1. The Record of Progress

The Federal statistics program is good by any relative standard, and it is getting better all the time. Tremendous forward strides have been made in the 21 years since the Employment Act first set up the Joint Economic Committee and the Council of Economic Advisers. Over that period, there have been striking changes in the scope, quality, and availability of economic statistics. This is graphically illustrated in any comparison of the contents of today's *Economic Indicators* with the early issues. For example, quarterly national product data were not available on a deflated basis—that is, adjusted for price changes—until late 1958. Even many of our key annual series in the national accounts were developed only in recent years. The seasonally adjusted monthly unemployment rate was, in effect, first available in 1955; and the comprehensiveness and reliability of this key information has been increased several times—most recently at the start of this year.

Much of our progress stems from the decision, made cooperatively with the Joint Economic Committee, to use the national accounts as the conceptual framework within which to consider and design programs to improve our economic statistics.

Improved statistics have aided us immensely in the job of continuously assessing where the economy is and where it is going. It is hard now to imagine how my early predecessors on the Council performed their job without these essential pieces of information. Our knowledge about where the economy is today—based on prompt and reasonably accurate statistics—supplies a solid launching pad for our forecasts of future developments. In this respect, we are ahead of every other nation; in many, it is still necessary to "hindcast" the last few months before one can look ahead.

In addition to our improved knowledge about the recent performance of the economy, progress in statistical programs has also provided anticipatory survey data which bear directly on the future, reporting the expectations or plans of businessmen and households. Outstanding is the Commerce-SEC plant and equipment survey, which has removed much of the mystery from forecasting business investment expenditures over the near term and which has repeatedly and directly influenced policy.

2. Room for Further Improvement

Despite our record of progress, there remain many areas where policy decisions could be aided if our data were more comprehensive, more reliable, or more promptly available. I will not try to catalog the shortcomings of our statistics. But I should like to offer a few examples. They are particularly easy to find in the area of construction, which has been so crucial in the fluctuation of the economy over the past 2 years. We have only scraps of direct information on the rate of expenditures on additions to and alterations of residential structures—currently running at \$4½ billion a year. We have no way of linking effectively the dollar volume of construction activity with employment in the industry or with unemployment rates of construction workers, since these series come from different sources with different coverage. We have no comprehensive Federal statistical series