

fully urge that the Joint Economic Committee give careful consideration to these recommendations and specifically support them in its report.

We believe the Economic Report has properly and carefully spelled out the need for these improvements which is stated as follows:

That need is accentuated by the current state of the economy and the current aims of policy. Sustaining expansion close to the economy's potential growth path is a more difficult task than that of merely attempting to moderate wide swings in output. In a slack economy, it was often sufficient for the indicators merely to point in the right direction. Now more accurate information about the speed of the movement and the distance from full employment is called for. The need for early and careful diagnosis of the extent and location of inflationary dangers also requires comprehensive information about the price, cost, and productivity performance of various sectors of the economy. Capital markets and especially the mortgage market have taken on a key role, calling for more comprehensive data and indicators. The current importance of our international trade position places added emphasis on the need for better information about export and import prices.

We agree with and recognize the need for economy and establishment of priorities in connection with Federal programs. The 10 items proposed for improvement in the area of economic statistics are indeed priority items and the Federal Statistics Users' Conference has, in the past, urged and supported the majority of these items. We further agree with the Economic Report in its statement that each improvement has been recommended because it meets these tests: "that it assist current policy formulation, that the proposal be capable of rapid implementation and that its costs be moderate, given the present budgetary stringency." The total program of improvements will involve an annual budget cost of about \$2.5 million which is approximately 2 percent of the total 1969 budget estimate for current statistical programs.

The fiscal 1968 budget included appropriation requests for certain statistical programs that would meet the needs of some of the priority items included in the 1968 Economic Report. Unfortunately, the Congress failed to approve these requests. The range in costs of these denied programs was from \$120,000 to \$200,000. We agree with Congressman Curtis who has said that the budget treatment of our statistical agencies is "one of the best examples I know of being penny wise and pound foolish." We further agree with the Economic Report that the small investment of \$2.5 million for its recommended improvements "could make a critical difference in guiding decisions involving billions of dollars."

We wish to emphasize that expenditures for the total statistical programs of the principal statistical agencies is small in comparison with the total governmental administrative budget expenditures or the administrative budget expenditures exclusive of military expenditures. In 1967, statistical expenditures were about one-tenth of 1 percent of the former and about one-quarter of 1 percent of the latter. The proportion has never been higher than this.

We earnestly urge the committee to support the following 10 key items in the President's program for improvements in economic statistics: