Poor or None		Good	Fair	Poor or None				
37. Primary iron and steel manufacturing	331, 332, 3391, 3399	18,784	10	4		3	3	81		15	4		X	
38. Primary nonferrous metal manufacturing	2819 (alumina only), 333, 334, 335, 336, 3392	8,889	14	4	2	2	6	26	27	17	30		X	
38.1 Copper manufacturing	3331, 3351, 3362	2,222	3	1	1		1	53	38		10		X	
38.2 Aluminum manufacturing	pt 2819, 3334, 3352, 3361	3,041	3	1	1		1	26	51		23		X	
38.3 Other nonferrous metals manufac- turing	3332, 3333, 3339, 3341, 3356, 3357, 3369, 3392	3,625	8	2		2	4	8		43	49		X	
39. Metal containers	3411, 3491	2,060	2	1			1	88			12		X	
40. Heating, plumbing, and structural metal products	343, 344	7,371	9	1	2	3	3	3	25	45	27		X	
41. Stampings, screw mach. products and bolts	345, 346	3,316	3		1	1	1		26	62	12		X	

Coverage by the Bureau of Labor Statistics and Other
Price Indexes of Domestic Output of the U.S., 1958 1/

Industry	Industry Definition (SIC Codes) <u>1/</u>	Domestic Output Value (millions of dollars) <u>1/</u>	Coverage of 4-digit Industries <u>2/</u>										Source of Prices			See Note:
			Number of Industries		Value Coverage (Percent) <u>3/</u>						WPI	CPI	Other			
			Total	Published	Not Published			Published	Not Published							
					Good	Fair	Poor or None		Good	Fair	Poor or None					
42. Other fabricated metal products	342, 347, 348, 349 ex 3491	5,509	14	4	1	1	8	16	22	24	38	X				
43. Engines and turbines	351	1,954	2	1			1	53			47	X				
44. Farm machinery and equipment	352	2,313	1			1			100			X				
45. Construction, mining and oil field machinery	3531, 3532, 3533	2,865	3	1	1		1	19	69		11	X				
46. Materials handling mach. and equipment	3534, 3535, 3536, 3537	906	4	2	1		1	45	18		37	X				
47. Metalworking machinery and equipment	354	3,080	5				3			48	52	X				
48. Special industry machinery and equipment	355	2,254	6			1		5	16		84	X				
49. General industrial machinery and equipment	356	3,254	7	1	1	1	4	19	18	33	30	X				

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Industry	Industry Definition (SIC Codes) ^{1/}	Domestic Output Value (millions of dollars) ^{1/}	Coverage of 4-digit Industries ^{2/}										Source of Prices WPI CPI Other	See Note:
			Number of Industries					Value Coverage (Percent) ^{3/}						
			Total	Published	Not Published			Published	Not Published					
					Good	Fair	Poor or None		Good	Fair	Poor or None			
50. Machine shop products	359	1,473	1			1			100				X	
51. Office, computing and accounting machines	357	2,132	5	2		3		19			81		X	
52. Service industry machines	358	1,943	5			2	3			82	18		X	
53. Electric industrial equipment and apparatus	361, 362	4,679	8	3	1	1	3	37	9	14	40		X	
54. Household appliances	363	3,421	7	1	2		4	4	53		43		X	
55. Electric lighting and wiring equipment	364	2,152	4	1	1	1	1	19	38	23	19		X	
56. Radio, television, and communication equipment	365, 366	5,635	4	1	1		2	3	28		69		X	
57. Electronic components and accessories	367	2,393	5	4			1	50			50		X	

Coverage by the Bureau of Labor Statistics and Other
Price Indexes of Domestic Output of the U.S., 1958 1/

Industry	Industry Definition (SIC Codes) <u>1/</u>	Domestic Output Value (millions of dollars) <u>1/</u>	Coverage of 4-digit Industries <u>2/</u>									Source of Prices			See Note:	
			Number of Industries			Value Coverage (Percent) <u>3/</u>						WPI	CPI	Other		
			Total	Not Published		Published	Not Published			Published	Not Published					
				Good	Fair		Poor or None	Good	Fair		Poor or None					
58. Miscellaneous electrical machinery, equipment and supplies	369	1,377	5	2		1	2	17		44	39	X				
59. Motor vehicles and equipment	371	22,559	5				5				100	X			e	
60. Aircraft and parts	372	11,950	4				4				100	X				
61. Other transporta- tion equipment	373, 374, 375, 379	3,602	6				6				100	X				
62. Scientific and controlling instruments	381, 382, 384, 387	3,066	8				8				100	X				
63. Optical, ophthalmic and photographic equipment	383, 385, 386	1,462	3			1	2		80	20		X				
64. Miscellaneous manufacturing	39 excl pt 3999	5,032	22	1	1	1	19	11	3	12	74	X				
<u>Transportation, Communi- cation, Electric, Gas, and Sanitary Services</u>																
65. Transportation and warehousing	40, 41, 42, 44, 45, 46, 47	32,569	53			3	50		9	91		X	X		f	

Coverage by the Bureau of Labor Statistics and Other
Price Indexes of Domestic Output of the U.S., 1958 1/

Industry	Industry Definition (SIC Codes) 1/	Domestic Output Value (millions of dollars) 1/	Coverage of 4-digit Industries 2/							Source of Prices			See Note:	
			Total	Number of Industries			Value Coverage (Percent) 3/							
				Published	Not Published		Published	Not Published		WPI	CPI	Other		
				Good	Fair	Poor or None	Good	Fair	Poor or None					
66. Communications; except radio and TV broadcasting	481, 482, 489	9,292	3		1	2		96	4		X			
67. Radio and TV broadcasting	483	1,549	2			2			100					
68. Electric, gas, water, and sani- tary services	49	17,177	14		1	13		54	46		X	X		
68.1 Electric utilities	4911	9,344	1		1			100			X	X		
68.2 Gas utilities	492	7,074	4			4			100			X		
68.3 Water and sani- tary services	494, 495, 496, 497	760	6			6			100			X		
<u>Wholesale and Retail Trade</u>														
69. Wholesale and retail trade	50, excl mfr. sales offices, 52, 53, 54, 55, 56, 57, 58, 59, pt 7399	92,203	115		16	10	89	22	8	70		X		g
(Retail only)	52-59 incl		67		16	10	41	55	19	26		X		g
Building materials, hardware and farm equipment dealers	52		6			2	4		24	76		X		

Coverage by the Bureau of Labor Statistics and Other
Price Indexes of Domestic Output of the U.S., 1958 1/

Industry	Industry Definition (SIC Codes) <u>1/</u>	Domestic Output Value (millions of dollars) <u>1/</u>	Coverage of 4-digit Industries <u>2/</u>							Source of Prices			See Note:	
			Number of Industries			Value Coverage (Percent) <u>3/</u>				WPI	CPI	Other		
			Total	Published	Not Published	Published	Not Published	Poor or None						
Retail trade, general merchandise	53		6		2	1	3		61	12	27		X	
Food stores	54		8		2	1	5		95	1	4		X	
Automotive dealers and gasoline stations	55		7		1	1	5		28	54	18		X	
Apparel and accessory stores	56		9		2	2	5		49	25	26		X	
Furniture, home furnishing and equipment stores	57		8		5	2	1		84	10	6		X	
Eating and drink- ing places	58		2		1		1		55		45		X	
Miscellaneous retail stores	59		21		3	1	17		46	1	53		X	
<u>Finance, Insurance and Real Estate</u>														
70. Finance and insurance	60, 61, 62, 63, 64, 66, 67	26,401	67			2	65		na	na			X	
71. Real estate and rental	65, ex 6541 and pt 6561	55,274	12				12				100		X	

Coverage by the Bureau of Labor Statistics and Other
Price Indexes of Domestic Output of the U.S., 1958 1/

Industry	Industry Definition (SIC Codes) <u>1/</u>	Domestic Output Value (millions of dollars) <u>1/</u>	Coverage of 4-digit Industries <u>2/</u>						Source of Prices			See Note:		
			Number of Industries			Value Coverage (Percent) <u>3/</u>			WPI	CPI	Other			
			Total	Published	Not Published	Published	Not Published	Good					Fair	Poor or None
<u>Services, except private households</u>														
72. Hotels; personal and repair services except auto	70, 72, 76 ex 7694 and 7699	12,169	26		8		18		74		26		X	
73. Business services	6541, 73 (ex 7361, 7391, and pt 7399) 7694, 7699, 81, 89 ex 8921	16,448	26				26				100		X	
74. Research and development	---	534	--											
75. Automobile repair and services	75	7,892	12		3	1	8		na	na	na		X	
76. Amusements	78, 79	5,620	22		4		18		58		42		X	
77. Medical, educational services and non-profit organizations	0722, 7361, 80, 82, 84, 86, 8921	22,703	19				6	13			na	na		X
<u>Government</u>														
78. Federal government enterprises	91 pt	4,105	na								100		X	

Coverage by the Bureau of Labor Statistics and Other
Price Indexes of Domestic Output of the U.S., 1958 1/

Industry	Industry Definition (SIC Codes) <u>1/</u>	Domestic Output Value (millions of dollars) <u>1/</u>	Coverage of 4-digit Industries <u>2/</u>								Source of Prices			See Note:
			Number of Industries			Value Coverage (Percent) <u>3/</u>			WPI	CPI	Other			
			Total	Published		Published	Not Published							
				Good	Fair		Good	Fair				Poor or None		
79. State and local government enterprises	92 pt	4,784	na							100		X		h
80. Government industry	91, 92, 93, 94	39,029	--											h
<u>Private households</u>														
81. Household industry	88	3,503	--										X	
<u>Other</u>														
82. Rest-of-the- world industry	---	2,030	--											
83. Inventory valuation adjustment	---	- 311	--											
84. Total		822,572	901	101 <u>4/</u>	79	67	654	13	16	8	51 <u>5/</u>			

NOTE: Coverage relates to domestic production and prices. Imports and import prices are also needed for a comprehensive system within the input-output framework.

