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# THE 1963 ECONOMIC CENSUSES

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HEARINGS  
BEFORE THE  
SUBCOMMITTEE ON  
BUSINESS AND GOVERNMENT STATISTICS  
OF THE  
COMMITTEE ON  
OFFICE AND CIVIL SERVICE  
USE OF REPRESENTATIVES  
EIGHTY-EIGHTH CONGRESS  
SECOND SESSION

FEBRUARY 18 AND 19, 1964

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BEFORE THE  
SUBCOMMITTEE ON  
CENSUS AND GOVERNMENT STATISTICS

COMMITTEE ON POST OFFICE AND CIVIL SERVICE

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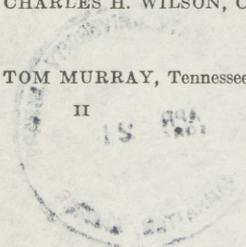
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## THE 1963 ECONOMIC CENSUSES

TUESDAY, FEBRUARY 18, 1964

HOUSE OF REPRESENTATIVES, SUBCOMMITTEE ON  
CENSUS AND GOVERNMENT STATISTICS OF THE  
COMMITTEE ON POST OFFICE AND CIVIL SERVICE,  
*Washington, D.C.*

The subcommittee met, pursuant to notice, at 10 a.m., in room 215, Cannon Building, Hon. Arnold Olsen, of Montana (chairman of the subcommittee), presiding.

Mr. OLSEN. The subcommittee will come to order.

Our purpose in meeting this morning is to hold the first of two hearings on the 1963 economic census program; that is, the censuses of business, manufactures, mineral industries, and transportation. The program is now underway at the Bureau of the Census at Suitland, Md., and at its various other operating locations.

These hearings are conducted in accordance with House Resolution 151 of the 88th Congress, which authorizes the House Committee on Post Office and Civil Service to conduct full and complete investigations with respect to the organization, management, and operations of the Bureau of the Census. The Subcommittee on Census and Government Statistics has been assigned this responsibility and therefore has a continuing interest in all major census undertakings.

The subjects the subcommittee wishes discussed in the hearings today and tomorrow, and will want to ask questions about, are the planning, funding, staffing, and operations (departmental and field) associated with the 1963 economic census program. Subcommittee members have expressed special interest also in: (1) specific uses of economic census and current survey data by the business community; (2) the timing and scheduling of operations, including estimated publication dates; (3) the paperwork load generated by the census and the reaction of the business community; and (4) a special progress report on the 1963 Census of Transportation. Since the census of transportation is the first of this type, we will want to hear all about it.

Another subject we shall want to stress is the paperwork which accompanies a census, and what steps have been taken in the past and can be taken in the future to reduce it. Some of my colleagues on the committee, for example, have had complaints from people back home about census forms. They may want to ask questions along these lines. An additional suitable and important subject for discussion concerns any procedural improvements introduced since the 1958 censuses.

Now, our schedule this morning calls for hearing Congressman Henry C. Schadeberg of Wisconsin, who wishes to testify, and Dr. A. Ross Eckler, Deputy Director of the Bureau of the Census, and his associates. They will be followed tomorrow by Assistant Secretary of Commerce for Economic Affairs, Richard H. Holton; Roye L. Lowry, executive secretary of the Federal Statistics Users' Conference; Congressman Frank J. Becker of New York; Harold Hafner, certified public accountant from Baldwin, Long Island, N.Y.; Norman W. Holland, president, National Society of Public Accountants; R. Buford Brandis, chief economist, American Textile Manufacturers Institute; and others.

We also have asked for statements from the National Association of Manufacturers, the National Industrial Conference Board, and the National Bureau of Economic Research. Without objection, these statements will be placed in the record.

At this point in the record, we will place the Census Bureau publication, "Facts About the Economic Censuses," which explains the legal background, coverage, frequency, and other facts about the census.

(The above-mentioned material follows:)

#### FACTS ABOUT THE ECONOMIC CENSUSES

##### INTRODUCTION

The economic censuses originated more than 150 years ago, with the first census of manufactures taken in 1810, and have been conducted periodically since then.

##### LEGAL REQUIREMENT FOR TAKING THE ECONOMIC CENSUS

The laws of the United States (title 13 of the United States Code) require the taking of certain censuses, including the economic censuses.

Title 13 specifies the kinds of businesses to be covered and the frequency and the time for taking the censuses (sec. 131); the obligation to report and the penalties for failure to report (sec. 224); the confidentiality of returns (sec. 9); and penalties for wrongful disclosure of information (sec. 214).

##### KINDS OF BUSINESS INCLUDED IN THE ECONOMIC CENSUSES

Title 13 requires inclusion in the economic censuses of the following:

- All manufacturing businesses (first census, 1810);
- All businesses in mineral industries (first census, 1840);
- All retail and wholesale businesses (first census, 1929); and
- All businesses in selected service trades (including personal, business, and repair services; amusement trades; motion picture industry; hotels, motels, etc. (first census, 1933);
- All public warehouse businesses (covered beginning in 1935) selected aspects of transportation (first covered in 1963).

##### CENSUS FREQUENCY AND TIME OF CANVASS OF 1963 CENSUSES

Title 13 requires the economic censuses to be taken at 5-year intervals covering the years ending in "3" and "8." The 1963 censuses are now underway.

##### SELECTION OF INQUIRIES FOR THE CENSUSES

Before the censuses are taken there is extensive consultation with hundreds of trade and business associations; with individual business firms; with special census advisory committees; with government agencies; etc.

Proposed inquiries are screened by the Census Bureau, and the Bureau of the Budget, to eliminate any not clearly in the public interest.

Inquiries in the 1963 censuses are substantially the same as those in the 1958 censuses, with the exception of the merchandise line inquiry in the retail trades. This inquiry has been reintroduced at the specific request of business and government groups.

## USES AND USERS OF CENSUS REPORTS

The economic censuses are the primary source of facts about the structure and functioning of the economy; their use accordingly is widespread, manufacturers and distributors who need to establish measures of their potential markets in terms of areas, kind of business, and kinds of products; management in various industries and trades which needs facts for purposes of economic or sales forecasting; for analysis of sales performance; for the layout of sales territories; for the allocation of advertising budgets; and for the location of plants, warehouses, and stores. For these business purposes census facts are invaluable. Likewise trade associations need census information to learn how their industry is changing—chambers of commerce how their community is changing. State and local governments need to understand the structure and changes occurring in their areas. Business magazines rely on census facts as background for their articles. The facts about the structure and changes in the country's business structure are of course essential for the Federal Government.

Following every census, reports are purchased by thousands of business and other users; likewise census facts are widely disseminated by trade associations, business journals and the daily press; census volumes are available in all the major public and college libraries.

## ECONOMIC CENSUS PUBLICATIONS

Census statistics typically are summarized by kinds of business and are issued in area reports, industry reports, and in special subject reports. Reports are subsequently gathered together into separate volumes. Reports will be issued during the latter part of 1964 and in 1965.

For information about the content of census publications and how to order them, write to Director, Bureau of the Census, Washington, D.C. 20233.

## A SPECIAL AID FOR REPORTING DIFFICULTIES

Among objectives of census consultation with business advisory groups is the formulation of census inquiries so answers to them can be derived from ordinary business records with a minimum of difficulty. However, the use of reasonable estimates is permitted for those businesses which cannot readily derive the required figures from their own records. Departure from strict accounting accuracy in such circumstances does not significantly affect statistical summaries covering a number of businesses, as differences of estimates from accounting totals tend to be offsetting. Accordingly, in the interest of reducing the reporting job, the Census Bureau accepts reasonable approximations where it is not feasible to summarize information from record sources.

## THE FILING DEADLINE AND EXTENSIONS FOR FILING

The regular filing date for 1963 Economic Census reports is February 29. This date reflects the urgent need for timeliness in connection with many Government and business findings which are significantly affected by Census findings.

Without jeopardizing the Census timetable, however, reasonable extensions can be granted in hardship cases. Also, there is a special procedure so public accountants can file for their clients on a flow basis. Inquiries regarding extensions should be directed to Jeffersonville Census Operations Office, Jeffersonville, Ind., 47130.

## PRIVACY OF INFORMATION AND THE CONFIDENTIALITY REQUIREMENTS OF THE CENSUS LAW

Title 13 protects the privacy of all information reported to the Census Bureau by providing that the information reported to the Bureau (1) may be used only for statistical purposes, (2) may not be published so that information for any business can be identified, (3) may not be seen by anyone other than sworn Census agents. Census reports may not be used for purposes of taxation, investigation, or regulation. File copies also are immune from legal action. The confidentiality rules have always been strictly enforced.

## WHERE TO DIRECT QUESTIONS ABOUT CENSUS FORMS

If questions arise regarding any aspect of the censuses—the meaning of inquiries, the use of estimates, filing extensions, etc., they should be directed to Jeffersonville Census Operations Office, Jeffersonville, Ind., 47130.

Mr. OLSEN. Our first witness will be our colleague, Congressman Schadeberg.

**STATEMENT OF HON. HENRY C. SCHADEBERG, U.S. CONGRESS, FROM  
THE FIRST DISTRICT, STATE OF WISCONSIN**

Mr. SCHADEBERG. Thank you, Mr. Chairman. I wish to express my thanks for having the privilege of being here today. I am not going to take much time, but I would like to precede my remarks by saying I have no personal involvement in the census and the forms that are to be made out. Being as I am not personally involved, I am not too well aware what the request is in regard to the forms. However, I have returned from my district and I have received some letters from businessmen, and incidentally some of the newspapermen, who asked me to register for them their complaint of the amount of paperwork that has to be done in filling out the census forms in 1963. And with this in mind, I would like to ask permission to have my remarks included in the record at this point.

Mr. OLSEN. Thank you very much.

Without objection, it is so ordered.

**PREPARED STATEMENT OF REPRESENTATIVE HENRY C. SCHADEBERG OF WISCONSIN**

Mr. Chairman, I have just returned from 7 days out in my district during which time many personal conversations with businessmen supported the large number of letters I have been receiving from businessmen and newspapermen from my district, registering complaints of the tremendous amount of paperwork that is involved in filling out the Bureau of Census form entitled "1963 Census of Manufacturers." Typical comment would be: "Let the Bureau in Washington check records of the water company or the power company to find out how much I use. I don't know without going through a great many time-consuming hours finding out." One businessman felt that those who are asked to fill out the form should receive a remuneration of \$50 to help defray at least in part the cost of gathering the information for the Government. Many of my businessmen felt that this was an unnecessary harassment of those who are doing their best to make a living.

One of my constituents informed me that not a single small business could handle this census form without hiring someone to do the work. He felt that it would take a girl full time for 3 weeks at the very modest salary of \$60 a week to complete accurately and satisfactorily information in the form.

Several of my businessmen and newspapermen have said they just can't do it, even if it means the necessity of paying a fine.

In short, the consensus of those in my district, who are involved in this matter, is that the Government is seeking too much information which requires too much time and money to complete for what many consider to be a questionable purpose of gathering information, which by law the Government does not have the right to demand.

Mr. Chairman, while I, myself, have not had to fill out this form, I know by the tone of the letters I have received, and by personal conversation with those who are involved, that steps should be taken to rescind this effort. If the information is necessary, there ought to be a clear, more concise form, requiring less technical aid to fill in. If the request is reasonable, there is no reason why the very fine men who are in business in the Midwest, would not cooperate wholeheartedly.

Mr. WILSON. Mr. Chairman, in connection with the statement of Mr. Schadeberg, and previous comments by Mr. Pool about similar complaints he had from business people in his district, perhaps Dr. Eckler, when he testifies, can give whatever explanation they have for the type of questions that are asked and the security that is attached to them and the protection that is afforded people, so that there is no information given to competitors and so forth, that seems to be the fear of some of these people.

Mr. OLSEN. That is very well taken, thank you, Mr. Wilson.

Before you begin, Dr. Eckler, I will insert in the record, section 131, United States Code, title 13, which authorizes the economic census program.

United States Code, title 13 follows:

SECTION 131. COLLECTION AND PUBLICATION; FIVE-YEAR PERIODS

The Secretary shall take, compile, and publish censuses of manufactures, of mineral industries, and of other businesses, including the distributive trades, service establishments, and transportation (exclusive of means of transportation for which statistics are required by law to be filed with, and are compiled and published by, a designated regulatory body), in the year 1954 and every fifth year thereafter, and each such census shall relate to the year immediately preceding the taking thereof: *Provided*, That the censuses of manufactures, of mineral industries, and of other businesses, including the distributive trades and service establishments, directed to be taken in the year 1954 relating to the year 1953 shall be taken instead in the year 1955 relating to year 1954.

Mr. OLSEN. Now Dr. Eckler, it is good to have you with us today.

STATEMENT OF DR. A. ROSS ECKLER, DEPUTY DIRECTOR, U.S. BUREAU OF THE CENSUS; ACCOMPANIED BY MAXWELL R. CONKLIN, HARVEY KAILIN, EDWIN D. GOLDFIELD, AND DONALD E. CHURCH

Mr. OLSEN. Would you introduce the gentlemen with you, Mr. Eckler, and identify them for the record?

Dr. ECKLER. Mr. Maxwell Conklin, Chief of our Industry Division, which is responsible for the censuses of manufactures and mineral industries; Mr. Harvey Kailin, Chief of our Business Division, which is responsible for the census of retail and wholesale and service trades; Dr. Donald Church, in charge of our transportation census; and Mr. Goldfield, Chief of our Statistical Reports Division, who is responsible for a great variety of reports.

Mr. OLSEN. Let's have them sit in the order in which you introduced them.

I wonder if you have samples of the questionnaires, so the committee can see for themselves what you are doing?

Dr. ECKLER. Yes, sir, Mr. Chairman, we do have a few sample forms that illustrate the types of questions that are asked.

Mr. OLSEN. They could be passed among the committee now. You may proceed as you will, Dr. Eckler.

Dr. ECKLER. First of all, Mr. Chairman, I would like to express the appreciation of the Census Bureau for the opportunity to come before you and review progress on these very important series of censuses that are now going on and to have the benefit of your thinking and advice in this matter. I express particular regret

that the complications of scheduling hearings are such that my chief is necessarily at another hearing at this time, the appropriation hearing, which also is a very important one, and consequently I am taking over for him at this point.

There is a prepared statement which we will submit for the record, which was prepared for Mr. Scammon's presentation. I think since it is a rather long statement, it might be useful and serviceable in saving time if I just hit a few highlights of that statement, Mr. Chairman. Is that agreeable?

Mr. OLSEN. That certainly is. Without objection it is ordered that the statement of Mr. Scammon will be entered in the record in full.

(Statement of Hon. Richard M. Scammon follows:)

#### STATEMENT OF HON. RICHARD M. SCAMMON, DIRECTOR, BUREAU OF THE CENSUS

In performing its statutory duties the Census Bureau has direct contact with all of the families, farms, State and local governments, and most of the business concerns in the United States. The results of its activities also affect directly or indirectly the lives and fortunes of the people. It is, therefore, quite appropriate that from time to time the Bureau's activities be reviewed by this committee of the Congress.

##### 1. SCOPE AND HISTORY OF THE ECONOMIC CENSUSES

It is our understanding that today the Subcommittee on Census and Government Statistics wishes to concentrate on the 1963 economic censuses as authorized by section 131 of title 13 of the United States Code.

Section 131 specifies that "the Secretary shall take, compile, and publish censuses of manufactures, of mineral industries, and of other businesses, including the distributive trades, service establishments, and transportation (exclusive of means of transportation for which statistics are required by law to be filed with, and are compiled and published by, a designated regulatory body), in the year 1954 and every fifth year thereafter, and each such census shall relate to the year immediately preceding the taking thereof \* \* \*."

It might be of interest to the committee to note that under title 13, or earlier law, the census of manufactures was initiated in the year 1810; mineral industries in 1840; retail and wholesale businesses in 1929; selected service trades, including personal business and repair services, amusement trades, motion picture industries, motels and hotels, etc., in 1933; public warehouse businesses in 1935, and selected aspects of transportation in 1963. Section 131 specifies that coverage of manufactures, minerals, distributive trades, service establishments, and transportation is mandatory while the phrase "and of other businesses" following "mineral industries" has been interpreted to provide authorization to extend the industrial scope as the need arises.

