

Q. 1. In your view, is the machinery provided by the law adequate for the tasks of coordination?"

A. 1. In my opinion the authority provided by law (Section 103, Budget and Accounting Procedures Act of 1950, and its implementing Executive Order 10253 and also the Federal Reports Act of 1942) is generally adequate for carrying out the statistical coordination function. The machinery established within the Bureau of the Budget has worked well using the principles described in my testimony. The need for well coordinated and appropriately interrelatable statistics, as your Committee recognizes, has not diminished, however, but increased. We recognize, therefore, that some new arrangements and some associated increase in coordination authority in specific areas may be necessary. It is for these reasons that the Bureau of the Budget has been considering a possible proposal for a Federal Statistical Data Center.

Q. 2. "What have been the major obstacles in the way of making series compatible—for example, such that productivity and prices could be analyzed accurately?"

A. 2. It should be recognized at the outset that the compatibility of statistical series for interrelated uses in various aspects of economic and social analysis involves serious conceptual problem. Authority to coordinate is essential but it cannot solve such problems by fiat alone. Since the question seems to be directed more to the issue of obstacles arising from possible inadequacies in coordination authority or procedures I shall not dwell on the conceptual problems although, in my opinion, they are important.

Currently three aspects of present arrangements and authorities make the job of promoting improved compatibility of statistical series more difficult than, in my opinion, is necessary. First, there is no continuing and systematic present way of bringing together and critically examining, in the light of major interrelated uses, the important statistical series of the Federal Government in such a way that the coordinating agency can be close to the actual process. Second, many problems of compatibility center around the consistent and uniform application of industry definitions. Third, there is the inability to secure necessary financial and manpower resources to carry forward integrated programs of work.

The first difficulty mentioned above is a major reason we are interested in the idea of a Federal Statistical Data Center. I covered this in my testimony (page 86) but reemphasize it here. A statistical data center with responsibility for storage and planned retrieval of major series collected by different agencies but required for various interrelated statistical analyses would provide a "feedback" of information on deficiencies in compatibility that could guide the coordinating authority. Need for action to make files compatible would be clearly established on a continuing basis and made specific.

This does not mean that a Federal Statistical Data Center would undertake the coordinating work. It does mean that a strong tie should be established between such a Center and the coordinating authority so as to improve the operations of both. The usefulness of a Federal Statistical Data Center does not mean either that effective actions are now impossible. The Bureau of the Budget has been and is currently