FOOTNOTES

- 1/ "The Transactions of the 1958 Input-Output Study and Revised and Total Requirements Data" Survey of Current Business, September 1965. Data are total value of output less transfers. Transfers represent the sum of the value of transferred imports at domestic port value and the secondary output of other industries which has been transferred to the primary producing industry. Thus, the data represent domestic values of industrial output.
- 2/ As presented in "Standard Industrial Classification Manual, 1967", Office of Statistical Standards, Bureau of the Budget.
- 3/ Based on shipments values. For Agricultural Sectors from unpublished material of the U.S. Department of Agriculture; for Mining and Manufacturing, the Censuses of Minerals Industries and Manufacturing 1963, from which revised 1958 data were used; for Transportation and Warehousing Communications and Radio and TV Broadcasting, Hotels, etc., and Amusements unpublished data from the Office of Business Economics, U.S. Department of Commerce; for Retail Trade, the 1963 Census of Business.
- 4/ Count differs from 99 in testimony because of differences in classification of industries between 1958 and 1963 and between SIC and Census combinations of industries.
- 5/ The remaining 12 percent is accounted for by industries for which detail on value coverage does not permit adequate evaluation in terms of "good," "fair," etc.

INDUSTRY NOTES

- a. Data on agriculture are not aggregated on an establishment basis. Because most important meat animals and fruits and vegetables are represented in the WPI, it can be assumed coverage is good. The level of pricing needs investigation and moved "closer to the farm" in some instances.
- b. While a considerable number of agricultural products are covered in the WPI, there needs to be an analysis of gaps. It is possible that important product groups are undercovered.
- c. Captive coal and ores are not priced. Much iron ore and coal and almost all copper ore is "interplant transfer".
- d. Classification of all construction industries as "poor or not available" as to price coverage is somewhat over-cautious. The Census Bureau's new residential one-family house price index represents a distinct advance. There are numerous indexes which are used to deflate the various types of construction activities (The report on the Price Statistics Review Committee of the National Bureau of Economic Research to the Bureau of the Budget summarized these). Many of these are simply weighted materials inputs and wage rate indexes and not true output price indexes--although used as such. Exceptions are the Bureau of Public Roads indexes for highway construction and the I.C.C. indexes for railroads and for petroleum pipe-line construction and the new Bureau of the Census index for new residential construction.

INDUSTRY NOTES (continued)

Generally, these indexes are not yet organized and integrated sufficiently into a comprehensive structure and often cover only part of an SIC industry. In the meantime, a new assessment is being made by the Commerce Department's Bureau of the Census and Office of Business Economics, of the deflators used in the National Accounts, in an effort to make a better selection from among available indexes, pending development of actual pricing programs.

- e. Although the WPI index for motor vehicles provides a good measure of price change for passenger cars and trucks, pricing for the industry must be deemed deficient because of failure to price many replacement parts as well as truck and bus bodies and tractors, trailers, and the considerable intra-industry sales of parts and components.
- f. Transportation rate indexes, except for railroads, have generally been unavailable on a continuous organized basis. For railroads, the situation has deteriorated in recent years. The Interstate Commerce Commission calculated and maintained an index of rail freight rates, annually, which covered the years 1947 to 1966, and showed such sub-categories as commodity group, territory and group, and WPI commodity classification. This set of indexes was discontinued after 1966 and users, such as OBE, have had to make use of unit-value indexes (revenues per ton mile) for later years. Recently, the Department of Transportation became interested in obtaining rate information for an immediate problem and financed, through private consultants, one-time projects to bring the ICC index up to date and to construct indexes for motor freight rates and for barge lines. The Department of Transportation is financing the collection of the waybill sample of the ICC rail freight index, until such time as a decision is reached concerning the reconstitution of the index. Other agencies are also becoming interested in the use of the waybill data for rate indexes and for other purposes.

Indexes of Ocean Freight Rates are being developed by the U.S. Maritime Commission.

- g. In the Inter-Industry Structure, Wholesale Trade and Retail Trade are grouped into one industry, I.O.69. Because the CPI contributes only to the Retail Trade Industries (SIC 52-59 incl.), a breakdown of retail trade is shown separately. Wholesale Trade is not only not covered by the CPI but the Wholesale Price Index contributes only 3 product groups--wastepaper, iron and steel scrap, and nonferrous scrap--to the Wholesale Trade Industry, SIC 50. All three fall in SIC 5093, Scrap and Waste Materials. The Wholesale and Retail Trade Industry reflects a modified activity definition. In the Inter-Industry structure, its major receipts are gross margins (operating expenses plus profits) from the reselling activities of wholesale and retail trade establishments.

Coverage for these industries is based not on margins but on value of sales. Data are not for 1958 as in the case of the other industries, but are from the 1963 Census of Business.

- h. In the Inter-Industry structure, government industrial activities are treated in a separate industry. Thus, for example, a municipally-owned gas company is classified in government enterprises I.O.79 rather than in I.O.68, Electric, gas, water, and sanitary services, which is reserved for privately-owned utilities. The CPI makes no distinction and contributes to both sectors.

