

price changes. So the productivity indexes which are being so widely used today are dependent upon adequate price statistics.

I have selected this example of price statistics because your Committee is aware of the problem. Five years ago, and again last year, your Committee held hearings on price statistics, in the first case with specific reference to their significance for the National Accounts.

A look at the future also requires us to take notice of new programs, such as manpower and poverty, which will require statistics for administrative, program and policy purposes. The operating agencies will inevitably center their attention upon the short-range research and statistics which they need to enable them to operate successfully. Your Committee will need to be concerned about the basic continuing statistics which will be needed to measure progress in the achievement of long-range results.

Once more, let me cite an example from my own experience. Back in the days of World War II the House Appropriations Committee instructed the Bureau of Labor Statistics to prepare a standard family budget which would show in dollars (rather than indexes) how much it costs to live. In response, the Bureau developed and published in 1946 a four-person family budget designed to provide a modest but adequate level of living in the larger cities of the United States. For lack of adequate upkeep, this budget got out of date and was dropped from the Bureau's program after 1951, except for an interim revision in 1959. Now, from the data obtained in the family expenditure surveys of 1960-61, the BLS is soon going to be producing a series of family budgets—for several different types of families and for three levels of living conditions.

It requires no great insight to see that such data should be absolutely basic to policies for social welfare and economic well-being of the American people. Yet, changing conditions will make these budgets obsolete soon after they are published, unless we find some way to keep them up to date—as we have failed to do heretofore.

On this point, I want to make a specific suggestion. Back in the middle 1950's the BLS advanced a proposal for an annual survey of family expenditures in a small sample of families so that the results could be used (a) to check when the Consumer Price Index would be in need of revision, and (b) to keep the family budgets up to date. The proposal never caught on.

There are a number of purposes which such annual surveys could serve. They would furnish a measure of consumer behavior, and consumers constitute the largest economic factor in our economy—they purchase nearly two-thirds of the Gross National Product. Such surveys would also furnish valuable data for the household sector of the National Accounts and would make an important contribution to the analysis of economic growth. They might also make it possible to devise new measures of quality adjustments in the Consumer Price Index.

There is one last area to which I wish to call attention—international statistics. International trade, international finance and international agreements are expanding all over the globe. A hundred nations are entering international markets, many of them for the first time on any significant scale.

Yet, in the United States this is one of the weakest areas in our statistical program. As has been pointed out many times, we do not have adequate statistics of import prices, export prices, wages and fringe benefits, productivity, unit labor costs and many other series which are necessary for an appraisal of our international position. Of course, this is an especially difficult field; since some of the data require the active cooperation of other nations. Furthermore, the technical problems of comparability are formidable.

But these problems are not insoluble. Much information is available and more can be obtained. A good deal can be done in this country by ourselves. Is there any way in which we can stimulate the development of an adequate program of international statistics?

Mr. CLAGUE. First of all, I am speaking as an individual; I do not represent any particular Government agency. I retired from the Federal service in December 1965, after nearly 35 years in the service.

Mr. Okun has just spoken to you as a user of statistics and I represent, in a sense, the producers of statistics, the statisticians who produce the data. In my paper I have used a good many examples, practically all drawn from the Bureau of Labor Statistics. I want to emphasize to you that I regard these as being representative of the problems of