##### 2. USES AND USERS OF ECONOMIC CENSUSES

The economic censuses are the primary source of facts about the structure and functioning of the economy; their use accordingly is widespread—manufacturers and distributors who need to establish measures of their potential markets in terms of areas, kinds of business, and kinds of products; management in various industries and trades which needs facts for purposes of economic or sales forecasting, for analysis of sales performance, for the layout of sales territories, for the allocation of advertising budgets, and for the location of plants, warehouses, and stores. For these business purposes census facts are invaluable. Likewise trade associations need census information to learn how their industries are changing, and chambers of commerce to learn how their communities are changing. State and local governments need to understand the structure and changes occurring in their areas. Business magazines rely on census facts as background for their articles. These facts about the country's business structure, and changes in that structure, are of course essential for the Federal Government.

Following every census reports are purchased by thousands of business and other users; census facts are widely disseminated by trade associations, business journals and the daily press; census volumes are available in all the major public and college libraries.

Another widespread use of the results which derives from the completeness and general acceptance of the census reports may be broadly described as that of providing benchmarks, control totals, weighting systems, sample frames, etc. For example, the census of manufactures provides the industrial and product weights of the Federal Reserve Board's Index of Industrial Production and the Bureau of Labor Statistics' Index of Wholesale Prices. The census of business provides the sampling frame for important parts of the Bureau's monthly wholesale and retail sales reports. The economic censuses are essential to the construction of the national income and gross national product accounts by the Office of Business Economics. Many private series are evaluated against the census results for the industries or products involved. These are examples of a type of use of census results which is often overlooked but is very important.

### 3. HOW THE CENSUS QUESTIONS ARE DETERMINED

Section 5 of title 13, United States Code provides that "The Secretary shall prepare schedules, and shall determine the inquiries, and the number, form, and subdivisions thereof, for the statistics, surveys, and censuses provided for in this title."

In planning the inquiries to be included in such a large and important undertaking as the quinquennial economic censuses a great many things must be taken into account. For example, the inquiries must be selected with great care so as to (a) provide information pertinent to contemporary problems and (b) be as comparable as possible to the information obtained for past periods. The ability of companies to respond to the inquiries must also be considered. These matters involve extensive consultation with both users and suppliers of information.

In fact, one of the most difficult tasks of the Census Bureau is to strike a balance between the needs of the country for information and the ability of business concerns to supply that information with reasonable accuracy and cost. We have consistently reminded user groups which request new information of the work which must be done by a respondent company in supplying such information. We have also tried to keep before respondents an awareness that they too have an obligation to contribute information which will make for better economic decisions in business and government.

In the course of preparing for the 1963 Economic Censuses the Bureau made contact with more than 3,000 large, medium, and small companies: approximately 1,400 trade associations, 34 university and research organizations, 24 labor unions, and the major Federal agencies. The Advisory Council on Federal Reports and the Census Advisory Committees of the American Statistical, Economic, and Marketing Associations were also consulted on the overall program.

As finally designed, the 1963 Economic Censuses will collect reports directly from nearly 3 million plants or establishments operated by 2,500,000 companies. A variety of different report forms have been devised so that the particular questions presented to the individual establishment will be as pertinent as possible to its line of business. Of course, the typical establishment receives only one form from the economic censuses—the form best suited to its activity. Even then, the establishment usually does not have to make entries on all the lines of that form.

### 4. CONTENT OF THE 1963 CENSUS COMPARED WITH 1958

The economic censuses provide not only a cross sectional view of the state of the economy during the year covered but also a continuous history of the economic development of the Nation. Because of the function of the censuses to record changeover time, careful attention is given to maintaining comparability of the census content from one census period to the next.

In keeping with this principle it will be found that the 1963 census forms differ in content from the preceding censuses in relatively few respects. The important differences are as follows:

(1) For the census of manufactures (a) particular products produced and materials consumed have been modified extensively to keep up with our changing industrial technology and (b) sample data on horsepower of prime movers in manufacturing plants have been added (last provided for in 1954).

(2) For the census of business (a) data on merchandise lines sales of retailers have been added (last covered in 1948) and (b) a sample survey of value added in wholesaling has been included.

Important elimination of previous content is found in the census of manufactures where (1) collection of data on the distribution of manufacturers' sales by class of customer was omitted and (2) individual products and materials which have diminished in significance in recent years were dropped. In the census of business the breakdown between full-time and part-time employment was dropped.

#### 5. MINIMIZING THE REPORTING BURDEN

We have taken a number of steps to hold to a minimum the reporting burden involved in the economic censuses. Probably the single most important step is extensive consultation with the suppliers of data to formulate the inquiries in terms that reflect trade terminology and recordkeeping practices. Another important step was the elimination, beginning in 1954, of over 1 million very small companies from the direct census enumeration by utilizing information contained in their business tax returns. Other steps to the same end have been taken; such as the substitution of sample for complete coverage wherever possible. Examples of the use of the sampling method in the census of manufactures are found in the coverage of details of food and electric energy and installed horsepower. An example of sampling in the census of business is found in the coverage of inventories, value added, and capital outlays. Almost all of the census of transportation is conducted on a sample basis.

Another device to reduce burden is the use of short or simplified forms for the smaller companies. About one-half of the manufacturing establishments in 1963 are required to file only on a short form.

Where the Bureau or other agencies regularly collect in other surveys reliable and detailed product information, such detail is omitted from the census forms and information is requested only in terms of fewer broad product classes. Approximately half of the product detail for the census of manufactures is obtained in this manner rather than from the census itself.

Other examples of practices adopted to meet the needs of respondents include specifically advising respondents that thoughtful estimates may be used where book figures are not readily available and granting of extensions of the filing dates whenever any hardship is involved. Special delayed reporting arrangements are provided for public accountants so that their workloads may be spread over a longer period.

#### 6. SOME OPERATING HIGHLIGHTS OF THE 1963 CENSUSES

I should now like to discuss briefly some of the operating aspects of the 1963 censuses. First of all, let me say that all important operations are either on schedule or ahead of schedule. The report forms were designed, printed, addressed, and mailed on schedule with substantially all forms having reached respondents during the month of January 1964 and most of them before the middle of the month. The due date for filing, unless an extension has been specifically requested, is February 29. As of February 7, 3 weeks before the due date, more than 400,000 returns had reached our Jeffersonville Operations Office in Indiana.

The operating procedures required to process the censuses and the computer programs needed during the balance of the fiscal year for the most part have been prepared. Ample space is available in our permanent Jeffersonville Operations Office.

As is usual in a canvass involving so many companies, a few respondents have written complaining letters to their Representatives in Congress. However, by the end of January less than 100 such complaints had been referred to the Census Bureau. This amounts to less than 1 out of each 25,000 of the companies which have been canvassed.

Much of the credit for the orderly progress of the census which has been achieved to date is owed to the more adequate preparation made possible by the Congress. In the fiscal year 1962 Congress provided \$1 million to begin to prepare for the census. For fiscal 1963 an additional \$3 million was provided which enabled us to accomplish virtually all that could be accomplished during that year. For the present fiscal year \$8,500,000 has been appropriated which will carry us through the enumeration and preliminary data processing. The President's budget for fiscal 1965 requests \$7 million which will substantially complete the data processing and tabulation. In fiscal 1966 it is anticipated that another \$1,500,000 will be needed to wind up the affairs of the census and print the final reports and special studies. The total cost is estimated at approximately \$21 million.

#### 7. COMPARISON WITH COST OF 1958 CENSUS

After allowance for the addition of the transportation census and new coverage of the merchandise lines in the retail census, plus statutory pay increases, we estimate that the 1963 censuses—despite the growth of the economy over the 5-year period—will cost approximately \$1 million less than would have been expected from the 1958 census methods and unit costs. This saving is primarily the result of increased productivity.

#### 8. PUBLICATION DATES

In general, we hope at least to equal and probably to better the publication schedule of the 1958 census. However, we have found that it is extremely difficult to predict this far in advance the exact timing of the various publications because of the many steps which must be successively carried out before the tabulations can be made. It can be said, however, that at the present time we are not aware of any problem which would cause significant delays.

#### 9. OTHER ACCOMPLISHMENTS OF THE 1963 CENSUS TO DATE

I would now like to describe to the committee in detail some of the accomplishments of the 1963 census to date, including new developments in the techniques of collecting and processing data and some of the new efforts we have made to reduce the cost of the census or the burden it imposes on respondents.

(a) *Spreading the work.*—As you know, one of the devices intended to improve the efficiency of the operation of the census and reduce the burden has been the spreading of different parts of the enumeration over a longer period of time. For example, the coverage of petroleum bulk stations was advanced a year to reduce the peaking up of workload in the Census Bureau and also to take advantage of the interest of the Petroleum Administration for Defense for data covering 1962. We also advanced the coverage of detailed data on fuels and electric energy and horsepower from 1963 to 1962 and also relieved most of the small companies of the necessity to report by placing the survey on a sample basis.

(b) *Improving processing methods to reduce costs and increase accuracy.*—The 1963 economic censuses will benefit from further mechanization of the census-taking process. For example, the information needed to assemble, classify, and address the census mailing list was obtained for the first time in the form of magnetic tape. After computer processing, this tape was used to prepare address labels on the high-speed printers associated with the computer. These labels were mechanically applied to the copies of the forms to be returned by respondents. The computer prepared the labels in such a way as to make them readable upon return by modified Fosdic machines developed originally for use in the Eighteenth Decennial Census of Population and Housing. The Fosdic machine is rapid and accurate in recording which companies have filed returns. It thus gives us better control of the mailing lists and reduces the chances that companies which have satisfied reporting requirements will be improperly included in the followup procedure.

Another use of the computer has been to translate directly the street name and number of each respondent into the appropriate census geographic code applicable to the address. In previous censuses all such codes were laboriously assigned by coding clerks whereas now the bulk of the final codes are determined by the computer more rapidly and more accurately.

In another development, our Jeffersonville Operations Office is now able to transmit to Washington by wire the information needed to create the magnetic tapes from which the censuses are prepared. Thus, without increasing costs, it is possible to transfer information with great speed and accuracy while eliminating the hazards and time involved in physical transportation of many millions of punched cards.

Many other improvements of this nature have been incorporated into our procedures. Improvement in economy, accuracy, and speed is a continuing major objective of the Bureau.

#### 10. CENSUS OF TRANSPORTATION

This committee, after an exhaustive study of the census of transportation, recommended in 1962 that the census be taken. Appropriations have been provided and the 1963 Census of Transportation is well underway. A special report on this census, requested by the chairman of the Census Subcommittee in his letter to me of February 3 is attached as a supplement to this statement.

Some of the highlights may be summarized in this way: The census will consist of four parts: (1) National travel survey, (2) truck inventory and use survey, (3) commodity transportation survey, and (4) bus and truck carrier survey. Work on all four parts of the census is underway. All data needed for the national travel survey have been collected. Almost all of the data needed for the truck inventory and use survey have been collected. Cooperation on the part of the public in both of these operations has been outstanding. A brief preliminary report from the national travel survey for the first quarter 1963 has been released. Collection of information for the bus and truck carrier survey and commodity transportation survey has just begun. We believe that the objectives of the 1963 Transportation Census will be achieved within the budget request and on a timely basis.

Mr. OLSEN. Dr. Eckler, you may proceed to highlight the statement.

Dr. ECKLER. I should like to note the Census Bureau is perhaps unique among Federal agencies in the extent of contacts it has with people, farms, business establishments, and so on. It is the only organization which has contacts sometime during the decade with every family and every business establishment, except for those in a very few specialized categories. I would also note the very long history behind this work.

The census of manufactures goes back to 1810, the first census of mineral industries to 1840, and others have been added over the years. The most recent one is the census of transportation, which is being taken this year for the first time covering 1963.

I would note, and I assume we may get into more discussion of this later, I would note the extremely widespread use of the information collected by these censuses. I believe it is safe to say that these represent the most comprehensive body of information regarding major segments of our economic system, our production system, which of course in a country of this type is of tremendous importance, our whole system of distribution, our system of transportation. It has been said sometime ago, that the census statistics are like the air we breathe. They are used so commonly that they are taken for granted. Many people who use the census statistics get them from trade journals, trade association publications, and so on, and they do not even realize the source of the statistics they are making use of.

The manufacturers and distributors are making very extensive and continuous use of these figures for evaluating markets, determining what parts of the country they should develop, what segments of the industrial structure are most likely to yield profitable operations for them. Management uses these figures in a great variety of ways.

Sometime ago there was a survey made of the members of the American Marketing Association and they found that three-quarters or more made use of the census statistics in the manufacturing and retail trade for marketing purposes. That does not cover all purposes, since there are many other kinds of uses. These purposes had to do with estimating the sales they were likely to have in the months or years ahead, developing their sales territories, determining the amount of advertising, policies with regard to advertising, policies as to new outlets and new plants, and so on. These uses are so extensive and continuous that it is, I think, safe to say that hardly a company exists which has not benefited either directly or indirectly very substantially from the kind of information that is provided by these inventories of manufacturing, retail trade and wholesale trade and so on.

Trade associations of course make a great deal of use of census statistics, because the data enable them to supply to the members information about significant trends in the trade, relationships to other industries and so on.

MR. OLSEN. The thought occurs to me that these trade associations of course do a splendid service for their people, but I would wager that many of the businesses in the trade association don't realize that the trade association gets its information from the census and that particular association gets a special adaptation of the census for that trade and the census gets very little credit.

DR. ECKLER. I think that is often true. We of course encourage them to give credit to us in footnotes and so on as to the source of the data, but we can't compel them to do that and even if the footnote appears, it is not very conspicuous.

Furthermore there has developed in recent years a tremendous amount of service activity in the way of using these data to provide help to small businesses. These may be management firms of various kinds, organizations that help on marketing policies, on operations research, a great many activities of that sort. And these firms are avid users of census statistics and are in a position to make extremely effective use of these data, so that many smaller firms receive the benefit of the data indirectly through the information that service companies utilize in giving them advice.

Also I might note that the census data are the benchmarks on which some of the most important national series are based. Our system of national accounts, gross national product, national income, and so on, depends very heavily on benchmark data provided by these 5-year inventories. The Federal Reserve Index of Industrial Production, the Wholesale Price Index, depend upon census results for weights, for indications of relative importance of the various series they put together to make these composites.

I might refer briefly to the way in which we decide the content of a census questionnaire. In the main the changes are not very great from one census to the next, because most of the needs for statistics are of a continuing character. So on the whole the inquiries last time constitute a very important part of the picture. However, the consultation with business users, and many other groups, leads to certain new needs and we consider new requests which might be added, and in all of these cases it is necessary to evaluate these needs

in terms of the burden that is going to be imposed. We attempt to find out in all cases whether the information is of the kind that can be supplied by business firms. Is it in accordance with the records that are normally maintained or would there be extremely great difficulties for most firms in supplying this?

We also need to take into account as we have new or changed requests, what the problem of comparability will be with regard to the past censuses.

Now, all of these questions require extensive consultations and we do a great deal to get as broad a view as possible of the needs and impact of our programs. We meet with representatives of some 3,000 firms, large, small, medium sized, 1,400 trade associations, and a considerable number of university people, representatives of labor unions and other specialists, in determining the content of the questionnaires. In view of the question that was specifically raised by Congressman Wilson, I would like to note there are extremely careful provisions to protect the interests of the individual company, confidentiality provisions have been scrupulously observed. Strict penalties are imposed for any release of information by census employees which would reveal the operations of a particular firm. Our record in this respect over the years has been unblemished. We are very proud of the record and we believe we can give strong and unqualified assurance that the information that a company furnishes us will not be revealed to a competitor, a trade association, or in any way become public property. And this of course is the basis on which the law provides mandatory coverage, mandatory reporting.

Mr. WATSON. Mr. Chairman.

Mr. OLSEN. Yes, Mr. Watson.