Chairman TALMADGE. Dr. Moore, we appreciate very much your appearing before us and your very fine, comprehensive statement. And I want to congratulate you particularly on your trying to get these data on jobs available and unemployed people. I think they will be of great benefit in the future.

Professor Kravis, we are delighted also to have you with us. I am sorry we didn't get to you earlier.

Mr. Kravis, the next witness, is professor of economics at the University of Pennsylvania.

Professor, if you wish you may insert your full statement in the record and proceed in any way you see fit, because we are approaching 12 o'clock, as you know, sir.

STATEMENT OF IRVING B. KRAVIS, PROFESSOR OF ECONOMICS, UNIVERSITY OF PENNSYLVANIA

Mr. KRAVIS. I would like to insert my statement and just touch upon some aspects of it.

Chairman TALMADGE. Without objection, the statement will be inserted.

Mr. KRAVIS. I will not discuss in detail the material in my statement concerning price indexes for gaging the international competitive position of the United States. I think there is a large degree of agreement between my view and that of the Bureau of Labor Statistics. I point out in the statement that some experimental work that I carried on with Robert Lipsey at the National Bureau of Economic Research in gathering actual export price data and import price data make it clear that the existing measure of prices that we have is not appropriate for gaging the competitive position of the United States. That is, if you look at the Wholesale Price Indexes in iron and steel, for example, and compare them with the Wholesale Price Indexes for iron and steel in Germany and the United Kingdom, and France, and so on, you get a very misleading impression of what has happened to relative export prices in that area. Export prices differ from wholesale prices in direction and degree of change.

If you want to know what is happening to the price competitiveness of the United States, you need these special indexes to get the answer to that question.

In general, world prices rose less in the period that we studied, 1953 to 1964, than domestic prices, and the movement of these world traded prices of goods coming from different countries was much more similar than the movement of the same goods on the domestic markets of each of the exporting companies.

Chairman TALMADGE. Were foreign goods cheaper because foreign countries want to get dollars, because they were subsidized in some degree, tax rebate, refunds, and so on?

Mr. KRAVIS. Those factors may have played a role. But I think the main factor is just what any one of us would see if he were a businessman. He would see a domestic market in which he has certain advantages over foreign competitors.

In the first place, he is there. In the second place, he doesn't have to pay tariffs. And his transport costs are lower. So if things slacken off and he wants more business, he doesn't have to cut his prices as much at home as he does abroad.

It is just a matter of the nature of the competitive situation.

Now, it is true that foreign firms during the period we were studying appeared more willing to cut their prices to get export business than American firms. And as nearly as we could determine—we had less information about Japan than about Europe—the Japanese were the most vigorous in price competition.

This area of international prices was the top priority recommendation of the Stigler committee, that is, the Price Statistics Review Committee to which Mr. Moore has referred. I know that the BLS has been interested in doing this work for a number of years, but it just never got funded. The money was recommended, but it was always lopped off somewhere along the line.

If the Congress thinks that the balance of payments is an important problem, and that a knowledge of how our export prices are moving relative to the export prices of other countries is an important kind of information to have in order to deal with that problem, then this program really requires its support.

Now, I find myself with more differences in my attitude toward some of the domestic indexes of the BLS. I would like particularly to talk about the Consumer Price Index.

The official BLS view of this index is that it measures price change, and price change only, of items purchased by urban wage and clerical workers for their own consumption.

Now, the index that is really relevant to the welfare considerations such as those contained in your opening statement, Mr. Chairman, about the fixed income receivers and the erosion of their purchasing power, would not answer the question that the BLS says its index answers. That is, the BLS says its index answers the question of how does the price of a fixed basket of goods change over time. There is a much more subtle and sophisticated question that a real cost of living index should answer and it is a cost of living index only that is relevant to these welfare considerations. That question is: How many more or fewer dollars than yesterday's income would a representative consumer require in the light of today's prices, to make him feel equally well off as he would feel if he still had his dollar income of yesterday and could still spend it at yesterday's prices?

Now, I apologize for a formulation that contains so many clauses that have to be thought through to figure out what it means. But the truth of the matter is that that is the only rigorous way that this question can be formulated.

The truth of the matter also is that nobody can tell the BLS exactly how to get the answer to this question. The truth of the matter also is that if the BLS were asking this question and acknowledging that it was the question that ought to be answered, that we would have a better Consumer Price Index, or at least one more appropriate to public policy purposes than we have today.

It is important for measurement to set the proper aim, even though you know you cannot reach it. I believe that the bad consequence of not having acknowledged that this is the appropriate question is that the BLS has really no guidelines, no overarching set of rules or philosophy for dealing with the many substitutions that have to be made from one month to the next as commodities that were priced in one

month disappear from the market and are replaced by new commodities.

The BLS should not say, in my opinion, that they are going to keep the Consumer Price Index and establish a cost-of-living-oriented index. What they should say is that at the present time the Consumer Price Index is the best approximation to a cost-of-living index that they are for historical and technical reasons able to produce. But as time goes on, they should avow the objective of moving this index as quickly as is practical toward a cost-of-living index. Meanwhile they should experiment with a wide range of methods including some radically different ones for those used in the past, to produce indexes that come closer to a cost-of-living index. These experimental techniques and experimental indexes should be put before the statistical and economic profession for criticism.

