

turned me down on studies that I wanted to conduct. They do have disciplinary powers and, of course, they sit right in the Budget Bureau. They can pass the word along, in the Bureau of the Budget itself, to the Estimate Division as to what they favor or disapprove.

On the other hand, I do find that in practice they have a tough job. They come up against the urgent need of administrative statistics and program statistics for an operating agency which has a job to do. While I have never sat in their chairs, I can understand, being a member of a major department and earlier, of the Social Security Board, that when a program agency decides it needs some statistics, it can exert a great deal of pressure on the Bureau of the Budget. That is why I presented some of my ideas to your committee here today. Your committee is an overall agency looking at these matters in the large. I think a good deal can be done if efforts are made to support and give confidence to the Office of Statistical Standards. I would recommend a larger budget and more staff. I think they need to follow more closely the statistical proposals of many agencies.

Chairman TALMADGE. Do you have any other recommendations besides a larger budget?

Mr. CLAGUE. No, I think not.

Chairman TALMADGE. You point out that the present system has worked well where good cooperative relationships have been established among Federal agencies. Why has progress not been greater in the making of series compatible, for example, such as unit costs, and pricing by industry, could be analyzed more easily and with greater accuracy?

Mr. CLAGUE. I think, Mr. Chairman, if I interpret that question correctly, this relates to the point I was making about the Wholesale Price Index and its constituent parts. This is a series about which the Bureau of Labor Statistics is quite aware of the limitations that exist. For example, many times we advanced proposals for collecting buyer's prices, as well as getting prices from the sellers. That would give a two-way shot at the true price. Was there a special discount? Was there an extra tied into the sale in order to conceal the price change of the original article? Well, the Bureau of Labor Statistics has been aware of this problem. The solution, I think, is more understanding in the Congress of the reasons for improving those particular statistics.

Chairman TALMADGE. In regard to cooperation among Federal, State and local problems, do you have any specific suggestions which might further the cooperation?

Mr. CLAGUE. Yes. I wish that there were some way in which the Federal agencies were able to provide the funds necessary for research, statistics and reporting that would be useful to them. I say this because, in a good many instances, the grant and formula programs that the Federal Government works out with State and local agencies—that is, the operating programs—frequently do not make special provision for statistics. The result is that the State and local administrators may not establish competent research and statistics units in their agencies. I think it would help if the Federal agency administering a program had some free funds which it could use specifically for research and statistical reporting from State and local agencies. In the success story I painted with respect to the Employment Security Program, that is the employer payroll reporting program, an important point is that the Bureau of Employment Security has the right to make 100 percent