Mr. WATSON. Do you object if we interrupt?

Dr. ECKLER. No, sir, Mr. Watson.

Mr. WATSON. Are businesses primarily interested in population shifts or are they interested in the data from this industry census? Do you have more inquiries from businesses on this or on the population census?

Dr. ECKLER. I would hesitate to try to weigh those two. There are a tremendous number of both kinds. Firms which are largely concerned with consumer products have a particularly great interest in numbers of people and kinds of people, where they are and so on, so we do have a great deal of demand for that sort of information. But the demands for these industry figures, trade, services, and so forth are also very great. So I would hesitate to try to weigh one against the other.

Mr. WATSON. One of your associates seems anxious to add to this discussion.

Mr. GOLDFIELD. In response to your question, Mr. Watson, I was looking at a survey made on behalf of the Census Bureau by the American Marketing Association, some years ago, in which they inquired of their members how and to what extent they used census statistics and I recall when I first saw this I was interested to note that more businessmen reported using the census of population than reported using the economic censuses. Of the companies surveyed, by the American Marketing Association, 88 percent said they specifically used the census of population figures.

Mr. WATSON. 88 percent?

Mr. GOLDFIELD. Yes. And 76 percent said they used the economic census figures. They reported also, in varying percentages, using the housing census, the agriculture census, and all of the others.

Now, I think an earlier remark of Dr. Eckler's might be appropriate here too, that these percentages would probably be still higher if the companies reported the indirect use that they make of these statistics, by reading them in their trade association magazines and so on. So I would be careful about drawing any inferences about the relative popularity of these censuses. However it was noteworthy to us that so many of these businessmen went first perhaps to the census of population, to examine their market, before they looked at the statistics about their own business.

Mr. WATSON. Thank you, sir.

Dr. ECKLER. I might add one further point. I think that the nature of this sample that Mr. Goldfield mentioned is such that it might tend to emphasize the marketing and population side more than a general business survey would, so while there is a difference there of 88 versus 76, I think I would say that may not be a significant difference as far as overall use by business is concerned. The important thing is they are both very high.

Mr. OLSEN. Let me ask you this: In the courts, what is the limitation on information you may provide from the census, for litigation in the courts?

Dr. ECKLER. They may not provide any information which will reveal the operations of a particular organization or information regarding a particular individual. Now if it is a combination of a number of firms, the five largest or something of that sort, the characteristics of the five largest firms, that could be furnished, because it would not reveal the operations of a particular firm.

Mr. OLSEN. What has been your record in this regard? Has there been any violation of this rule?

Dr. ECKLER. There has been none, Mr. Congressman.

Mr. OLSEN. One thing I wanted to ask and maybe I am premature, but, why is there a long form on minerals and a short form on minerals?

Dr. ECKLER. I will offer a general comment first and then ask Mr. Conklin to go into more detail. In general we are extremely concerned with the work that we impose with these censuses. We recognize it is not possible to take an inventory of firms and get information on their economic characteristics, without having some load placed upon them. So we have tried, wherever possible, to develop forms which would be geared to the needs and to have shorter forms for the small firms, which are very large in number but which in terms of the total for the industry do not play so important a part. Now Mr. Conklin can comment further on this.

Mr. CONKLIN. Well, I have very little to add. About half of the industrial firms, of the plants, in both manufacturing and mining, are covered by short forms. In other words, 50 percent of the establishments that are smallest are requested to report relatively little information, usually data of the type that they can get from their normal records without difficulty. The concentration of activity in both manufacturing and mining is such that while there are half

of the establishments involved in the short forms, they would account for less than 5 percent of the activity in the industry, so the data finally compiled and published are not impaired.

Mr. OLSEN. Now interestingly enough, just the little publicity we have had concerning the amount of paperwork that is being required by the Government, the response that I personally had is one of cheers. It seems that the little businessman especially—one of our colleagues, Mr. O'Brien, of New York, he commented to me about the druggist, who has a little one or two employee business, and he has to go home nights to keep his own books and hire an accountant who gets more per hour than the druggist does for making up the income tax return and other reports. This Congressman commented that some of these people, many of them, feel the Government is oppressing them and the Federal Government in Washington is almost an enemy, because of this heavy burden of work. And these are really good honest folks. They want to obey the law and great fear is developing, because so much is being required of them in the way of reporting.

Mr. WATSON. If I may, Mr. Chairman, add a little addendum to that, I pulled this one report out here entitled, "Annual Survey of Manufactures, Farm Machinery and Equipment."

Dr. Eckler, you men are well versed in this and it would seem quite simple to you I am sure, but if you take a farm implement man, if he were to be confronted with this thing, I don't know but what I would not go out of business before I would fill it out. And we have 41 pages here of instructions. Isn't there some way of simplifying this? Is all of this information necessary? You make a detailed study of January through March, break it down on a quarterly basis. I just wondered. I can see, adding to what the chairman said, that it could really constitute a burden for a small businessman.

Dr. ECKLER. Mr. Congressman, I would like to note that is a form for the manufacturer of farm equipment, not for the local distributor. There would be a different form for the man who is in the farm equipment business. I would like to ask Mr. Conklin to comment a little about the background and discussion that goes into the development of this form. It does represent very close cooperation with the industry people. Of course here we are dealing with a pretty large industry in the farm equipment field.

Mr. OLSEN. At this point I wanted to say that without objection, I think it would be well taken if all of the forms were put in the files, so they would be readily available to the committee.

Mr. WATSON. Fine.

Mr. OLSEN. It is so ordered. They will be retained in the subcommittee file. Proceed.

Mr. CONKLIN. Mr. Watson, the form you have there is a combination of the annual survey of manufactures and the census of manufactures.

Mr. WATSON. Excuse me. This is an annual survey?

Mr. CONKLIN. Yes, annual survey of manufactures. The front sheet on that form, the white page, you will notice has columns for different years, 1962, 1963, and 1964. The farm machinery manufacturers that receive this form are predominantly large companies. There is just a very small sample of the smaller companies. This was done actually to simplify their reporting of the so-called general

statistics. That form was sent to them with the 1962 column filled in on census computers from the data that they had reported for that year, with the request that they add the column for 1963 and complete the sections on the back, on the yellow pages attached to it. Actually while there are many items of materials consumed and products produced, a typical plant will have to report very few of them. The set of instructions—that 30- or 40-page document that you saw, you will notice consists in large part of lists of product classes, so that the manufacturer can find out what he is supposed to report in the so-called products shipment section. It is in the nature of a telephone directory. Since the annual survey form is a single form that goes to all kinds of manufacturers, it must have places for each particular manufacturer to report, the lumber manufacturer, the manufacturer of farm equipment, and chemicals, and so forth. They have been doing this repetitively ever since 1949, when the annual survey of manufactures began. By and large the companies that have filled this out, I believe, find it is not especially burdensome. They rather like its continuity and they find the instructions useful.

Mr. WATSON. Which would be the typical form to be filled out by the so-called small businessman? What is your interpretation of a small businessman?

Mr. CONKLIN. We have a cutoff at 5 employees and 10 employees for different kinds of industries, for the short form. In the annual survey of manufactures, all establishments with more than a hundred employees are included and about 10 percent of those under a hundred are sampled.

Mr. OLSEN. Could I interrupt? You use the short form then, "Census of manufactures, engines, farm machinery, construction, mining, materials, handling of equipment," that I have here? Is this the short form?

Mr. CONKLIN. Yes, that would be the short form.

Mr. OLSEN. While we are on that subject, I will ask you this: This form NCX-4, is that for accountants?

Mr. KAILIN. That is for accountants to prepare reports for a number of clients, who find difficulty in meeting our deadline. We have an arrangement with them by which they can file on a flow basis and go beyond the regular filing date.

Mr. OLSEN. Do you require any kind of a form from lawyers, for instance, like that?

Mr. KAILIN. We don't require this form.

Mr. OLSEN. No, I shouldn't use that word. Do you ask that information of them?

Mr. KAILIN. Lawyers are not within the scope of the census.

Mr. OLSEN. For other service industries, do you ask for that information?

Mr. KAILIN. The accountants are the only group for which we have set up a special form in order to help them get their work done.

Dr. ECKLER. Mr. Chairman, if I might interrupt, I think we need to go back a little bit. All of this will be developed in the session tomorrow, but the accountants are concerned with the fact that they have reports to file for a considerable number of companies and consequently when something comes along like the census of manufactures, or census of business particularly, they have, instead of having

one form to deal with which is the case for the typical firm receiving a request, they may have forms referred to them by a great many companies. They pointed out to us that the February 29 timing is extremely difficult for them to meet, because of the fact they have a number of companies for which they are making out income tax returns and so on.

We pointed out there has been tremendous pressure placed upon us to expedite the reports, complete the tabulations of the census, and if we postpone the collection of information by 3 months, it is going to postpone the publications by 3 months and reduce the value. So we have worked out an arrangement by which the accountant can let us know he is in trouble. He uses this form and sends in the names and numbers of the firms, the identification numbers, and then we make arrangements for those to come in on a flow basis. We grant a flow arrangement up to May 15. All this has been worked out with the heads of the associations of accountants and has been regarded as a reasonable compromise between our needs and their problems.

I think that you may have assumed from the nature of the form that we ask for reports from accountants as such. That is not the case. Accountants, lawyers, and so on are not included. But this is a way for their convenience in scheduling their work in a form which will still meet our needs.

Mr. OLSEN. At this point in the record perhaps it is well to point out that the chairman of our full committee, Mr. Murray, arranged for a meeting between the accountants and the Census Bureau to resolve this problem. And you think you have it resolved?

Dr. ECKLER. We think so, and we hope that will be the indication tomorrow when the representatives of the accountants are here. We believe there is a satisfactory understanding on this matter.

Mr. OLSEN. Thank you.

Do you have any more questions, Mr. Watson?

Mr. WATSON. Not at this time; no.

Mr. OLSEN. You may proceed, Dr. Eckler.

Dr. ECKLER. I would like to say something about the attention we have given to this matter of holding down the burden. This has come up again; we recognize that the first reaction in looking at these forms is that they are long, and many of them are. We have made very strong efforts to find out if the questions are the kind that can be answered typically from records. Where they cannot be answered from records, we make a provision that they may make reasonable thoughtful estimates in lieu of that and that takes care of some of the worries of business.

Mr. OLSEN. I take it you have made some special effort to reduce the paperwork?

Dr. ECKLER. We have made a tremendous amount of effort. I think we have been continuously and uniformly conscious of this problem and I think we have done a great deal. For example, one very significant item, we depend upon tax returns for something like 1 million very small businesses. They have been eliminated from specific canvassing. And we are able, for those very small businesses, which have no employees, we are able to get enough information from the tax returns. That has eliminated something like a million contacts, a very significant reduction in paperwork.

We use sampling, whenever we can possibly do so, to get information from only a portion of the total, if that will meet the needs for information. That is, we do not need to ask all organizations to fill out or give the answers to certain questions.

Mr. Conklin has already mentioned the use of shorter forms for the smaller companies. I think those are perhaps the major points we have emphasized. With respect to some of the forms which you have seen, the first reaction is they are very voluminous. Actually, for a particular business, a great many of the questions are nonquantitative, and can be answered rather rapidly. Furthermore, a considerable amount of the space is devoted to leaving room for answering particular questions by commodity lines, where we provide a lot of spaces into which they can insert the few significant figures appropriate for their business. And this is also true of the materials consumed question. We have long lists of materials consumed in the manufacturing forms. But most companies will use maybe only a half dozen of those, so they can pass over most of the subdivisions. If they give the information on a limited number of points, they are through with that particular area of the schedule which for them is much less burdensome than it appears to be.

Mr. OLSEN. I note that this form for the census of transportation seems to be very reasonable, because the firm can select answers from multiple answers provided here.

Dr. ECKLER. Right.

Mr. WILSON. Mr. Chairman, may I ask a question?

Mr. OLSEN. Mr. Wilson.

Mr. WILSON. Dr. Eckler, how do you get the names of the firms that you send these questionnaires to? Is this intended to cover every business establishment in the country?

Dr. ECKLER. Mr. Congressman, it is intended to cover every business establishment in the scope of these censuses which cover retail trade, wholesale trade, production, manufacture, and so on.

The information is obtained from the files of the Social Security Administration and the Internal Revenue Service. Through their files, which are made available to us for this purpose, we have an extremely complete mailing list of firms. This, as a matter of fact, is another example of what we think is a reduction of burden, in that we have gotten away completely from the personal visits to establishments, which were time consuming on our part and also time consuming on the part of the firm. They receive the request in the mail and refer it to the proper department and have it filled out.

Mr. WILSON. The entire transaction is handled by mail?

Dr. ECKLER. Yes, sir.

Mr. WILSON. What is the penalty if they refuse to respond?

Dr. ECKLER. It is a \$500 fine and—

Mr. KALLIN. The maximum penalty is \$500 fine or 60 days in prison, or both.

Mr. WILSON. Have you ever had to assess these fines?

Dr. ECKLER. It has been extremely rare. There were one or two cases in the last census where fines were imposed. We think it is much more important to have cooperation on the basis of understanding the need of this and almost uniformly, once the matter has been explained fully, we get cooperation.

Mr. WILSON. Actually, I suppose the complaints that have come in this year are similar to what occurred 5 years ago and 5 years before that, and it is not anything new then?

Dr. ECKLER. That is right. And they are extremely small in relation to the size of the operation.

Mr. WILSON. Then you get considerable praise to offset that for the results that you obtained; is that right?

Dr. ECKLER. We get a great deal of praise for the results when they come out. We don't get any praise from the people who get these forms. Very seldom do we get a letter saying this is a well-designed, concise form. But later, when the reports come out, we get some praise.

Mr. OLSEN. You just got one now, when I mentioned the form on transportation.

Dr. ECKLER. We appreciate that. Thank you.

Mr. WILSON. Thank you.

Mr. GOLDFIELD. Mr. Chairman, I wonder if I might take a moment to try to put this question of burden in some sort of perspective. Back in the 1950's the Budget Bureau made a study in which they found that of the total reporting burden imposed by Federal agencies, only 20 percent was occasioned by statistical agencies, and 80 percent was caused by regulatory and administrative agencies—Internal Revenue, Social Security, ICC, and so on. At about the same time the Hoover Commission was making a study, in which they measured the reporting burden of all government, including State and city, and they found the Federal Government, all put together, accounted for less than 50 percent of the reporting burden, with State and city authorities outweighing the Federal Government. So the part the Federal statistical agencies represent thereby shrinks to less than 10 percent of the total. Now, the Census Bureau is only one part of that 10 percent.

Mr. OLSEN. Who else is in that 10 percent?

Mr. GOLDFIELD. Bureau of Labor Statistics, Public Health Service, Department of Agriculture, for example.

Mr. OLSEN. Do these other organizations require reports more frequently than the Census?

Mr. GOLDFIELD. The Department of Agriculture, in some cases, requires daily reports, in some of the work it does. I don't think we have anything that would require daily reports.

You noted before, the Census Bureau probably doesn't get full credit for all of its statistical product. I rather suspect we get more than full credit for the burden we put on business firms. Many people, when they see a statistical form, associate it with the Bureau of the Census, whether it is or not.

Mr. OLSEN. In talking to me, they associate everything with the Department of Agriculture.

Mr. GOLDFIELD. In a big city they wouldn't. But once every 5 years, though, when we put this burden on them, and this is averaged into the figures I cited, this may be in the case of one businessman out of so many thousands, the straw that breaks his back. And he has been muttering for years about all of the forms he has to fill out, and now he gets this form, and maybe this is the occasion on which he chooses to complain and so he may write a letter to his Congressman complaining about the Bureau of the Census, but we have been only one of a pack of criminals, really, as far as he is concerned.

Mr. OLSEN. I am reminded that it would be a good idea that we have a special report on the steps that have been taken by the Bureau of the Census to reduce the paperwork and as a kind of special defense for yourselves. I am sure, as we proceed with hearings later this year on the paperwork required by the Federal Government, it would be well for each agency to have some defense of their activity and to demonstrate that they are doing their level best to relieve citizens of the burden as much as possible and still perform their function. So if you would do that—it doesn't have to be lengthy, now. As a matter of fact, make it short enough that it isn't a burden to read.

Dr. ECKLER. Mr. Chairman, we will be glad to prepare that. I think we have a good record and we will be glad to furnish it.

Mr. OLSEN. I am sure you have, and I urge you to try to put it on a couple of pages.

Dr. ECKLER. We will try it.  
(The information follows:)

The Bureau of the Census takes the following steps to reduce businessmen's paperwork on the 1963 censuses:

1. *Takes the censuses only once in 5 years.*—By taking sample surveys between dates, it has been possible to put all the economic censuses on a 5-year basis. In the case of manufactures, the old 2-year schedule has been replaced by a 5-year schedule.

2. *Collects some of the census information in noncensus years.*—Instead of collecting all census information in the census year, the Bureau collects some of it in the year before or the year after. For example, it collected data on petroleum bulk stations for 1962 instead of 1963. Spreading the collection over a longer period eases the businessman's workload.

3. *Uses sampling wherever possible in the censuses.*—A small number of reports from businessmen, properly selected, can often serve in place of a larger number. This is particularly true if users of the statistics do not need information for small areas, small industries, or other small groups. Examples of the use of sampling in the censuses are the data on inventories, value added, and capital outlays in the census of business and the data on fuel and electric energy and installed horsepower in the census of manufactures. Almost all of the information for the census of transportation is collected on a sample basis. Many business concerns are thus relieved from providing additional information.

4. *Asks smaller firms for only a small amount of information.*—From the smaller manufacturing establishments, which typically keep less detailed records than the larger ones, the Bureau collects information on only a few key items on a short form. About half the manufacturing and mining establishments report on these short forms.

5. *Obtains some information from the records of other Government agencies.*—In the census of business, the Bureau gets information on the operations of business firms with no employees from the tax returns filed by those firms with the Internal Revenue Service. About a million small retail and service firms are thus relieved from filing any census forms at all.

6. *Obtains some information from its own current industrial reports.*—When detailed product information is obtained in a current industrial report, the Bureau uses that information for the census instead of collecting it again. About half the product detail for the census of manufactures is obtained in this manner rather than from the census itself.

7. *Coordinates the censuses and surveys to prevent duplication.*—The Bureau coordinates the censuses of business, manufactures, and mineral industries so that an establishment receives only one form, even if it engages in different types of activity. The Bureau also collects the information for the census of manufactures and the annual survey of manufactures on the same form to prevent duplication.

8. *Selects only the census inquiries that are considered essential.*—Before each census, the Bureau examines the previous inquiries to determine which ones provide information that is no longer needed—or is not needed as frequently as every 5 years. After consulting Government agencies, advisory committees, and other users of the statistics, it eliminates the unneeded items. Before the 1963

censuses, it took out the inquiries on manufacturers' sales by class of customer and the inquiries on products and materials that had diminished in significance. It also eliminated the breakdown between full-time and part-time employment in the census of business. New inquiries are subjected to the same type of scrutiny.

9. *Designs questionnaires in consultation with businessmen—words questions so that they are easy to understand and selects questions that, for the most part, can be answered by reference to the businessman's records.*—In consulting individual companies and trade associations before the censuses, the Bureau tries to find out if any of the proposed questions cannot be answered readily from the typical records of business concerns. Between censuses, it keeps informed of recordkeeping practices. Questions are carefully worded to make them easy to understand.

10. *Submits all questionnaires to the Bureau of the Budget for review.*—Under the Federal Reports Act, the Bureau of the Budget is required to examine proposed Federal questionnaires to prevent duplication and to minimize reporting burden. The Budget Bureau consults with the Advisory Council on Federal Reports, which was formed by five national business organizations at the request of the Director of the Budget. Committees and panels of the Advisory Council, operating in specific areas, recommend to the Budget Bureau means of simplifying proposed questionnaires. Business organizations are urged to report complaints on Government questionnaires that appear to be unduly burdensome and to make suggestions on how reports may be simplified or otherwise improved.

11. *Permits businessmen to make estimates.*—Although the Bureau designs its forms according to the usual recordkeeping practices of the industry, it finds that some businessmen do not have the needed information in their books. Rather than have them compile it, the Bureau permits them to submit reasonable estimates.

12. *Allows businessmen additional time if they cannot complete the questionnaire on schedule.*—The Bureau is under heavy pressure to produce the results of the censuses as soon as possible, but it grants additional time to fill the questionnaires when specific cases of hardship are involved. The Bureau also has recognized the special problem of accounting firms having to file reports for a number of clients, and uses a procedure by means of which filing over a longer period is permitted.

Dr. ECKLER. I think it may be of interest the committee to have a brief progress report of where we stand on these economic censuses. I am glad to be able to report that operations seem to be on schedule or better, at all points. We are not anticipating any special difficulties, though I am sure we will encounter problems as we go along. But at the moment things seem to be in good shape. And I would like to note that a good deal of credit is due to the recognition of this committee and our Appropriations Committee, that advance funds for preparatory work are extremely important. Funds were provided in 2 successive years and this I believe has been a real factor in helping us get in a good state of readiness for these economic censuses. The mailing went out on schedule, and I think something like 400,000 returns are already in, some 2 or 3 weeks ahead of the reporting time.

Mr. KAILIN. It is near 600,000 now.

Dr. ECKLER. There is a chart in the office next to me, but I forgot to look at it this morning. At any rate, it is moving along well and we are pleased with the outlook.

Mr. OLSEN. What percentage return do you get?

Dr. ECKLER. In terms of the important ones, the large units, there is no question but what we get them all. In the case of the smaller ones, I think it is a very high percentage even there, but it gets to be a little difficult to get a precise numerator and denominator. We know what we receive, but firms are going out of business; some to which we send out forms were what we say out of scope. They should not have been sent a form at all, but we don't have quite a perfect enough clas-

sification of them as we get the names and addresses from the social security and the tax people. I think there is no doubt we achieve an extremely high percentage of coverage, but I would not want to try to give the exact figure.

Mr. OLSEN. When I send out a questionnaire to my folks, I send it to each household in the district, and I get about a 14-percent return.

Dr. ECKLER. I think it might be well to note that we have a series of followups, and each one gets a little more positive about their responsibilities and our needs.

We have put all this work on an automatic basis, so we think the followups are going to be handled very efficiently.

Mr. OLSEN. When you say a very high percentage, are you talking about, say, 90 percent?

Dr. ECKLER. Yes, way above 90 percent.

Mr. CONKLIN. I might add to that, in terms of manufacturing activity, for example, the returns will cover well over 99 percent. Now, for the reason that Dr. Eckler indicated, some concerns that are very small might not answer, or might be out of business. But still, nearly all of them will be in. So that at the very end we have some nonresponses that would account for less than 1 percent of the total census in terms of activity as distinguished from the number of establishments. We have payroll data for the nonrespondents from the social security system, and we can impute this negligible percentage without damaging the data, so that some of the very small ones are included in that manner, and the census itself is complete.

Mr. OLSEN. How do you get returns from new businesses?

Mr. CONKLIN. Well, the so-called births in 1963 have already been included in the mailing. I think they are covered up through nearly all of 1963. These are the concerns that have applied to the social security system for a number and have been classified within the scope of the economic census.

Mr. OLSEN. That is where you learn of the birth of new industries and new organizations, from social security?

Mr. CONKLIN. That is right.

Mr. CHURCH. I might go a little further on that. On the truck inventory and use survey we sent out 100,000 questionnaires to obtain information for a specified type of truck. The form may have gone to a farmer, or it could have gone to a retired man who merely uses an old pickup truck around his place, or to large firms; so it was based on a cross-section in that respect. In terms of response, we have returns from 96.3 percent of the total that were mailed to the first nine States. The survey in the other States has not yet been completed.

In the travel survey, we interviewed people at their homes with regard to travel—this was in connection with quarterly household surveys that the Census takes—I don't know of any who declined to talk about their trips.

Now, the particular survey you mentioned—the commodity transportation survey—the form you saw, was started in January and we have seen—

Mr. OLSEN. January 1964?

Mr. CHURCH. Just a month ago; yes. We had to wait for the records to build up for 1963 in order to be able to draw a sample from them that represented the full year. So we started on January 15,

1964, to sample those records. We have seen, at the present time, 231 companies, involving 805 plants, in which there were only 2 instances in which the sample design that is provided on that form did not apply. In those two instances our own men are helping to do the sampling.

Mr. OLSEN. What percentage of the transportation industry are you going to be receiving returns from?

Mr. CHURCH. The sample involves about 10,000 manufacturing plants, which represent only about 4 percent of the total establishments and pretty close to 40 percent of the total volume of shipments. But they are drawn in such a way as to represent all of the shipments originated by manufacturing establishments. On the commodity transportation survey, we are now only sureying the manufacturing sector. We later hope to get into other sectors, but that was the major gap at the present time.

Mr. OLSEN. I have one question here. Remembering the hearings on the census of transportation that were held in 1961, that census was opposed by the private-not-for-hire carriers, and I think everyone would like to know if they are cooperating in the bus and truck carrier survey.

Mr. CHURCH. Actually, their opposition was to the truck inventory and use survey. They are not involved in the truck carrier survey. We were pleased to learn shortly after the hearings here they went on record as being on our side and have been cooperating very nicely indeed.

Mr. OLSEN. They have learned the value of this census, then, even to them?

Mr. CHURCH. I would assume so. At any rate, they are cooperating.

Mr. OLSEN. All right, go ahead.

Mr. CUNNINGHAM?

Mr. CUNNINGHAM. You were talking about the census of transportation and that is where you inquired from shippers, not the carriers?

Mr. CHURCH. That is right.

Mr. CUNNINGHAM. Then Mr. Olsen referred to bus and truck surveys. Is that another one?

Mr. CHURCH. The objective of the census of transportation is to get data that are needed to close data gaps. So we are taking specific surveys—

Mr. CUNNINGHAM. Is there a data gap?

Mr. CHURCH. There is a very serious data gap.

Mr. CUNNINGHAM. I heard about the missile gap, and that turned out not to be a gap.

Mr. CHURCH. It is a bit of a different type. One major blind spot is being closed by getting data on shipments by means of transport, by distance, and so on, which is part of the commodity transportation survey that we were discussing a moment ago. Another one is—

Mr. CUNNINGHAM. Wait a minute. I hope you will bear with me, but I haven't been following these hearings. This one here goes to shippers?

Mr. CHURCH. Shippers, yes. Actually the shippers are manufacturers in this particular instance.

Mr. CUNNINGHAM. This doesn't go to the modes of transportation?

Mr. CHURCH. No; that does not go to the modes.

Mr. CUNNINGHAM. Do you have one that does go to the modes?

Mr. CHURCH. We do. It is the green sheet. That goes to motor carriers who are not subject to Interstate Commerce Commission regulation. The Interstate Commerce Commission obtains adequate data for the carriers that are subject to its economic regulation, and we are supplementing that, taking the ICC data and ours.

Mr. CUNNINGHAM. This goes to modes of carriers. I thought I heard the chairman say truck and bus. You included bus in motor carriers?

Mr. CHURCH. Yes.

Mr. CUNNINGHAM. Is it confined to that?

Mr. CHURCH. As far as carriers it is confined to that; yes, sir.

Mr. CUNNINGHAM. What about the other carriers that are not regulated?

Mr. CHURCH. The Army Engineers, we feel, cover quite well the water carriers that are not regulated in terms of data that seem to be important. The Federal Aviation Agency—

Mr. CUNNINGHAM. Do they ask for this information, is that what you are saying, from the unregulated?

Mr. CHURCH. I am saying that the data gap in this area does not appear to be serious. When you use the Army Engineers, plus Maritime, or other related data, you can get about all of the answers you need. At least, the most pressing answers, on water, on air, and certainly on rail. For that reason we are not going to the carriers.

Mr. CUNNINGHAM. I also serve on Interstate and Foreign Commerce, and you probably are watching the news; our committee has passed out a new transportation bill that quite drastically revises the Transportation Act. It does provide for additional unregulated commodity haul and many other changes. I suppose you have that in mind and if that bill passes you may want to make some changes.

Mr. CHURCH. Yes. But actually, there has been a great deal of discussion of the need for having a survey in which we go to shippers of unregulated commodities, such as livestock markets, grain elevators, agricultural assemblers.

Mr. CUNNINGHAM. How do you get to the over-the-road contract hauler, who has taken advantage of the agricultural exemption, which originally was provided? The idea back of it was to cover a farmer bringing in his own stuff to a little town 20 miles away, but it has gotten out of hand and now we have a guy in Florida who brings melons up to Washington, and that is unregulated, because it is under the agricultural exemption, and because there is not enough policing power, he will pick up a regulated commodity and take it back to Florida and that is called pocket or gasoline money. How do you get at that?

Mr. CHURCH. We are getting at that insofar as possible on this basis, that if he is of any size he has one or more employees in the social security system. If he is primarily engaged in for-hire transportation, as such, he then comes under our motor carrier survey that we are doing now.

Mr. CUNNINGHAM. This unregulated motor carrier—

Mr. CHURCH. That is right. He would be in this survey. Now then, he can be a chap who calls himself a farmer, who has himself listed with Social Security as a farmer, but actually has two or three or four

pieces of equipment and is doing this type of hauling. We would not find him because he would be classified as being in another activity.

Mr. CUNNINGHAM. You mentioned the Army Engineers in relation to barge travel.

Mr. CHURCH. Right.

Mr. CUNNINGHAM. Do they have some kind of form?

Mr. CHURCH. They have excellent traffic information, shipments from here to there.

Mr. CUNNINGHAM. Enough to give you what you want, so there is no gap? They get enough information that you don't feel there is a gap in that end of it?

Mr. CHURCH. Well, not a major gap. In other words, lots of people would like to have more information on barge movements, but I do feel that is pretty well covered by the Army Engineers and we stayed out of it because of that.

Mr. CUNNINGHAM. Thank you.

Mr. WILSON. What is the principal purpose of these economic surveys? Is it done principally to aid the business people, or do you have other reasons for assembling all this information? What is the principal purpose of the surveys?

Dr. ECKLER. Are you speaking of the economic census as a whole or transportation?

Mr. WILSON. The economic census.

Dr. ECKLER. Well, I would say there are very important purposes concerned as far as Government is concerned and also business. I believe the needs on either side would be ample to justify the undertaking. From the point of view of the Government, a great many of the decisions that have to be made on economic policies, various programs, depend upon information concerning our manufacturing operations, what changes have taken place, the kind of expansion of new industries, the decline of old industry, and so on, as well as the whole changing pattern of distribution, the development of supermarkets and concentration of very large-scale enterprises, mixed merchandising, and other developments that have taken place. I believe that the Federal Government and State and local governments have a great deal of need to know about our production system, distribution, transportation, and that this is the basis for a vast amount of committee activity in the Congress and for work which the various agencies, regulatory agencies of Government, and the various departments—Commerce and Labor Departments, and so on, use.

Now the business uses are also extremely extensive, because of the complex decisions that companies have to make. The competition is such that firms need to know much more about the environment in which they operate.

Mr. WILSON. Can you give me specific examples? Take General Motors. What use, specific use, could General Motors make out of the figures that are furnished through these surveys?

Dr. ECKLER. Mr. Congressman, do you want to discuss that? It seems to me, basically General Motors has the problem of efficient marketing, including proper allocation of its efforts in terms of the sales in various parts of the country. It has tremendous needs for purchasing supplies from other organizations, and it has many involved labor negotiations to carry out, in which information about the industry as

a whole and its relation to the rest of the industry is important. The whole matter of foreign trade is important to General Motors. I think that there would be hundreds of different areas in General Motors which would have a great deal of need for our figures and make very extensive use of the census of manufactures and also the distribution.

I guess you are interested in a specific case and I will ask Mr. Conklin if he has a specific example.

Mr. WILSON. Well, if you can think of one without too much difficulty. I am not trying to burden you. I was just interested.