Chairman TALMADGE. Let me ask you this, Professor—and I can never resolve it. In my area of Georgia, the State that I have the honor to represent, we have a large land area, and many of our people live on farms. Some of them are small farmers, and unfortunately many of them have been plowed under in recent years. Consider a small farmer in south Georgia who owns his own cow, raises his own pigs, has his own chickens, has a garden virtually 12 months of the year, and a potato bank, and raises his corn that he sends to town and has ground into meal. How are you going to compare his cost of living with an apartment dweller in New York?

Mr. KRAVIS. I don't think you can do that. I think the most you ought to try to do is to think of his welfare at different points in time. That is, you are worried about inflation, among other important reasons, because you think it adversely affects some groups in the population relative to others. So what you want to do is take that one farmer, and if you think he has been adversely affected by prices—

Chairman TALMADGE. He is the most adversely affected of all, because his commodities are selling for what they were 20 years ago.

Mr. KRAVIS. Then in his interests you ought to get a better measure of what the changes are in prices that are relevant to him.

And by the way, that is another very important recommendation of the Stigler committee, that we have only made one short step toward implementing—that is, the Stigler committee favored producing a Consumer Price Index that would refer to the whole population. Now, the present index refers only to urban wage and clerical workers. It is true, however, that it has been expanded to include single workers as well as families of two or more.

Chairman TALMADGE. These people have to raise their own foodstuffs and live at home because the job opportunities in the area are very limited. I suspect that if they didn't live at home you would probably characterize a third of them as unemployed, and maybe more.

Mr. KRAVIS. But there must be a significant fraction of their real income that they use to purchase on the market even so.

Chairman TALMADGE. Yes, they reduce it pretty much to staples, clothing, automobiles, farm machinery, tractors. Most all of the food—a high percentage of it—they produce on their own farms. And, of course, they live relatively simple. Most of them would be characterized by our Federal agencies as living below the poverty level. But, of

course, in our rural areas we never have known anything but poverty, and didn't know there was anything but that until recently.

Mr. KRAVIS. I think there is a related problem in other price area indexes in areas where rapid technological progress has altered the characteristics of products rapidly, as in durables, or where cost of production has not afforded the price index makers with good opportunities to price standard and homogeneous products from month to month, as in construction. As a result of the tendency to use inputs as a measure of output in these areas, the cost reducing effects of technological progress may have largely escaped our measure of price change.

That is, in the construction cost indexes, for example, the way the traditional construction cost indexes work is that they take the inputs, the labor and materials that are required to build a certain type of building, and they price those inputs from month to month and year to year. The measure of construction price changes is then based on the change in the price of that bundle of inputs. If productivity has increased in the way these inputs are put together, that is not caught.

There is a pioneering index produced by the Construction Statistics Division of the Bureau of the Census which tries to get around this problem by using these regression methods, to which reference has been made. Between 1963 and 1967 this index recorded a 10-percent increase in prices, including site value, while the only other index available, referring to residences, showed a 17-percent increase. Now, that is a considerable difference, a difference that is larger still if account is taken of the probability also, that it is believed that site values went up more than the cost of construction.

Chairman TALMADGE. I think they did. You read in the paper from time to time where construction costs have gone up 8 to 10 percent a year.

Mr. KRAVIS. But I think the existing measures we have of the changing construction costs, if this example is reliable, are probably exaggerated.

Now, I note that Mr. Moore has said in his testimony that tests have been made of the related problem of quality change in the Consumer Price Index. I am not really sure on what basis these tests were made. Without a philosophy of what it is that they are trying to measure, how can it be said whether quality has improved or not?

For example, suppose in one of the automobile companies they discovered that some simple and costless change greatly reduced the amount of gasoline required to drive an automobile. I don't know enough about an automobile to pick a plausible illustration, but suppose instead of having the fan belt go like this [indicating clockwise] they had it go like that [indicating counterclockwise], and it cost no more to do it. As I understand the present BLS method of making a price index, if the price of the automobile didn't change, the price index would not record a decrease in price for the new automobile that consumed half as much gasoline.

In view of the large number of these substitutions that are necessary, and the absence of a real philosophy for the Consumer Price Index, and of set rules governing these substitutions, I really don't know how anyone could go about—without making an exhaustive study of past records—saying what the bias is, if any, in the Consumer

Price Index. In any case, I look forward to the publication of these tests that are referred to.

Chairman TALMADGE. I don't see how you can ever reach a conclusion when it related to quality. I am sure that there are many housewives that think Chase & Sanborn is the best coffee there is, and they would argue with you from now until doomsday about it. Others would say Maxwell House. In Louisiana if you didn't add chicory to the coffee you couldn't sell it.

So how are you going to determine the quality under those conditions?

Mr. KRAVIS. There are aspects of quality that cannot be measured. But there are aspects of quality that we can come closer to measuring than we are doing now. More important, you must have a notion what it is that you are trying to get at. What you should be trying to do is relate price change to utility or satisfaction. Without explicit recognition of that fact I don't think anybody can be sure of what the index really does do.

