

one thing the office has done and has been doing for many years, is the development of the standard industrial classification.

Without such a standard industrial classification, the comparison of statistics put together by various agencies is virtually impossible. But, what some people do not realize, a standard classification by itself does not necessarily insure the comparability of data because we have to make certain that all of the different agencies of the Federal Government are classifying the establishment in the same industry in accordance with the standard industrial classification. This we have not achieved entirely to our satisfaction to date and so one thing that I am still pushing for, and I will mention it in another connection, is that there be for the Federal Government a directory of establishments interrelated with enterprises, with associated industrial classification codes so that it will be easier for the different agencies of the Federal Government to find out to what extent establishments are classified differently and may, therefore, cause certain differences in different bodies of information for a given industry.

For example, employment versus output. Investments versus employment and output. All problems of where you classify individual establishments or individual firms.

Now, in this classification area we have also recognized that some data have to be collected for enterprises and other data for their establishments. We want, therefore, a classification which will make it easier to cross the bridge between an enterprise classification and an establishment classification, so we are developing an enterprise industrial classification of that sort.

Similarly in the area of foreign trade statistics, exports and imports, we want a classification of commodities which can also be related to a classification of industries and we are working in that area as well and have achieved some success to date and have tried to use that success also in connection with the classification of commodities for internal transportation.

One of the areas in which there is now a great deal of interest is the Federal-State-local relationship, not only in statistics but in many other respects. We are trying not to neglect this in the statistical area as well. And, I think if I may, Mr. Chairman, I would like to read the section in my report on this because it is probably better organized than I can do it orally.

The relationship of Federal-State-local governmental statistical activities has received an increasing amount of attention during the past few years. This new surge of interest was largely aroused by the Governors of the several States themselves. In each year since 1964, the National Governors' conference has by resolution noted the need to develop valid and comparable statistical information in order that programs and program operations in different States may be appraised properly.

Acting in cooperation with the Council of State Governments, the National Governors' conference sponsored a National Conference on Comparative Statistics, which was held on February 23-25, 1966. The Advisory Commission on Intergovernmental Relations, the U.S. Conference of Mayors, the National Association of Counties, the National League of Cities, the Municipal Finance Officers Association, and the Bureau of the Budget served as cosponsors for the conference. I served as a member of the steering committee of that conference.