Mr. GOLDFIELD. I have a few excerpts from letters and communications we have received from the people that use our data. I could not say this is from General Motors, it probably is not—

Mr. WILSON. I just pulled that out. Any firm.

Mr. GOLDFIELD. I picked one that is described as being a large machinery manufacturing company which might have the same kinds of interest as some part of General Motors. This is just one paragraph excerpted from a letter of theirs:

In comparing our company with industry in general we were alarmed at our high rates of white-collar workers to total employees, and also the relatively high ratio of value added by manufacture to a number of different denominators such as production salaries.

That meant they were using the statistics of the census of manufactures and comparing various kinds of operating ratios for their company with those of the group of which they were a part. Now this might lead the company to think that they have got too many people in the front office—they seem to have more than other companies do—or various other kinds of factors of that sort. It would lead the company to get more efficient by seeing how industry is doing as a whole.

Mr. WILSON. What is the time element on the completion of the 1963 survey? How soon will the information be available to industry, the people who might have interest in it?

Dr. ECKLER. In the case of the summary data, we expect to get out basic reports on distribution in the course of 1964, the latter part of this year. The more complicated and detailed reports will be in the next year. Now in the case of manufacturing, we have a more complex situation, don't we?

Mr. CONKLIN. We will have certain summary statistics out in the latter part of this year and then various other reports of a preliminary and final nature will be coming out for the next year and a half or two. But for many of the most urgent purposes, we would expect to get most of the information out by the latter part of 1964 to the middle of 1965.

Mr. WILSON. Is the information pretty accurate? Do you ever have complaints of mistakes or errors that are made in the figures which you arrive at. Nobody would know if you made a mistake, I guess.

Mr. CONKLIN. In view of the large volume of data that we publish, it is inevitable that there would be an occasional error. However, when our figures have been questioned, I would say that the typical inquiry into the situation tends to support the accuracy of the census data. Occasionally we find that there is an error.

Mr. WILSON. Do you do these surveys by areas of the country or by States, or is it just by size of industry, and so forth? In other

words, I am wondering if you would have a breakdown for the State of California, for example, and when that would be available?

Mr. CONKLIN. Yes; each report is submitted for an individual plant or store or establishment, and so it is classified in an industry or kind of business and also by geographical location, so the same information is tabulated by industry and by geographic area within the industry and also by geography, for example, for California, by kind of business and by industry, and also by the metropolitan area and county.

Mr. WILSON. When would that be available?

Mr. CONKLIN. Again, the preliminary data will be available this year, I believe in the business census sooner than in manufactures. In manufactures, we will have the data by geographic area on a preliminary basis this year and also by industry for United States as a whole. There will not be until later a detailed classification of industry data by regions. That would come out on a flow basis, mostly in the next 6 months.

Mr. WILSON. Mr. Chairman, I realize we are going to have a hearing later on the mid-decade census, but because of the Supreme Court decision affecting reapportionment of districts in some of the States, it is timely now, so would you have any objections to raising the question with these gentlemen about the mid-decade census and the effect it may have on assisting some of the States in properly reapportioning, in line with the Supreme Court decision?

Mr. OLSEN. There is no objection on my part. You proceed, Mr. Wilson.

Mr. WILSON. Dr. Eckler, are you in a position to comment on the significance of the Georgia decision, or any aspects of it? The mid-decade census would assist tremendously, I imagine, in adjusting these figures and aiding the States in their reapportionment of lesser districts, wouldn't it?

Dr. ECKLER. We presumably would be called upon to give assistance in the way of information on estimates of what changes are taking place, since the time of the last census. I think it is a little difficult to comment upon the effect of this decision, because interpretation of what is meant by equal representation as closely as practicable, will have to be worked out and the extent to which the States will respond, or how many States will take action, and how rapidly they will take action is unknown. It seems to me reasonable to assume that the States which do take action would be anxious to have some information on what has happened since 1960, so that they can be as well districted as possible in light of the current population distribution. Now, whether some States will ask us to take a statewide census, I don't know. There is a possibility there might be some interest in something like that. If there were a quinquennial census available, the results of that would be made available, and no doubt it would be extremely useful to States in which there have been rapid changes. A great many States have exhibited rapid changes, particularly in movements within the State. So it would seem that this is one more indication of an important need for population data and the Supreme Court decision does create some additional impetus or additional value to such an undertaking.

Mr. WILSON. There have been so many complaints in some of the States where we have gone from rural areas to urban areas, in California for example, we have had a continuing fight over the past few years about the make up of our State senate, and there has been a strong cry from the city areas that they are not getting equal representation. If we were from Nebraska, like Mr. Cunningham, where they have one legislature, there would be no problem, but where there are two houses, it does raise this problem, and of course that ties in with the congressional district representation too, where you have districts that are dependent upon population. And I imagine this would be extremely important in assuring we have proper representation, have it established on the basis of a census as soon as possible.

Mr. CUNNINGHAM. Would the gentleman yield?

Mr. WILSON. Yes, I am through.

Mr. CUNNINGHAM. I know I am not popular in saying this, but when we had our hearings in Chicago 2 or 3 years ago I expressed some opposition and little enthusiasm for a census every 5 years. I think our people are pretty well occupied with various forms now. But in answer to the question you raised, sir, there are not many States that are involved in this squabble about redistricting. And I wouldn't think that would be something that would be used in favor of this every-5-year census. As a matter of fact, it is now February 1964 and with all the respect in the world for the people who administer this program, I doubt very much whether they could get ready for a census in 1965, which would be the only time, if we initiated this program, that it would be appropriate to take it, if we are to continue on a 10-year basis.

You referred to this, I think, Doctor, but do you bring these census figures up to date in the interim? Or only at the request of the State or community at their expense? Or do you do it by yourself?

Dr. ECKLER. As far as the census is concerned, we take special census only at their expense, if they request it. If a community or county or even a whole State wants to have a special census, we undertake to do it and we give them an estimate of cost and do it at their expense. Now there is in addition to that a program of population estimates. We have been making estimates of the population of States and bringing those up to date.

Mr. CUNNINGHAM. I thought you had, because my office inquired on that and you did give us a projected estimate.

Dr. ECKLER. Yes. We now have funds for some expansion of that, to include some metropolitan areas, and we have a request for further funds to do more of the individual metropolitan areas, making estimates of the size of those. But that is the extent of our work in this area.

Mr. CUNNINGHAM. With due respect to my colleague, I don't know if they took this every year, whether some of these State legislatures would ever finish their hassle.

Mr. OLSEN. In response to one thing, Mr. Cunningham, on the news this morning, however accurate it might be, it was said that only 37 Congressmen, out of the 435 now sitting, fit exactly or fit very nearly the definition of equal representation. And I am

just supposing that means somewhere at 400,000 constituents, and only 37 Congressmen fit that. There are either too many or too few to be reasonably close to 400,000.

Mr. CUNNINGHAM. Of course in the Supreme Court decision, Mr. Chairman, it also said you can't break this down into an exact science. You will have fluctuations up and down, but it should be reasonable.

Mr. OLSEN. Yes. In this regard, that is in regard to special censuses, do you have any recollection of the per capita costs?

Dr. ECKLER. Somewhere in the range of 20 to 25 cents per capita I think is the present cost.

Mr. OLSEN. How does that compare with the cost that was estimated for a head count mid-decade census?

Dr. ECKLER. There were a number of estimates—

Mr. OLSEN. But I say a simple head count?

Dr. ECKLER. The simple head count was something like \$50 million—\$40 to \$50 million, and it would not be substantially different. This would involve certain areas where the per capita cost would be higher. I think the figure is about 25 cents, and 25 cents on 190 million gives a total pretty close to \$50 million. Actually I think maybe even a bare bone census, as we call it, did provide for a little information on housing units. I am not sure.

Mr. OLSEN. In the special census, you simply count people and determine their ages?

Dr. ECKLER. Yes; age, sex, color, marital status. That is the limit.

Mr. OLSEN. All right, will you proceed?

Dr. ECKLER. I think you have developed some of the remaining points I expected to mention. You did mention in your opening remarks, Mr. Chairman, that you would welcome an indication of some of the new features, such as new procedural developments in our operations and we are rather proud of the success we have had in a number of directions. There are several that might be noted here.

First, we found a way of accomplishing some spreading of the workload by conducting certain inquiries before and after the census, so we don't have it all in one big peak. If we have some information in advance, we can regularize the work.

I referred to the application of automation to the process of mailing. We get our mailing list from the Social Security Administration and put in such a form that we can print the labels to be put on the forms for mailing. When the forms come back from the respondents, we have a FOSDIC operation, a machine developed in our own laboratories, film optical sensing device for input to computers, which can scan the labels and say in effect this company has returned its form and therefore we remove their name from the followup list. Thus we can develop very rapidly a followup list of the nonrespondents, which we believe is going to be better than we have ever done before because of the automatic features. It eliminates, as far as possible we think, human errors and cuts down time so we get the mailings out promptly and we are not in a situation of sending out a form, asking for a response after the company has sent its return in. We cut down the turn-around time there.

Another feature is the coding of addresses. We developed an electronic basis for taking names and addresses of companies, and allocating them to specific geographic areas at great speed with a great degree of accuracy. This is an important innovation, which will be useful not only for these censuses, but for other work of the Census Bureau, and hopefully we think for other parts of the Government. This we believe is a very important new technical development.

Finally, I would note a device which was tested yesterday. I was hoping to bring a sample to show you, but it didn't get included in my packet, and that is a means of transmitting information directly from our processing office in Jeffersonville, Ind., to Washington. In the past we would have had punchcards delivered here by truck, with all of the dangers that they might have some kind of accident and burn up or something like that. Now the new procedure is to transmit the data over the wire and have it received here and put directly on tape. This can be done in the offhours, on two telephone lines that we have from Jeffersonville, and the cost will be not greater, may even be lower. The improvement in the terms of the amount of space required and time and protection from accident, and so forth, is very significant. This was tested yesterday and seems to be an assured operation.

That is an example of the kinds of solutions we have to find to rather serious logistic problems that are in some ways unique to our kind of operation.

Mr. OLSEN. What is the name of that last operation you mentioned?

Dr. ECKLER. It is just a data transmission system. It doesn't have any name. High-speed data transmission.

Mr. GOLDFIELD. The telephone company calls it Dataphone, but maybe that is a copyright name.

Dr. ECKLER. High-speed data transmission is essentially what it amounts to.

Well, I think perhaps, Mr. Chairman, I have hit the highlights of the statement that was prepared for consideration and we have touched upon a number of other matters as a result of questions. I would be glad to cover any additional points you think are important.

Mr. OLSEN. Will you discuss the budget?

Dr. ECKLER. As far as we can determine at this stage, we are going to be able to carry out our program within the estimated cost. We are going to have to manage carefully at every point, we don't have any leeway, but we don't see now any development which would force us to make adjustments, to cut out something we hoped would be included. So I think we are about on the beam, as far as costs are concerned and we think we can make it. I might note, you have given me an opportunity to point to a comparison with the last census that we are proud of. We expect to carry out these economic censuses for a cost that has a saving of about \$1 million from the previous cost, after allowance is made for changes in price level, rates of pay, and after allowance is made for certain additional features this time, the most noticeable one of which is the information on merchandise lines. That is a substantial increase in this year's pro-

gram, which was very widely supported and requested by business organizations, in order to provide some idea of the kinds of merchandise that different retailers carry. We have this scrambling of merchandise which has become more and more significant as a problem in recent years. I would note also that another important change from 1958 is the inclusion of the census of transportation, which is here for the first time.

With allowance for all these factors, there is still a saving of about \$1 million.

Mr. OLSEN. I want to make one suggestion that occurs to me about making the census a little more popular. I note the radio and TV, they give some time to public projects, and they do a very good job. I wonder if your publicity department has used the public time that the various news media give to encourage people to cooperate with the census, because of the many services it gives the business community and for the enterprises of America?

Dr. ECKLER. At the time of the decennial census, Mr. Chairman, we make very extensive use of this and the advertising council has given us special assistance in developing some messages, spot announcements, cartoons, and so on that are used. They may be used in trolley cars, in advertisements in newspapers, and so on, to give an appeal to the citizen about the importance of the census. It has seemed to us it is much harder to do that sort of thing for the economic censuses because the respondents are such a small part of the total population. You are dealing with say 3 million or so business firms and whether you can get public service cooperation to beam a message that is really aimed at one person per 40 or 50 in the population, I don't know. We certainly would be receptive, and I will talk with our information specialist about this, to see if he sees any opportunities.

Mr. OLSEN. I assure you I don't know. I can see time and again there is a misunderstanding on the part of the public and that is because of a lack of communication. I think tomorrow morning when one of our colleagues comes in here to complain about paperwork, if you are here, you will know it is because of the lack of communication that he will be in here.

Dr. ECKLER. You are absolutely right. And Mr. Chairman, I think part of the program which does pay off quite substantially is the very considerable number of articles which go into trade journals. There are many articles prepared for the various trade journals on the censuses, in manufacturing, retail, wholesale, and so on. Some of the trade associations carry special messages to their members. I think that is the kind of thing we want to emphasize particularly.

Now in connection with the accountants, we talked about them earlier, I believe they sent out a message through each of their big associations, to their members, telling about the census and indicating its importance, and indicating also we had worked out a cooperative arrangement to meet the special difficulties that came up. But this is a continuing and real problem, Mr. Chairman, this matter of getting across the importance of these statistics and the need for cooperation.

Mr. OLSEN. Would you like to include the census of transportation report?

Dr. ECKLER. We do have a report which we have available to submit here on the status of the census of transportation, the forms that are used for it and so on. Do you want to accept this for the record?

Mr. OLSEN. Without objection, it will be placed in the record at this point in full.

(The document referred to follows:)

#### CENSUS OF TRANSPORTATION—CURRENT STATUS AND FUTURE PLANS

The program for the census of transportation is now in full operation. Its objectives, content, and methods continue to be essentially the same as presented to this subcommittee at the hearings held on July 17, 1961. The status of the various phases of the census is briefly indicated below:

The data collection phase of the national travel survey started in April 1963 by personal interviews with about 6,000 households to obtain facts about passenger travel during the first quarter of the year and was completed in January 1964. One preliminary report has been issued; the editing, coding, and processing phase for the balance of the survey is well beyond the halfway mark.

The truck inventory and use survey started about mid-1963 with the mailing of questionnaires to nine States, and was followed by mailings to the remaining States on a flow basis. The data collection phase has been essentially completed in all but five States and the editing and pretabulation processing activity is also nearing completion. Special, preliminary tabulations currently are being run and analyzed to obtain a better basis for developing detailed specifications for the final tabulations.

The commodity transportation survey and the bus and truck carrier survey were started a few weeks ago (about mid-January 1964) and are now in high gear.

#### RELATIONSHIP TO OTHER ECONOMIC CENSUSES

This is the first census of transportation ever taken in this country. It is a pioneering effort both with respect to the economic areas covered as well as survey techniques used. Its primary objective is to make maximum use of existing information and to close—or at least narrow—major gaps in statistical knowledge without duplicating data available from other government or private sources. This objective inevitably led to the adoption of a program consisting of a series of individual surveys, each aimed at a specific "blindspot."

With transportation added to the Nation's economic censuses, this sector of census activities now includes the censuses of manufactures and mineral industries, retail, wholesale, and service trades and transportation. Each of them bears a "family relationship" in some respects, but differs in others. They are similar to the extent that each is authorized by the same Federal law—title 13 of the United States Code. They also are identical in terms of data-years—1963 and every fifth year thereafter.

However, the census of transportation differs significantly from the others in several important respects. The most far-reaching difference stems from the fact that regulatory commissions and promotional agencies collect and publish data on selected phases of transportation, especially with regard to carriers and activities of direct interest to the agencies. For that reason, the present transportation statistics situation is spotty—good for some subjects but poor or wholly missing for others.

Since there is no need to duplicate reliable data that are publicly available from government or private sources, the Bureau's program is being limited to the collection and publishing of new data that close the important gaps in available statistics. This can be accomplished most efficiently by a series of special surveys rather than by a single unified project, as is commonly done in other economic censuses.