These are the main things I wanted to say, Mr. Chairman. They are in this statement a little more fully.

(The prepared statement of Professor Kravis follows:)

PREPARED STATEMENT OF PROFESSOR IRVING B. KRAVIS

In these hearings on progress in the development of statistics to meet policy needs, I would like to confine my remarks to price statistics and their relevance to two major areas of public policy—the control of inflation and the problem posed by our balance of payments deficit. The improvements in our price statistics in the past decade have some bearing on the first of these problems. For example, the coverage of the consumer price index has been extended to include single workers as well as families, and replicated samples have been developed as a means of estimating sampling errors. However, I do not see that very much has been done to revise the index in the direction of a welfare measure as was strongly recommended by the Stigler Committee.

With respect to the price data relevant to our balance of payments problem, a small scale operation has only recently been started. Even at this late date, it is still inadequately funded, although the Stigler Committee gave top priority to "a major program of expansion and improvement of the export and import price indexes." In most areas of price work, critics like me have to say that despite the deficiencies they point to, it is difficult to find indexes of higher quality in other countries. In the case of international trade prices, however, this is not true; Germany has good export and import price indexes and we have none even worthy of the term "price indexes."

The indexes that are most widely used to measure the extent of inflation in the U.S. are the Consumer Price Index, the Wholesale Price Index, and the GNP implicit deflators. The latter are derived largely from individual series used in the first two, and of the first two the Consumer Price Index is, of course, more germane to the welfare considerations that are among the chief factors in leading us to regard inflation as an evil. The official view of the Consumer Price Index is that it measures the price change—and the price change only—of items purchased by urban wage and clerical workers for their own consumption. The Stigler Committee, incidentally, recommended the calculation of a comprehensive index for the entire population, but even if we assume that prices paid by consumers as a whole move in the same direction and degree as prices paid by urban and clerical workers, the formulation of the present index has no logical basis. The reason is that it avowedly aims at measuring price changes for a fixed basket of goods rather than formulating its aims in terms of consumer utilities or satisfactions. The index which is really relevant to the welfare considerations raised in public policy issues would answer the question "How many more or fewer dollars than his yesterday's income would a representative consumer require, in the light of today's prices, to make him feel equally well off as he would feel if he still had his dollar income of yesterday and could still spend it at yesterday's prices?"

This is an abstract question for which it is very difficult to formulate an empirical means of providing the answer. But our measure of consumer price change will be more or less appropriate according to whether it comes closer to or remains remote from such a formulation. By denying that the ultimate aim of the consumer price index should be this welfare concept, the BLS has, in the past, failed to establish the proper goals for the development of the index.

Without such an underlying theory for the index, the BLS has little or no guidance for the development of a set of rules to govern the large number of substitutions that continually have to be made because products priced in one month cannot be found in the next month. These changes, as the BLS recognizes, make it impossible to price literally an identical basket of goods from one period to the next. The conscious adoption of welfare criteria in developing rules and methods for such substitutions would be an improvement over present practices in which the choice of substitutes appears to be governed by the physical characteristics of the product or by costs or inputs. Under present procedures, product improvements due to better techniques of production which do not involve any changes in quoted price are unlikely to be treated as price reductions.

In short, I believe that the BLS should accept the proposition that the present Consumer Price Index is a measure that can be justified only as an approximation to a true cost of living index. Although a true cost of living index cannot be computed at present and perhaps will never be within our capability, the acceptance of the proper objective will give needed guidance to daily operations and to future efforts at improvement.

There is a related problem in other price indexes in areas where rapid technological progress has altered the characteristics of products rapidly, as in producers durables, or where custom production has not afforded the price index makers with good opportunities to price standard and homogeneous products from month to month, as in construction. As a result of the tendency to use inputs as the measure of output in these areas, the cost-reducing effects of technological progress may have largely escaped our measures of price change. It is interesting to note in this connection, that a pioneering price index produced by the Construction Statistics Division of the Bureau of the Census does suggest an upward bias in the most comparable index produced along traditional lines. The traditional construction cost indexes are based mainly on the changing prices of the bundles of inputs, labor and materials, that were required in the base period to erect a particular structure. The new index, which, by the way, is an important step in the direction of implementing another key recommendation of the Stigler Committee, measures the price changes for new one-family houses in terms of eight characteristics—floor area, number of stories, number of bathrooms, regional location, and whether or not a new house had each of the following features: central air conditioning, garage, basement and location within a standard metropolitan statistical area. Between 1963 and 1967 the index recorded a 10.3 percent increase in prices, including site value, while the only other index referring to residences showed more than a 17 percent rise.

Note that the method used in the new index correlates the price of the finished product with a number of different product characteristics of value to the buyer. A regression equation is estimated for each year from which the average price for a house having any given combination of the eight characteristics can be determined. It is thus possible to compare the price of any given type of house between any pair of years. The advantage of the method is that it measures price changes in terms of the utilities sought by the buyer rather than in terms of the labor and material inputs of the producer. If technological progress increases the amount of output that is obtained from a given combination of inputs, the new index will show a diminution in price whereas the traditional approach will not. This method is broadly applicable to the wide range of producers goods for which prices tend to vary from one model to another on the basis of variables related to size or capacity. Unless there has been a recent change, producers durables are inadequately represented in the Wholesale Price Index and the treatment of many of those that are included could be improved by the use of multivariate methods.

