

Benchmarking of the *Inventories* has been shifted from corporate tax returns to the *Annual Survey of Manufactures*. As a result of these changes, consistency with the Annual Survey and the quinquennial Census of Manufacturers has been enhanced, and the amount of detail by industry groupings and stage of fabrication has been enlarged.

The link of Census *establishment* data from the 1963 consensus and IRS *corporation* data will be substantially expanded over that for 1958. The number of corporations matched will be nearly doubled and many more data items will be linked. Most of the procedures for the matching of IRS cases and their equivalent Census company records have been computerized, whereas the 1958 project was largely a hand operation. The linked record files thus created constitute an important data source for analytical uses and a base for providing company-establishment matrices required in preparing input-output tables, national income and GNP estimates.

I would like also to call your attention to the fact that the use of administrative records has substantially reduced the reporting burden for businesses covered by the Economic Census. Some 900,000 small businesses were freed from the burden of reporting for the Census in 1963 because the Census Bureau was able to get the data it needed from IRS records. Another 1,000,000 small businesses will be relieved from the chore of filling in questionnaires for the 1967 Censuses for the same reason.

Consolidation of responsibility for the development of the program of retail trade statistics in the Bureau of the Census recognized the necessity to bring department store sales data which had been compiled by Federal Reserve into better alignment with other retail trade data and the need for metropolitan area trade data broader than just department store sales. Efforts of the Bureau of the Budget extending over a number of years to accomplish this are now bearing fruit. Department store sales data are now completely integrated into the total retail sales series. Furthermore, an annual series of merchandise line data in retail trade has been initiated with collection of data for 1966. The lines covered are similar to those obtained in the 1963 census of retail trade, but the sample coverage will not permit publication of the full breakdown for certain kinds of stores. The 1968 budget for Census requests funds for an expanded data collection program to enable the Bureau to provide uniform breakdowns of retail sales in the limited number of SMSA's for which such data are published.

For several years, the Bureau of the Census has been engaging in research and development work in the collection of inventory data at the retail level. The 1968 budget requests funds to provide monthly national indexes of the dollar and physical volume of total retail inventories of large consumer durable items.

Publication of a monthly series on service trade receipts has been initiated. This filled an important gap in our economic intelligence for a rapidly expanding sector of our economy. Further development of the series will entail more comprehensive coverage and improved classification and breakout of service trades by type. This is an area which is becoming more important but is most difficult to cover statistically. The limited data we now have become available only after some five years of intensive efforts on the part of the Bureau of the Census.

A little over two years ago, an interagency Petroleum Statistics Study Group organized and chaired by the Bureau of the Budget submitted its report to me. The Study Group was concerned with the domestic petroleum industry—reserves, productive capacity, wells, deliverability, expenditures and revenues. Its report laid out the general framework for a coordinated program to provide needed information pertaining to these areas and pointed up the necessity for further study required to develop the details for the program before it could be implemented. In March of last year, the Bureau assigned to the Department of the Interior "focal agency responsibility" for carrying out eight recommendations of the Study Group. That Department has recently prepared its first report which we believe indicates satisfactory progress in the various initial tasks.

Social and Demographic Statistics.

This is the fastest growing area of statistics and information-gathering. Expansion has taken place by specific developments in fields of special interest, such as the nationwide health surveys, the large-scale reorganization of educational statistics, and information on scientists and engineers and research and development expenditures, which is still in progress. Expansion has also occurred as the development of new action programs required new administrative reporting procedures which produce statistical by-products and which require considerable coordination under great difficulties. Another type of expansion is the growth in the number of contract research projects (requiring review under the Federal