Three other differences should be mentioned. The first involves reporting units for collection of data. Economic censuses are typically based upon reports that show summary book figures (such as sales, production, and employment) for the plant or company (technically the "establishment") during the preceding year. In transportation, the analogous organizational unit is the

carrier. The importance of summary book figures on a carrier basis is so widely recognized that all Federal regulatory bodies require annual reports from essentially all classes of carriers subject to their jurisdictions. The major data gap involves for-hire highway carriers that are not subject to Interstate Commerce Commission economic regulations. In order to derive maximum benefits in that situation, the census program is limited to the collection of annual report-type data only from that class of bus and truck carriers.

The second difference involves the nature of the data. Among the major gaps in transportation is the paucity of data on equipment and shipments. This information is not readily available from books of account or other summary records kept by establishments or carriers. For example, a considerable part of the total transportation service is self-supplied (especially by private trucks) and is an integral part of total activity of the parent company. In those instances, the transportation activities normally are not shown separately on the books. In addition, the impact of transportation service on shippers, travelers, and the Nation's economy has generated needs for other kinds of data that cannot be supplied by carriers—such as the passenger travel patterns, relative distribution of shipments among classes of carriers (including private), the Nation's truck resources, etc. Therefore, it is necessary to go to sources other than the carrier to get most of the data for the census of transportation.

The third major difference lies in the relative use of sampling procedures. Each of the other economic censuses collects data on some phases on a total enumeration basis, although supplementary data often are collected by sampling. In contrast, the census of transportation uses probability sampling for virtually all of the subjects.

The transportation program also is unusual with respect to the timing of the data collection phase. Instead of a single starting date, the transportation program is being staged over a considerable span of time. It started with the national travel survey in April 1963 and will end with the completion of data collection phase of the commodity transportation survey late in 1964.

#### OUTLINE OF MAJOR PROJECTS

As indicated above, the census consists of a series of projects designed to obtain essential information that is not available from other sources. A brief outline of each project follows:

1. The commodity transportation survey will yield data for 1963 concerning the physical and geographic distribution of commodities shipped by the manufacturing sector of the national economy. The basic information is being derived from a probability sample of bills of lading (or other shipping records) at a sample of manufacturing plants.

2. The national travel survey will produce statistics showing national and regional passenger transportation patterns for 1963, and their relationships to socioeconomic and geographic factors. In addition, a supplemental inquiry will supply data on selected aspects of local travel patterns—principally with respect to home-to-work trips and availability of public transportation facilities.

3. The truck inventory and use survey will yield data concerning the Nation's trucking resources; such as the number of trucks classified by physical characteristics, occupational use, rough measures of the intensity of vehicle utilization, and geographic distribution of vehicles.

4. The bus and truck carrier survey will supply statistics on forhire carriers that are not subject to economic regulation by the Interstate Commerce Commission. These data will be comparable to the primary statistics obtained by the Commission from carriers under its jurisdiction. The data from the two sources—the Interstate Commerce Commission and the Census—should supplement each other, and together should represent essentially the national universe of forhire motor carriers of persons and property.

#### COMMODITY TRANSPORTATION SURVEY

Data for this survey will be collected by the "shipper survey method" that has been used on a number of small-scale projects in recent years. It is based on a two-stage sample, with the first stage consisting of a probability sample of about 10,000 manufacturing plants that represent the Nation's industrial activity. The second stage involves the systematic sampling of bills

of lading, or other shipping papers, normally kept in traffic department files.

The reporting or data collection phase of this program was started in January 1964, and is typically done in the following manner. A Census Bureau representative usually telephones for an appointment with an appropriate company official to discuss the survey. On the basis of that interview, the Census representative then prepares simple step-by-step instructions for the company to follow in taking a sample of their file of shipping papers.

Occasionally, a situation is encountered that is too complex for a standard plan. In that instance, a special sampling plan is prepared for company application, and if necessary, special assistance is given by the Bureau representative.

The publication program will consist of three series of preliminary or advance releases, followed by a final volume that will consolidate all of the data for the commodity transportation survey. Each of the series of releases will be issued on a flow basis, as soon as feasible after reports have been received from the establishments in the sample.

The first series will present traffic flow from plants located in selected, large standard metropolitan statistical areas. These reports will show the estimated total tons and ton-miles of commodities shipped by plants in the selected area, classified by means of transport, length of haul, and destination area. If the sample is adequate and release of data would not disclose the activities of individual companies or plants, the reports will also show totals by industrial class of shipper. The first report in this series should be published by October 1964 and the series completed in early 1965.

The second series will be concerned with traffic data for shipper classes or groups. As described in appendix A,<sup>1</sup> the entire "universe" of manufacturing establishments has been classified into 25 major "shipper classes" and sub-classified into 87 "shipper groups." Preliminary releases will be issued for each of the major shipper classes and for selected shipper groups. The focal point of this series is the national traffic pattern for each selected shipper class or group—total tons and ton-miles of commodities classified by means of transport, length of haul, origin and destination regions, and probably by major commodity groups within shipper classes. The extent of geographic area and commodity detail to be published is expected to differ from one shipper group to another and will be dependent upon the results of preliminary analyses of the data. The first of this series should be available about November 1964 and completed during the first half of 1965.

At the end of the data processing phase needed for the first two series of preliminary releases, a series of commodity reports will be issued without regard to the originating shipper group. These reports also will be issued on a flow basis. The first one should become available during the first half of 1965 and most of this series should be completed in the last half of 1965, followed by a final volume that consolidates all data from this survey.

#### NATIONAL TRAVEL SURVEY

The prime objective of this survey is to measure national and regional travel patterns and their relationships to the socioeconomic characteristics of travelers. The basic information was obtained by four quarterly personal interviews at a sample of approximately 6,000 households. The first enumeration was made last April concerning trips taken since New Year's. Three subsequent interviews were made to obtain a full year's record for each household, insofar as possible.

A "trip" was defined as a round trip that started and ended at home, in which one or more persons from the household was out of town overnight or took a 1-day trip to a place at least a hundred miles away. The major facts obtained for each trip were the origin and major destination of the trip, month the trip ended, type of transport used, major reason for the trip, and who (in the specified household) was on the trip. In addition, information was obtained concerning the number of nights away from home classified by overnight accommodations used and the number of nights spent in each State during the trip.

<sup>1</sup> Appendixes are retained in the subcommittee files.

That trip information was supplemented by socioeconomic factors, such as family composition (members of household by age and sex), income level, education, and occupation of the head of the household, number of automobiles owned, and locational factors of the home such as region, city size, farm or nonfarm, located within or outside the central cities of standard metropolitan statistical areas.

In addition, selected information with regard to home-to-work transportation was obtained as a supplement to the October 1963 enumeration. The principal objective of this supplement is to obtain data on the distance from home to work in terms of miles and time, the means of transport used, the availability of parking facilities and the distance from home to public transportation that might be used to go to work. With respect to people who now use automobiles and live near buslines, information was obtained with respect to alternative time and cost by bus.

An evaluation program was built into this project largely to answer these three questions: Whom should you ask; how should you ask; and how often should you ask? The basic program uses a 3-month reporting period, coupled with a running record (after the first quarter) of previous interviews to assist recall. One part of the evaluation survey is designed primarily to measure the differences that arise when the recall period is shortened to 1 month or extended to 6 months. Another part explores what differences occur if you ask the household head and wife together instead of asking any knowledgeable household adult as is the case with all other parts of the survey. In addition, the evaluation program should supply a better basis for determining whether an intensive round of screening questions will uncover fewer or more trips than the less intensive procedures used in the basic survey.

With respect to the publication program, a preliminary report covering travel during the first 3 months of 1963 was issued last December for review and comment. On the basis of subsequent analyses of those data, and advice from the data users, the detailed specifications for the final tabulations are now nearing completion. A report for the first two quarters of 1963 should be released in April or May. The other segments of the project—the travel data for the third and fourth quarters and the special home-to-work survey—should be completed about midyear, followed by a final report by the end of 1964.

#### TRUCK INVENTORY AND USE SURVEY

There are roughly 12 million trucks in the United States but relatively little is known about their physical characteristics and operational aspects. This is the data gap that the 1963 census is designed to fill by collecting selected facts concerning a probability sample of about 100,000 power units—trucks and truck-tractors—drawn from State motor vehicle registration records. The details for each of the sampled trucks is being obtained by a questionnaire mailed to the owner of the specific vehicle identified by State registration or title records.

The data to be developed by this survey fall into five subject-matter classes:

1. Physical characteristics of the Nation's trucking fleet such as type of vehicle, type of fuel, year model, vehicle weight, type and size of body.
2. Major occupational use or type of service such as for-hire, leased or rented to others, operated in connection with own business such as building or contract construction, manufacturing, wholesaling, etc.
3. Rough indicators of the intensity of vehicle use, such as total vehicle miles driven during the last 12 months, total miles driven since the vehicle was new, whether vehicle normally moved loaded in both directions or only in one direction, total number of driver man-hours usually spent per week by all persons in the operation of this vehicle, and the seasonality of operations.
4. Geographic area of operations measured in terms of the location of the "home base" coupled with a three-way breakdown as to whether the vehicle is used mostly in the local area, mostly for longer hauls.
5. Size and composition of fleets as measured by the number and types of vehicles operated out of the home base. The major characteristics of the fleet are whether the vehicles are owned or leased and whether they are trucks, truck-tractors, or trailing units.

With respect to the publication program, a series of advance State summary reports will be issued, and followed by a final volume containing the State reports supplemented by more detailed data for Census Divisions and national totals. The first of the State reports is tentatively scheduled for May or June, with the series completed during the last half of 1964.

## BUS AND TRUCK CARRIER SURVEY

The Interstate Commerce Commission obtains annual reports from motor carriers of passengers and property that are subject to its economic regulation. Consequently, the primary gap in this type of information involves for-hire bus and truck carriers that are not subject to the Commission's annual reporting requirements. The basic information is being obtained by questionnaire mailed to the headquarters of all bus carriers and a sample of for-hire truck carriers. The detailed information obtained from those nonfederally regulated carriers in general will be comparable to that collected by the Interstate Commerce Commission for small carriers under its jurisdiction.

The specific types of information to be published for the bus carrier survey include the number of carriers, classified by form of ownership and principal type of service, total operating revenues, expenses, and selected nonfinancial statistics also will be tabulated, such as the number of bus miles operated, number of passengers carried, number of passenger miles, and number of employees. Bus fleet data will be obtained in terms of the number of owned and leased buses on hand as of December 31, classified into size groups based upon seating capacity.

The major items of information to be published for the truck carrier survey include the form of ownership, principal type of service, major class of commodity hauled, and operating revenues and expenses. With respect to intercity operating statistics, the form calls for total freight revenue from intercity service, total vehicle miles, and total tons of revenue freight carried. Statistics on vehicle fleets are being based on the number of trucks, truck-tractors, semi-trailers, and full trailers owned and leased as of December 31, 1963.

In general, the tabulations are expected to parallel those normally prepared by the Interstate Commerce Commission, because the major purpose of this project is to provide a basis for estimating the total universe by combining data from the two sources, and for analyzing the similarities and differences in the characteristics of the two broad classes of carriers. The reports are expected to be published during the last quarter of 1964.

Dr. ECKLER. I talked a little about the census of transportation. I would be glad to ask Dr. Church, who has worked on this in detail—I might note that this committee had a very important role in this area.

Mr. OLSEN. Maybe he could briefly tell us what those four different parts are to this transportation census.

Dr. ECKLER. Yes. I would like to note this committee had a very important role in this census of transportation area. Hearings were conducted about 2 years ago, at which a good many witnesses came in, and it was concluded there was a real need for a census of transportation, and after that, the appropriations were obtained and we are moving ahead. But I believe this committee did resolve some issues and questions and enabled this program to get going.

Mr. OLSEN. I might say that in regard to those hearings, I didn't learn that there would be any shortcuts in taking this census as Dr. Church indicated already in response to questions from Mr. Cunningham. I am glad to hear about that. You may take over, Dr. Church.

Dr. CHURCH. Mr. Chairman, one of the things that was particularly beneficial was the fact that your hearings did give us a chance to get our communications straightened up. A great many people were afraid that the census of transportation was going to be one of the real burdens. We had been trying for years to give the story that it was not going to be, and finally it clicked at that time.

Actually, we have taken a wholly different approach than the usual census. We have tried to work around the existing information and collect data only when we had to have something very important to fill a very serious gap. We found four gaps that were of, I would say, major importance. One of them involved the distribution of commodities by various means of transportation. We knew very little about what percent of various commodities moved by rail, by truck, and so forth. We knew very little as to how much of the products from the west coast get to the east coast, and so on—the distribution within the country. We know where they are produced, we know where they are consumed, but it wasn't tied together.

For that reason, we set up the commodity transportation survey, which involves 10,000 manufacturing firms, about a million and a half shipments. That is the major survey in this transportation census.

The second major phase is that we know passenger transportation or passenger travel—use either word you like—is an extremely important activity in this country but we know relatively little about it. So that is the second major survey. And the only place you can get that information is to ask the travelers. We interviewed about 6,000 households throughout the country to get facts on travel patterns—how many people go how far for what reasons by what means of transport. This is developing a great deal of information that is of major importance in highway planning, marketing of gasoline, automobiles, estimating travel potentials, and so on.

Mr. OLSEN. Do you think it will be sufficient now, only 6,000 households?

Dr. CHURCH. It would be better to have it bigger, but with 6,000 we are getting some extremely valuable information. And this, as a first try is excellent. Whether we have a bigger sample in a subsequent census depends on the amount of detail that really is needed. But this 6,000 is big enough for the really pressing detail that is needed at the moment.

Our third survey is the truck inventory and use survey. We know that there are about 12.5 million trucks in the country, but we know relatively little about them. So we took a sample of 100,000 trucks throughout the country and we sent questionnaires to the truck-owners, to learn body size, body type, major type of use, and that sort of thing.

Mr. OLSEN. Let me interrupt there. How do you select them? From 12 million trucks you select 100,000 users?

Dr. CHURCH. No, 100,000 vehicles—not users. We went to the motor vehicle license records in the 50 States. We stratified those by big trucks and little trucks. The definition varies because the weight registrations vary from State to State. So we classified vehicles into two classes—light trucks, pickups, panels, that sort of thing, and then the real workhorses.

Mr. OLSEN. How do you know who to ask?

Dr. CHURCH. We then drew a 1-in-50 sample of the heavy truck licenses, or whatever the rate may have been, as it varied from State to State, and 1 in maybe 300 of the light truck licenses. We then sent a questionnaire to the registered owner of that particular truck license.

Mr. OLSEN. Did you just pick it by lottery?

Dr. CHURCH. We picked it on what the mathematicians call a probability sample. Every truck has a known chance of coming in and you can then expand it back into——

Mr. OLSEN. You say it has a known chance of coming in. What do you mean?

Mr. GOLDFIELD. Every truck is in the hat from which you pull the one out. Every truck has a chance to be selected.

Mr. OLSEN. That is what I said then; you select by a lottery.

Dr. CHURCH. All right, we will "buy" that. By that process we selected a sample of about 66,000 heavy trucks and 33,000 light trucks. But knowing that we picked 1 in 50, 1 in 30, 1 in 60, or whatever rate was necessary in order to get around 1,500 in the small States, around 3,000 in the medium States, 4,500 in the large States. This was done by State to get a good geographic distribution. We will have from this survey very useful data on trucks.

Then the fourth survey—the one Mr. Cunningham inquired about—is the one involving the establishment type of reports from carriers who are not subject to Interstate Commerce Commission regulation. Those are the for-hire carriers. And we drew them from social security records. Those are the four surveys that we have now.

Mr. OLSEN. You know when you select things that way, you have one farmer in Montana, and he is representative of a whole group in Montana, I think I could find an inaccuracy that would be very great, just as they found them or at least published the findings of inaccuracies, gross inaccuracies, in these TV rating polls. What about that? How great is the error, when you select them by lot?

Dr. CHURCH. We can compute what the sampling variability is. In other words, we can estimate the range of error that would be expected from having figures based upon a sample rather than the total.

