

Moreover, a fully prosperous economy generates needs for more detailed information to guide policy. In a slack economy, the major assignments of policy are clear. Such indicators as the overall unemployment rate and the rate of capacity utilization are good guides to the fulfillment of those tasks of expanding the economy. However, with the unemployment rate below 4 percent today, the desirable pace of growth and expansion must be gaged more carefully. We need to know the distribution of unemployment and job vacancies among regions, industries, and occupational groups; we need to know the operating rates of capital in many industries. For these reasons, the development of adequate data on capacity (in both manufacturing and nonmanufacturing industry) and on job vacancies should stand high on our priority list of needed guides for stabilization policy.

A full employment economy also brings to the fore the interrelationship between monetary and fiscal policy. It increases the need for detailed information on the relation between financial flows and income-expenditure flows. This puts special emphasis on accurate and prompt flow-of-funds information that is integrated with the national income and product accounts.

My examples are drawn from data bearing on stabilization policy and overall economic developments, because these are the areas where I personally most often wrestle with the data. But I do not wish to ignore the importance of statistical information in other economic policy decisions of the Federal Government. For example, the growing concern with the plight of the poor in recent years has created a need for more detailed information on income distribution, the social characteristics of the hard-core unemployed, the mobility of labor, the economic benefits of general and vocational education, the relation between medical care and income, and so forth.

4. THE PARTNERSHIP OF DATA AND RESEARCH

There is a virtuous circle between the development of economic statistics and improvement in analytical economic knowledge. The statistics producer gives the empirical analyst new opportunities; his results aid the policymaker; and the policymaker's needs stimulates new efforts by the data producer. For example, the development of the national income accounts permitted empirical testing of many economic hypotheses concerning consumption and investment behavior. These findings, in turn, suggested ways in which the accounts could be improved and supplemented with additional information.

Often, even generally, the economic analyst in this sequence has been outside the Government. It is highly desirable that the bulk of our basic economic research should be conducted in our universities and private research foundations, rather than in Federal agencies. Federal economic statistics should be grist for the research mill of the private sector; and the output of this mill should continue to enhance the understanding and capability of the policymaker.

In this way, improvements in policymaking over the longer run depend heavily on the volume of Federal statistical information that is made available to private researchers and on the efficiency with which that information is disseminated. There are great opportunities for constructive partnerships whereby we in the Government can help academic researchers by making data readily available, and whereby