

Chairman TALMADGE. Thank you for your excellent statement, Dr. Dunn.

My first question pertains to the archival function of the statistical system. You have said:

The federal system has no policy and no systematic organizational or funding provisions to assure that basic statistical records will be maintained in appropriate archives.

My question is, Why does not the Bureau of the Budget order this to be done?

Mr. DUNN. I don't have any authority to speak for the Bureau of the Budget on that matter.

Chairman TALMADGE. Do they have the authority to accomplish it if they desire to do so?

Mr. DUNN. It is my impression that they do have the authority. In fairness to the Bureau we should bear in mind that it requires something more than an order from the Bureau of Statistical Standards—it would have to be implemented in accordance with budget requests of the various agencies and a set of standards for maintaining such archives that would be more effective if established upon a broader base of agency participation.

Chairman TALMADGE. Would you elaborate on the difficulties which stem from a lack of uniformity in defining the respondent unit?

Mr. DUNN. One of the common ones is the fact that a good deal of the data—for example, for business firms—is collected in the form of establishments. Some of it is collected from enterprises. Some of the data may pertain to an enterprise that is a corporation or a business partnership as a total enterprise and that partnership may be made up of several establishments located in various locations and engaged in different processes.

Now, if the data is collected on an establishment basis for one purpose in one agency, and other data is collected from the same enterprise but on an enterprise basis in another agency, the problem of trying to associate the enterprise data with the records for the establishment for the purposes of analysis is extremely difficult to accomplish. In many cases it is impossible.

Chairman TALMADGE. What types of analysis does this hinder?

Mr. DUNN. I would like to attempt to answer that, but, fortunately, we have here Dr. Ruggles who has engaged in some considerable effort in attempting to match these enterprise statistics with established statistics.

Chairman TALMADGE. Would you care to comment on it, Dr. Ruggles?

Mr. RUGGLES. Well, it is true that our aggregated statistics do not necessarily reflect the behavior of individual establishments and without being able to match the individual establishments we cannot create adequate statistical information on behavior.

For example, suppose we are interested in the behavior of wages in the economy. Our present statistics, as I point out in my own testimony, are built up by collecting man-hour figures from one set of establishments, and then collecting wage payments also, on an aggregated basis, and dividing the one into the other to obtain average hourly earnings. It is quite possible that the changes in average hourly earnings can come about by employing relatively more people in high-wage establishments than were previously employed, and thus raising