Mr. OLSEN. The number of farm vehicles in Montana would be heavily weighted, really.

Dr. CHURCH. That is right. For farm vehicles in Montana, I think you would find the degree of error that would come in because of using samples would be very small. We can mathematically compute what that would be. And we will compute it, actually.

Dr. ECKLER. I think that the important thing, Mr. Chairman, is that in all of the sampling work the Bureau does, we conform to mathematical principles, which enable us to set boundaries of error on the figures, errors due to the fact that this is a sample. We can say there are 2 chances out of 3, or 19 out of 20, that if we had taken all of the trucks we would be within this boundary of the figure actually obtained.

Mr. OLSEN. What boundary?

Dr. ECKLER. A range that varies with each type of sample. You may find for the trucks with some characteristic——

Mr. OLSEN. Let's say a 5-ton truck that hauls grain.

Dr. CHURCH. I would say a 5-ton truck that hauls grain in Montana, there would be a fairly—if you are talking about number of such trucks, the error would be on the fairly large side. If you are talking in regard to heavy trucks, not just the 5-ton but the whole range of heavy vehicles——

Mr. OLSEN. The whole range of trucks that haul grain?

Dr. CHURCH. You would then have a sufficiently large number of observations to have very useful data, I believe. Now, we have not yet gotten the data—we have not yet computed the sampling variability.

Mr. OLSEN. It seems to me every grain farmer that is making his living on a farm will have at least one large truck to haul grain.

Dr. CHURCH. In that case there would be sufficient observations.

Mr. GOLDFIELD. That means we would have probably several hundred of those trucks in the sample and that would give us a pretty good sample from which to generalize.

Mr. OLSEN. Would you have several hundred of that class in the sample?

Dr. CHURCH. We would have 1,500 for the whole State, of which 1,000 would be in the 2.5-ton and up size.

Mr. OLSEN. I see your point. A 2.5-ton rated truck, as rated by the manufacturer, would be hauling 5, 6, 7, or 8 tons of grain.

Dr. CHURCH. That is right. Frankly, I am not close enough to the system in Montana to know if it is on a GVW<sup>1</sup> basis or—

Mr. OLSEN. The State taxes are on a GVW basis.

Dr. CHURCH. In that case, it would be anything higher than 16,000. That was our break, as I recall. But I am not sure; I would have to check.

The point is, in most States, about two-thirds of the trucks are these little fellows that are used locally. We take a very small sample of them, because the variability is not great. We take a heavy sampling of the unusual types, such as you talk about, 5-ton.

Mr. OLSEN. I see. There in Montana and in every State, the predominance is going to be the pickup truck.

Dr. CHURCH. The predominance in real life is the pickup truck. But we take a very small sample of those, because we don't need that many observations for them.

Mr. OLSEN. I understand. It is only when you get to the special trucks that you have to take a larger number of samples in order to be accurate?

Dr. CHURCH. That is right.

Mr. OLSEN. Thank you.

Now I have to call this meeting to a close and we will reconvene tomorrow morning at 10.

Dr. ECKLER. Mr. Chairman, I wonder if two or three items may be submitted for the record. We thought they might be. This is a chart showing a summary of censuses all the way back, with the dates taken.

Mr. OLSEN. Let's put that in the record.

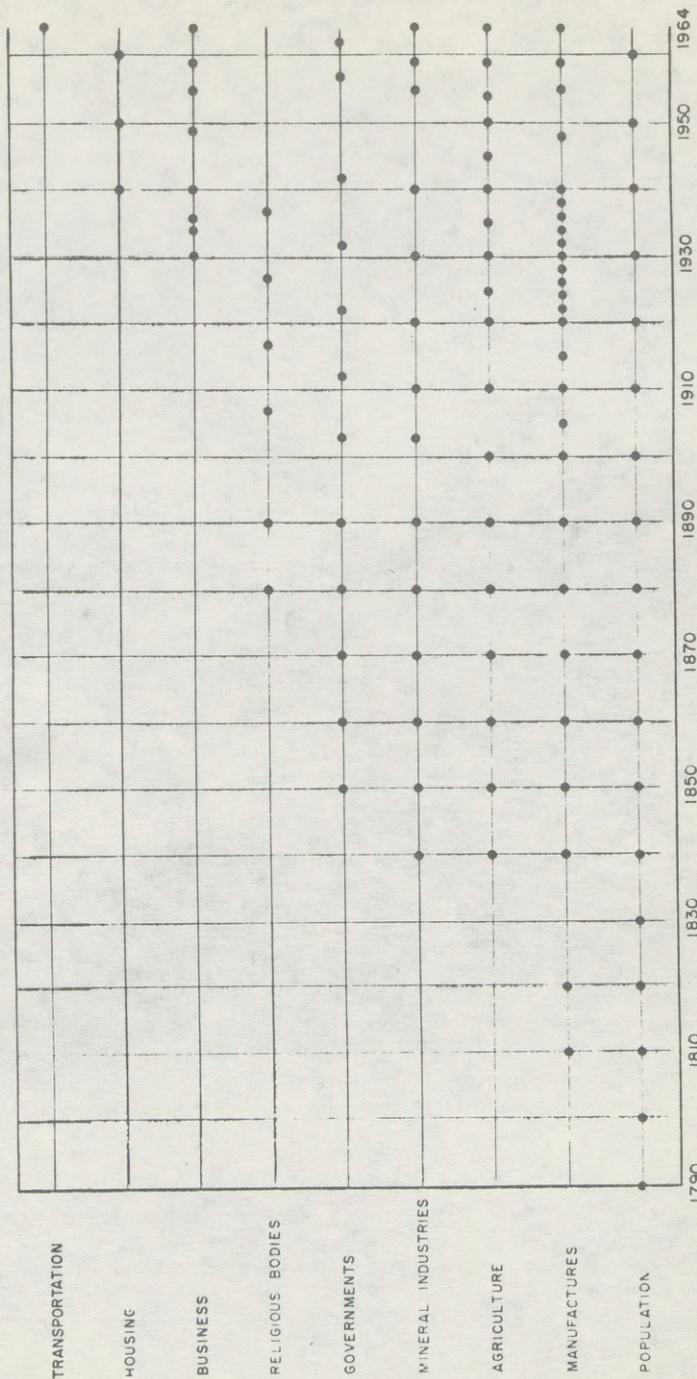
Dr. ECKLER. And also we have two summaries of the statistical programs related to the censuses, the economic censuses, and the current statistical programs in the field of construction.

Mr. OLSEN. Without objection, they will be placed in the record at this point.

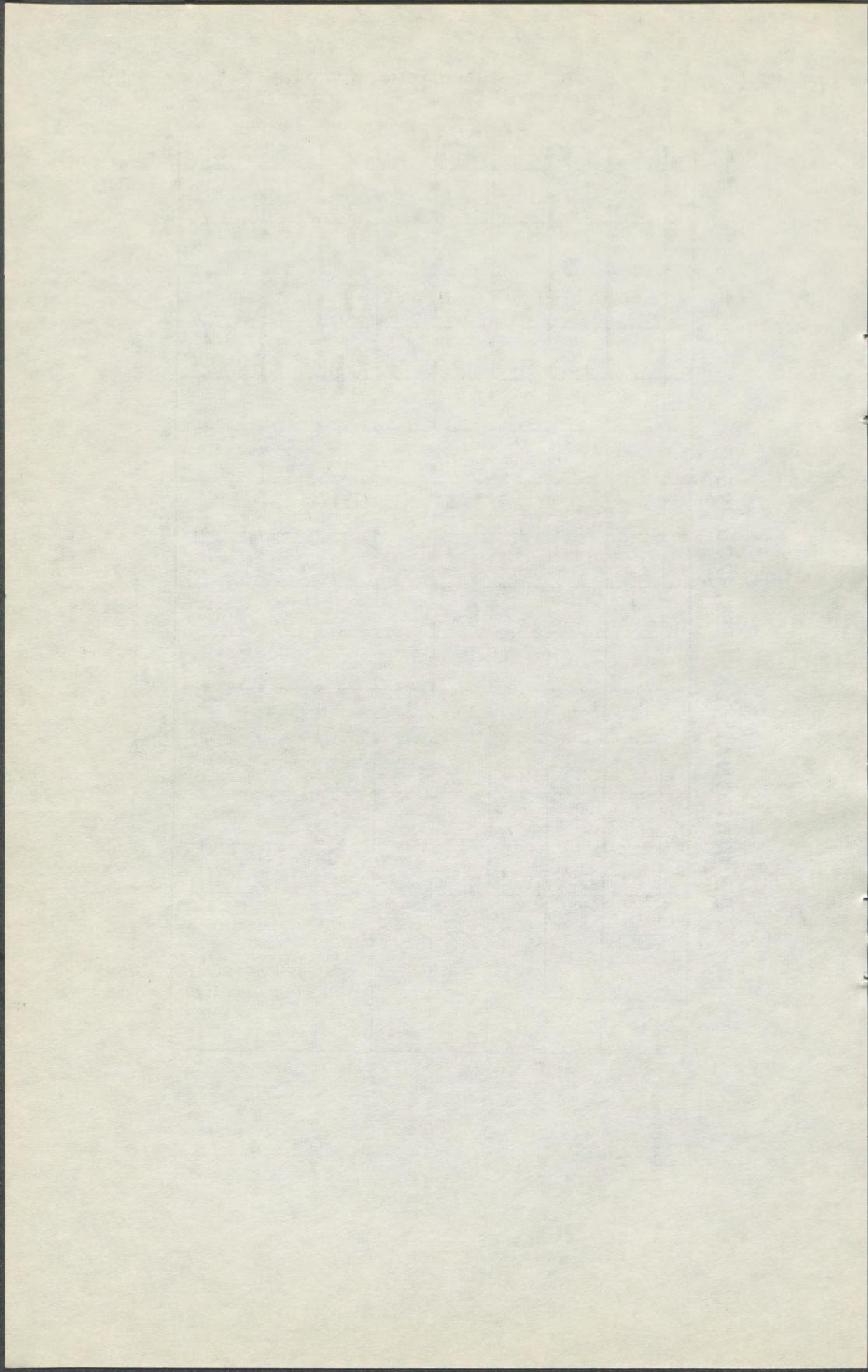
(The documents follow:)

<sup>1</sup> Gross vehicle weight.

U.S. NATIONAL CENSUSES, 1790-1964



Years indicated are those in which the censuses were taken; in some of these censuses, the statistics are for the preceding year.



**STATISTICAL PROGRAMS  
RELATED TO THE  
ECONOMIC CENSUSES**

**-A Tabular Summary-**

U.S. DEPARTMENT OF COMMERCE  
Bureau of the Census  
February 18, 1964

Program (when initiated)	For detailed description, see:	Universe covered	Kind of sample	How data are collected	Frequency and reference period
INDUSTRIAL STATISTICS					
Census of Manufactures (1810)	Introductory Chapters of final reports.	All establishments in manufacturing industries having one or more paid employees at any time during the reference year.	Complete coverage.	Mail questionnaires.	5 years, in years ending in 3 and 8. Calendar year.
Annual Survey of Manufactures (1949)	ASM final volume, Introductory Chapter.	Consists of the Census of Manufactures bench-mark universe, supplemented by new manufacturing companies from the payroll tax records of the Social Security Administration; and any new plants constructed by companies in the sample.	Probability sample. Approximately 60,000 manufacturing establishments. Typically includes all companies with at least one establishment having 100 or more employees. Smaller establishments are sampled in decreasing proportion, according to employment size.	Mail questionnaire.	Annual. Calendar year.
Census of Mineral Industries (1840)	Census of Mineral Industries final volumes, Introductory Chapters.	All mine, pit, or quarry establishments having one or more paid employees.	Complete coverage.	Mail questionnaire.	5 years. Covers entire year.
Current Commodity Statistics (1900)	Texts and appendices of individual Current Industrial Reports.	Represents total universe of selected products or activity.	Varies with commodity area covered, nature of universe, and amount of detailed information collected. Coverage approach may be total, cutoff, or probability sample.	Mail questionnaire.	Monthly, Quarterly, Annual.

Timing of publication	Content of published data	Special tabulations and unpublished data available	Uses and users
Preliminary reports starting about 10 months after reference year; final reports 22 months after reference year; final volumes in about 3 years.	For each SIC manufacturing industry, the number of establishments, employment, payroll, production worker man-hours, capital expenditures, inventories, value added, quantity and value of products shipped, cost of fuels, electrical energy and selected materials consumed. Selected data for industries cross-classified by State, SMSA, and county; employment size class; product specialization class; type of organization; etc. Also selected tabulations on metal-working operations; various overhead costs; value of fixed assets; horsepower of power equipment; industrial water use; distribution of manufacturers' sales by type of customer; etc.	Computer tapes available for special tabulations at sponsor's expense.	Provides benchmarks for monthly, quarterly, or annual sample surveys by government, trade associations, industry. Used by business firms in market analysis. Provides benchmarks for components entering into the estimates of GNP, national income, inter-industry studies, index of industrial production, and productivity measures.
Series of preliminary reports starting about 8 months after reference year. Individual reports as completed. Final volume approximately 18 months after reference year.	For each SIC manufacturing industry, statistics showing number of establishments, number of employees, production workers, man-hours worked, payroll, value added by manufacture, value of shipments, capital expenditures, inventories, cost of fuels and electric energy. Selected data for industry groups are cross-classified by State and SMSA. Also, value data presented for approximately 1,000 product classes and quantity and value data for over 2,000 selected individual products compiled from various "Current Industrial Reports" series.	Data are recorded on computer tapes and are available for special tabulations at sponsor's expense. Special studies and rearrangement of basic data are possible in classification combinations to suit individual user. Examples of special studies in recent years include: new entrants into industry; acquisitions; growth of plants; concentration; historical analysis of input/output patterns of manufacturing plants having common characteristics.	Used by government agencies concerned with economic changes and growth in manufacturing industries; private companies and trade assoc. interested in market analysis. Provides annual benchmarks for other monthly economic series. Used in revising current production indexes, investment expenditures estimates, etc.
Preliminary reports 12 months after reference year; final report—2 years; final volumes—about 3-1/2 years.	Detailed statistics on employment; payrolls; capital expenditures; value of shipments; value added in mining; minerals received for preparation; supplies, fuels and electric energy used; cost of contract work; and area statistics.	Computer tapes available for special tabulations at sponsor's expense.	Corresponds generally with the Census of Manufactures.
Monthly—about 4 weeks after reference month. Quarterly—about 6-10 weeks after quarter. Annual—about 3-8 months.	Depending on commodity, measure of output by production, shipments, sales, consumption of materials, receipts, new orders, unfilled orders, stocks or machinery activity.	Basic data are available for retabulation at sponsor's expense, including rearrangement of data into traditional geographic detail or designated marketing areas and by specialization or incidence of concentration.	Used by Government and business analysts to compute trends, seasonal variations, or cyclical responses for various commodities. Used in indexes of industrial production and productivity.



Program (when initiated)	For detailed description, see:	Universe covered	Kind of sample	How data are collected	Frequency and reference period
INDUSTRIAL STATISTICS—Continued					
Enterprise Statistics (1954)	Introductory texts of Enterprise Statistics: 1958, Parts 1, 2, and 3.	All companies within the scope of the quinquennial Censuses of Business, Manufactures, and Mineral Industries.	Complete coverage of all companies covered in the quinquennial Censuses.	Developed from establishment data collected in the Censuses, plus special Company Summary Reports for firms with 250 or more employees; also for Part 3, selected data from IRS "Statistics of Income for Corporations."	Quinquennial Censuses (years ending in 3 and 8); data for the calendar year.
Survey of Manufacturers' Shipments, Inventories, and Orders (1939, Office of Business Economics).	Series M3-1, Manufacturers' Shipments, Inventories, and Orders: 1947-1963 revised.	All manufacturing companies with 1,000 or more employees included with certainty; smaller companies sampled according to their employment size within each industry category.	Probability sample drawn as a subsample of the Annual Survey of Manufactures.	Mail questionnaire.	Monthly—relates to previous month.
Special Statistics Program for Manufacturing Companies (1935).	Reports for specified Census years.	All manufactures, with totals for largest companies by specified groupings.	Not applicable.	Retabulation of regularly collected Census of Manufactures data.	Each 5-year Census of Manufactures year.

