

other work is going to take second place when we are up against any limitation of funds or staff.

The third area of administration which I will mention briefly is each statistical agency ought to have a small unit for methodological research on statistical methods. We ought to be doing more exploratory work in the field of statistics production. And again, this is another which often succumbs to pressures to get the figures out.

My last general topic relates to long-range plans. Here I would like to call attention to several fundamental problems. A basic problem which is widely recognized by your Joint Economic Committee and on which you have held hearings over the years, relates to the general purpose statistics which do not seem to serve any specific, immediate, short run use. I think that this point warrants reiteration. So, in spite of your knowledge of the subject, I am going to mention it again.

An illustration from my own experience is the Consumer Price Index as compared to the Wholesale Price Index. The Consumer Price Index is used for wage escalation and in all sorts of contracts throughout our economy. Literally millions of people feel every month that they are affected by what happens to that index. Consequently, the Bureau of Labor Statistics can get support by the users of that index. On the other hand, the Wholesale Price Index, which also happens to be widely used by business firms and the Government in many escalation contracts, is not widely known to the general public and, therefore, there is no constituency for that index among the general public. Yet the price indexes for individual industries constitute the foundation of the real product statistics of the national accounts of the gross national product, of the measurement of economic growth, and of the productivity or output per man-hour statistics of the BLS. Consequently, wholesale prices are vitally important statistics right at the heart of an integrated system of national accounts. It is that kind of statistic which your committee will need to support, because there may not be an outside constituency pushing for it.

Looking to new programs, such as manpower and poverty, let me cite another illustration. Back in World War II the House Appropriations Committee, trying to deal with the cost of living index as it was called then, asked why the Bureau of Labor Statistics could not prepare a family budget that showed in dollars how much it cost a family to live. In response to that request the Bureau did prepare a four-person standard family budget which was issued in 1946. In my first year as Commissioner, one of my duties was to present that budget to the public. It was the Joint Economic Committee of that day which gave me that opportunity. At any rate, what I want to emphasize now is that we produced that budget for a while but lost it in the 1950's. Now the Bureau of Labor Statistics is about to come out with a new set of budgets of this sort, based upon the 1960-61 family expenditure surveys which were conducted for the revision of the Consumer Price Index.

This time there are going to be several levels of budgets, three different levels, I believe. First, it will apply to several different types of families, including an elderly couple and eventually a one-person family. These budgets will bring out an important point, namely, that there is a wide differential in the cost of an equivalent standard of living in different sections of the country.