While this approach represents one practical way of getting closer to utility-based indexes, it must be admitted that we do not have the knowledge and technique required to produce the utility-based Consumer Price Indexes that are

really appropriate to public policy. The Stigler Committee recognized this and it therefore recommended the establishment of a program of research and development. There were in fact several obstacles to the achievement of this recommendation. In the first place, the price work of the Bureau did not have the glamor of some of the other statistical series of the Government that more readily attract political interest and appropriations; price work did not receive adequate budgetary support. Secondly, the area of price research did not seem to appeal to professional economists and statisticians much more than it did to political leaders, and BLS found it hard to attract quality staff even when it had openings. Fortunately this is now changing. Third, institutional pressures could be expected to operate against innovations that might produce alternative results that could call into question the deceptive precision of the official series. That is, those with the greatest direct interest in the indexes are the parties to labor and other agreements containing escalation clauses tied to the official series, and they may be expected to prefer the known and relatively certain procedures in use to uncertain if theoretically preferable alternatives. The situation thus tends to favor indexes more suited to the convenience of business users than to the needs of those concerned with public policy.

Despite these obstacles, a small research staff was created and is now staffed at a high level of competence. It is establishing the kind of interchange of ideas with the academic community that is required if the Stigler Committee's observation that "The rapid intellectual and technological changes of the past three decades or more appear to have bypassed the field of price research" is to be outmoded. Whether because of the presence of this group or for other reasons, it seems to me that the price staff in the BLS are more receptive to new ideas and techniques and more prepared to seek ways to adapt them to their purposes than in the past. The price staff has, for example, been examining the possibility of using multivariate analysis in the price indexes. The appointment of a new Commissioner who is himself a distinguished research economist can be expected to strengthen these directions in BLS price work. But for anything substantial to come out of all this, budgetary support will be required. The research group should be expanded, although it should be left to the BLS itself to determine to what extent the expansion should be as a separate entity or through the addition of suitable personnel to groups directly charged with the preparation of the indexes. Any extensive use of multivariate analysis in the Wholesale Price Index would require additional support in that area too.

Before leaving the subject of price statistics in relation to inflation problems, I would like to call attention to the need for better price indicators of changing cyclical conditions. The best hope for developing such indicators lies, I think, in obtaining buyers prices rather than the sellers prices which have been traditionally collected by the BLS and other price agencies. Sellers are tempted to report their standard prices or the prices they would like to obtain on all their transactions and these prices are very likely to be less flexible than the prices they actually charge. Buyers are more apt to report prices on actual transactions that they have made rather than on the basis of lists of prices which are often not even in their possession. A study by Stigler and Kindahl being prepared for publication at the National Bureau of Economic Research does indeed confirm these expectations, at least for downswings. This source of price information seems more promising for the development of an early warning system for price changes than prices obtained from sellers.

Aside from inflation probably the most important policy problem that price statistics may have a direct bearing upon is the problem posed by our balance of payments deficit. The development of better price measures for international trade has for a number of years now been sought by the BLS itself and has been given the support of this subcommittee. Nevertheless adequate resources have not been given to the BLS for this purpose and only a marginal effort is now being conducted. Nobody now can tell you or any other policymakers in this Government to what extent the price competitiveness of the United States has been altered favorably or unfavorably as a result of relative price changes at home and abroad. What can be said on the basis of an exploratory study done at the National Bureau of Economic Research by Robert Lipsey and me is that Wholesale Price Indexes are unreliable indicators of the changes in relative export prices. For example, during the period from 1953 to 1964 the wholesale prices of iron and steel products increased by 30 percent for the U.S., 35 percent for the U.K. and 16 percent for Germany. From these figures one would judge that the price competitiveness of the United States in iron and steel products

would have improved at least vis-a-vis the U.K. However our measures of export prices show a different story. U.S. prices increased by 18 percent, U.K. prices by 7 percent, and German prices by 5 percent. Our study seems clearly to confirm the *a priori* expectations that the international prices of the major countries tend to be more alike in their movements than is the case for their domestic prices. During the period of our study international trade prices tended to rise less than domestic prices, but the deviations of the changes in export prices from the changes in domestic prices varied from product to product and country to country. Wholesale prices cannot therefore be used to gauge the changes in the competitive position of the United States or any other country.

Export unit value indexes, the other indexes sometimes used to measure the changes in the competitive position of different countries, are even less reliable at least for metals and machinery products than wholesale prices, Lipsey and I found. We selected individual series used in the official U.S. export unit value index so as to match series of actual U.S. export prices that we had gathered in our fieldwork. The result was that the unit value indexes showed larger and more erratic time to time changes and tended to be even more biased in an upward direction than the wholesale price series. Even in sectors characterized by relatively simple products such as iron and steel, where the unit value indexes might be expected to approximate price indexes more closely, Lipsey and I found that they tended to deviate from our international price indexes even more than did the wholesale prices. In the iron and steel example, the unit value series showed a 33 percent increase in the unit value of U.S. exports whereas our price measures showed the increase to have been only 18 percent.

