the 29 recommendations by the Review Committee, I would like to note some of the major recommendations which have been implemented:

Interindustry purchases and sales studies have been established as a regular part of the national economic accounts. The construction of a 1958 interindustry purchase and sales table, integrated with the income and product accounts, permits consistent analysis of intermediate and final product outputs. With this table, published in November 1964, official research on interindustry relations was reestablished. It will be recalled that the United States had taken early leadership in this area and then lost it. An interindustry purchase and sales table is now in preparation for 1963 under a program for such a Table every five years.

The flow of funds accounts have been more closely integrated with the national income and product accounts and have provided for quarterly presentation of these accounts. But more is required to strengthen the integration for general analysis.

Quarterly national income and product data have been published in constant dollars—a change which considerably facilitates current analysis of total output, investment, and consumption.

Annual estimates of real product by industry have been introduced, a change which makes possible the detailed consistent analysis of productivity and price changes within a GNP framework.

The foreign transactions account has received particular attention because of the Nation's persistent balance of payments problems. In 1963, the Director of the Bureau of the Budget appointed a committee, under the chairmanship of Dr. Edward M. Bernstein, to make an intensive review of balance of payments statistics. The Committee's report was the subject of hearings before this Committee in May and June 1965. As a consquence of this review, a major reorganization of the presentation of the balance of payments has been achieved. This considerably improved analysis of foreign transactions and provided two official presentations of a payments balance: the liquidity balance, and the balance based on official transactions.

I would like to note two other significant developments which embody the use of the national economic accounts in the analysis of emerging economic problems. A long-term growth model for projection to 1970 of labor force, productivity, GNP, industry output and employment within a framework consistent with the income and product and input-output accounts has been constructed. Results were published early this year. This work was done in the Departments of Labor and Commerce, under the direction of an interagency committee represented by these Departments as well as the Council of Economic Advisers and the Budget Bureau.

A short-run quarterly model of the economy by OBE utilizing 13 equations based mainly on accounting identities and 36 equations based on historical behavior covering all key economic processes and activities has been constructed. A description of the model, its past behavior and the listing of the basic equations were published in the May 1966 *Survey of Current Business*.

While this Committee, the Office of Statistical Standards, the statistical agencies, and users of Federal Statistics, may look back with some feeling of accomplishment, there is no room for complacency. The task has just begun.

The continuing work of extension, integration, and data improvement involves efforts of many agencies and requires much greater attention to the accuracy of the several interrelated parts. The need to resolve inconsistencies and to promote the fullest use of the fruit of separate efforts requires bringing the several producers and the interest of different users of data into more productive relationships.

The following coordinating operations, now going forward, exemplify such efforts:

1. The Committee on Measurement of Real Output—The Bureau of the Budget has recently organized a committee which it chairs to include FRB, OBE, Census and BLS. Its immediate task is to resolve differences in measurement of economic growth and fluctuations provided by FRB Index of Industrial Production and OBE measures of real output by industry. Its longer run goal is to integrate the main bodies of information on inputs, outputs and prices in order that study of productivity, prices, wages, and final demand can be done in detailed and consistent fashion and the data base for such studies more efficiently organized.

2. Assignment of focal responsibility to the Department of Commerce to develop a comprehensive statement on the Nation's tangible wealth. Frameworks