There is, therefore, no short cut by means of existing series to data that will throw light on the changing price competitiveness of the U.S. economy. If it is felt that such data are needed, the BLS should be given the necessary budgetary support to produce it.

I do not know what priorities the Congress will set for the BLS or what ones the BLS would set for itself. If it were left to me, I would place a heavy emphasis on developmental research designed to produce on an experimental basis new indexes attuned more closely to the conceptual needs of public policy uses of price statistics than are the existing indexes. Aside from welfare oriented Consumer Price Indexes and international trade indexes, work should be carried on in the development of sensitive price indexes which would provide early warnings of cyclical changes. The BLS should be encouraged to improve its econometric research capability which would be an asset in the search for sensitive indicators. The staff qualified to carry on developmental research in these and other areas should be expanded, further efforts should be made to draw in academic personnel for temporary periods of work in the BLS, and the BLS should permit and encourage the publication of the experimental indexes in scholarly publications where they would receive the benefit of the criticism of the profession. After a long series of decades in which the technique of price index construction has been largely dormant, I believe that the BLS is now in a position to break new ground, provided the Congress will support it.

Chairman TALMADGE. Do you think there is any way we can ever ascertain among the unemployed as to who is available for a job and how many are actually unemployed and how many aren't? What I am trying to get at is, what percentage of the labor force that we say are unemployed are really unemployed because they don't want a job?

Mr. KRAVIS. Mr. Chairman, this is not an area in which I work, so I am going to let Mr. Moore field that question, if he will.

Chairman TALMADGE. We discussed it briefly, and Mr. Moore is running a test, as I recall, and he hopes to reach some conclusions in that regard. And if I remember this testimony correctly, he did state that about 40 percent of those now unemployed had a previous work record.

Is that not true, Dr. Moore?

Mr. MOORE. About 40 percent lost the job they had and are now seeking another one. They had a job immediately before becoming unemployed.

Chairman TALMADGE. So we have no accurate yardstick whatever among the unemployed to determine who is unemployed because they don't want to work, do we?

Mr. MOORE. Well, I am sure there would be some people that are counted as seeking work that are not really in some sense actually wanting to work.

On the other hand, there are some people who are not seeking work who may in some sense want a job.

Chairman TALMADGE. I am sure there are. But we have no reasonable yardstick of the two, do we?

Mr. MOORE. I think we need much greater improvement in our measures in that respect.

Chairman TALMADGE. I would be interested in your report as soon as you complete this pilot program that you are doing. I think that is an important thing that we need to understand better. I am sure that there are a number of jobs begging at the moment because people in the area simply don't want to take them. These filling station operators in Atlanta tell me they are offering a hundred dollars a week and more for people to assist around the filling station, to wash the windshield, pump the gas, and fill the tires, and those jobs are going begging.

And yet that requires very, very limited skill. I assume it does require a reasonably neat appearance, and a knowledge of how to greet the public with some reasonable courtesy.

But it wouldn't require any educational skill whatever.

Mr. GOLDSTEIN. Mr. Chairman, may I add something to what Mr. Moore said on this issue.

Chairman TALMADGE. I wish you would.

Mr. GOLDSTEIN. We do find out how many of the people that we count as unemployed move into jobs later on. Actually about 60 percent of the people who are currently unemployed have been unemployed for less than 5 weeks. There is a lot of turnover among them. And most of that turnover represents people who move from a status of unemployed to getting a job. Some of them move from a status of unemployed to dropping out of the labor force, and some continue being unemployed for quite a long period of time.

Chairman TALMADGE. What percentage of the unemployed are chronically unemployed, or are people who have never been employed?

Mr. GOLDSTEIN. There is a small percentage of new entrants, I think it runs about 10 percent or so, that have never been employed before. They are mostly youngsters who are just coming into the labor market.

Currently close to 400,000 of the unemployed have been looking for work for 15 weeks or more, people we count as the long term unemployed. And about half of those have been looking for work 6 months or more. Some of those are people whom you might think of as people who don't want to work. But on the other hand, a lot of people look on them as the people who have the most severe unemployment problem. They keep on looking for work.

Chairman TALMADGE. Thank you, sir.

Are there any other comments, professor, either you or Dr. Moore?

Mr. KRAVIS. No, thank you.

Chairman TALMADGE. Gentlemen, I want to thank you very much for appearing this morning. I think we have had a fine discussion about this question of statistics. I think it is very, very important, this new program that you have launched, Dr. Moore, to try to ascertain the availability of jobs that are unfilled and the availability of people who are seeking jobs and don't have them. If we can match the two I think our social problems in the area of unemployment will be served very well.

Thank you very much for coming before us.

If there is nothing further, the committee will stand in recess subject to the call of the Chair.

(Whereupon, at 11:50 a.m., the committee was adjourned, subject to the call of the Chair.)