Timing of publication	Content of published data	Special tabulations and unpublished data available	Uses and users
Final report approximately 4 years after Census year. (Work on enterprise statistics tabulations can begin only after regular Census tabulations are completed and corrections made to establishment data records)	Number of companies, establishments, employment, payroll, capital expenditures, sales and receipts, year-end inventories, and value added. Census establishment data are regrouped according to company ownership, making possible cross-tabulations of company-establishment data by type of company organization, company size, industry classification, geographic region, industrial diversification, and other structural characteristics of enterprises (in Part 1). Detailed characteristics of central administrative offices and auxiliaries of multi-establishment companies are examined (in Part 2); results of linking Census establishment data with IRS "Statistics of Income" data for selected large corporations are also shown (in Part 3).	Supporting tabulations and listings of the company-establishment summary computer records from which these publications were prepared, including various analytical measures (company size, industrial diversification, etc.).	All users of economic census data in government, private industry, and research organizations, who are concerned with the significant patterns of American business enterprise and its structure.
Advance report 2-1/2 weeks after month covered—final report before end of month.	Monthly data on shipments, orders, and inventories are published for approximately 35 industry categories and 6 market categories. Detailed inventories, by stage of fabrication, are shown for approximately 5 major industry groups. Supplementary series on consumer durables, defense products, and machinery and equipment series are also included. All series are adjusted for seasonal variation. In addition, data on shipments and new orders are adjusted for trading-day and calendar month variation.	Rearrangement of data to serve data users' specific requirements.	Provides guides for a better appraisal of current business conditions and prospects. Basis for improving current estimates of national income. Used by Government agencies, as well as business analysts and academicians in studying current changes in various sectors of the manufacturing economy.
Two to three years following Census year.	For specific groupings of largest companies, total shipments by industry or product class, value added by manufacture, employment, measures of specialization and diversification, frequencies of concentration ratios, and geographic distributions of concentrations for selected industries. Some studies also made for selected company measures in non-Census years.	Extension of detail and other types of data groupings possible from basic records.	Provides analysis of the changing characteristics of the manufacturing economy. Widely used by economists in industry, academic profession, and Government (including Congress).

Program (when initiated)	For detailed description, see:	Universe covered	Kind of sample	How data are collected	Frequency and reference period
BUSINESS STATISTICS					
Census of Business, (1929).	1958 Census of Business, Introductory Chapters and Appendixes.	All establishments having paid employment in retail and wholesale trade, in public warehousing, and in selected services; also establishments without paid employment in retail trade and services.	All establishments having paid employment; 50% sample of retail and selected services establishments with no paid employment.	Mailed questionnaire to establishments with paid employment. Schedule C's of Federal Income Tax Form 1040, and Partnership Return of Income Tax Form 1065, for trade and service establishments without paid employment.	Quinquennial, covering years ending in "3" and "8". Calendar year for sales and payroll, workweek ending nearest November 15 for employment and weekly payroll. End of year for count of establishments.
County Business Patterns (1946).	County Business Patterns, First Quarter 1962, Introductory Sections.	All nonfarm industrial and commercial employers and non-profit organizations in the United States and in Puerto Rico and the Virgin Islands, that report one or more employees during the first quarter of the year under the Federal Insurance Contributions Act of the Social Security program.	Complete count of reporting units.	Treasury Form 941 filed by employers plus mail questionnaire to selected multi-unit employers.	Conducted annually, 1946-1951; triennially 1953-1962; annually 1964 forward; reference period is first quarter of year for payrolls and mid-March pay period for employment.
Survey of Monthly Retail Sales (1951) and Accounts Receivable (1959).	Monthly Retail Trade Report "Explanatory Material."	All retail stores in the United States.	All organizations with 11 or more retail outlets and other stores with \$5 million or larger sales volume; probability sample of all other retail stores.	Mail questionnaire for fixed monthly panel, plus personal interview of probability sample of all other stores (generally smaller stores).	Conducted monthly; reference period is month for sales and end of month for accounts receivable balances outstanding.

Timing of publication	Content of published data	Special tabulations and unpublished data available	Uses and users
<p>Individual reports as completed, beginning 7 months after reference year. Final bound volumes with contents largely the same as individual reports issued about 3 years after reference year.</p>	<p>Number of establishments, sales or receipts, employment and payroll, and other information by major kind-of-business for the United States, for each State, for Standard Metropolitan Statistical Areas, for counties, and for larger cities and towns. Additional kind-of-business detail for States and larger metropolitan areas. Separate subject reports by major kind of business provide information for the U.S., for States, and for SMSA's, on sales and employment size classes, sales by class of customer and broad merchandise lines, receivables and bad debt losses, petroleum bulk stations and terminals, selected service industries. For larger metropolitan areas other reports provide detail for central business districts and major retail centers.</p>	<p>Computer tapes available for special tabulations at sponsor's expense. Tabulations, chiefly of selected kinds of business in specific locations, costing more than \$180,000 have been prepared from 1958 Census.</p>	<p>Used by business firms for marketing and other purposes; by governments at all levels; is the basis for current sample surveys and for estimates of components of national accounts.</p>
<p>First quarter 1962 edition released July 1963.</p>	<p>Number of reporting units, mid-March employment, and January-March payrolls; by industry and geographic area (State, standard metropolitan statistical area, and county). Number of reporting units (and, for States, mid-March employment) also shown by employment size class.</p>	<p>Special tabulations of particular industry, employment size, and geographic classifications have been furnished at cost to trade associations and government agencies. Special tabulations of combinations of counties and of industries, not separately published, are available, subject to the requirement that they do not disclose the operations of individual firms.</p>	<p>Used by business firms for market analysis and for other purposes. Used by government agencies and others in economic studies of small areas, and in administration and planning.</p>
<p>One month after end of reference month; final figure published two months after the reference month.</p>	<p>Monthly national dollar volume of retail sales and end-of-month charge and installment accounts receivable balances outstanding, by kind of business; separate figures for firms with 11 or more retail outlets. Monthly sales by geographic area (Census regions and divisions, 9 largest States, 5 largest metropolitan areas). Percentage change figures only for some kinds of business and areas. National sales figures also shown adjusted for seasonal variations and trading day differences.</p>	<p>County data, by kind of business, are compiled and may be combined into totals for any geographic area (e.g., a firm's sales or marketing areas); these areas should each account for at least three percent of the United States population and the tabulations should be limited to broad kind-of-business categories. Special tabulations have been prepared for business firms and for government agencies.</p>	<p>Market research and analysis by business firms, news media, trade associations. Analysis of current economic trends by governmental agencies and others; used in compiling FRB consumer credit series.</p>

Program (when initiated)	For detailed description, see:	Universe covered	Kind of sample	How data are collected	Frequency and reference period
BUSINESS STATISTICS—Continued					
Advance Monthly (1953) and Weekly (1962) Retail Sales Estimates.	<u>Advance Monthly and Weekly Retail Sales Reports</u> , explanatory addenda.	All retail stores in the United States.	Subsample of probability sample used in monthly retail sales program.	Mail questionnaire and telephone canvass.	Conducted weekly, to derive necessary monthly, weekly and part-week figures; reference period is the month and week, respectively.
Annual Retail Trade Survey (1951).	<u>Annual Report: Sales Merchandise Inventories, Accounts Receivable</u> , explanatory addenda.	All retail stores in the United States.	Subsample of probability sample used in monthly retail sales program.	Mail questionnaire.	Conducted annually; reference period is year for sales and end of year for inventories and accounts receivable balances outstanding.
Monthly Retail Inventory Survey (1956).	<u>Business Statistics</u> , biennial supplement to the "Survey of Current Business" published by the Office of Business Economics.	All retail stores in the United States.	Subsample of the 1955 annual retail survey panel.	Mail questionnaire.	Conducted monthly; reference period is end of month.
Monthly Service Trade Receipts (1962).	August 1963 issue of <u>Statistical Reporter</u> , (page T03), published by Bureau of the Budget.	Service establishments in the United States in the following 7 service trade groups: hotels and motels, personal services, business services, automobile repairs and services, other repair services, motion pictures, and other amusement and recreation services.	Small probability sample.	Mail questionnaire for small fixed monthly panel, plus personal interview of one-third of all other service establishments (generally smaller establishments).	Conducted monthly; reference period is month.
Monthly Wholesale Trade Survey (1939).	<u>Monthly Wholesale Trade Report</u> , explanatory addenda.	All merchant wholesalers in the United States.	Probability sample drawn from the most recent Census of Business and from Bureau of Old Age and Survivors Insurance lists of new firms.	Mail questionnaire.	Conducted monthly; reference period is month for sales and end of month for inventories.

Timing of publication	Content of published data	Special tabulations and unpublished data available	Uses and users
Ten days after reference month for advance monthly estimates, and Thursday after reference week for weekly estimates.	National dollar volume sales estimates by major kind-of-business group; separate weekly estimates for grocery firms with 11 or more retail outlets. Monthly sales totals and durable-non-durable subtotals also shown adjusted for seasonal variation and trading day differences.	None.	Current business analysis by business firms, government agencies and others. Also useful for evaluating effects of holidays, weather, short term influences.
Six months after end of reference year.	National annual dollar volume sales and per capita sales, end-of-year merchandise inventories and sales inventory ratios, and end-of-year charge and installment accounts receivable balances outstanding, by kind of business. Separate figures for firms with 11 or more retail outlets.	Special tabulations for particular kinds of stores, for particular sizes, and for particular areas have been compiled for business firms.	Used by business firms in analyzing sales-inventory ratios; by government agencies for study of current trends, in preparation of national accounts, as benchmark for monthly inventory estimates.
Release (by Office of Business Economics) one month after reference month.	Dollar volume of end-of-month inventories, including separate figures adjusted for seasonal variations, by broad kind-of-business groups.	None.	Current business analysis by government agencies and others. Used in estimating broader statistics of inventories.
Not currently published.	Not currently published.	National monthly estimates of the dollar volume of receipts are available, by kind of business, on a not-for-publication basis.	Available for use by Government agencies and business economists for current measures of the expanding service sector and in compiling national accounts.
One month after end of reference month; final figures published two months after reference month.	Monthly national dollar volume of sales and end-of-month merchandise inventories, by kind of business; percentage change figures only for some kinds of business geographic division dollar volume estimates in total and for durable-nondurable subtotals and percentage change figures in limited kind-of-business detail. National data also shown adjusted for seasonal variations and, in the case of sales, for trading day differences.	Unpublished data by kind-of-business available at national and geographic division levels.	Current business analysis by Government agencies, business firms, and others. Geographic data used by State and local governments and by Federal Reserve Banks.

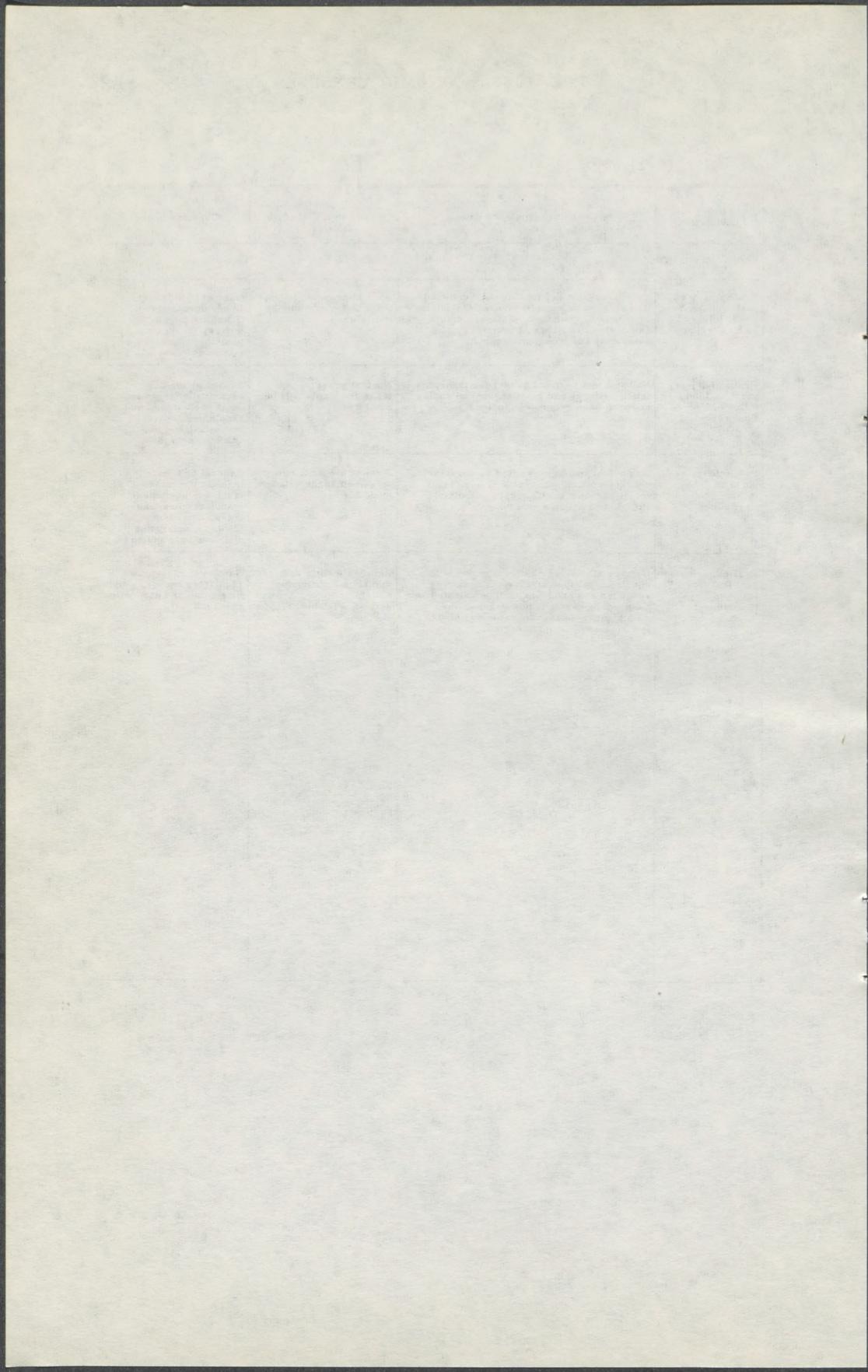
Program (when initiated)	For detailed description, see:	Universe covered	Kind of sample	How data are collected	Frequency and reference period
BUSINESS STATISTICS—Continued					
Canned Food Surveys (1942).	Canned Food Report, ex- planatory addendum.	Canners, merchant wholesalers, and retail warehouses handling canned food.	Probability sample of merchant whole- salers and of ware- houses of retail multi-unit firms; canners data pro- vided by canners trade associations.	Mail question- naire.	Five times per year (November 1, January 1, April 1, June 1, and July 1). Stocks as of these dates, season be- ginning date for canners carry-over, season to date for canners shipment and for total canners available supply.
Coffee Survey (1941).	"Description of Survey" in quarterly report.	Roasters, importers, and other holders of green coffee in the United States.	All importers and other holders of green coffee who do not roast, all roasters of soluble coffee, and proba- bility sample of other roasters.	Mail question- naire.	Conducted quarterly; reference period is quarter for quantity roasted and end of quarter for stocks.

Timing of publication	Content of published data	Special tabulations and unpublished data available	Uses and users
One month after reference date.	Distributors and canners stocks, canners carry-over, pack, total supply, and shipments of 12 canned vegetables, 11 fruits, 5 juices, and Maine sardines in the January 1 report, with fewer items covered in reports for other dates. In the January 1 report only, separate data are also provided for retail warehouses and for can sizes No. 10 or larger.	None.	Used by distributors in gauging stocks; by canners and growers in planning production; by the Department of Agriculture.
Approximately 40 days after end of reference quarter.	Green coffee inventories at end of quarter and quantity roasted (total and for soluble coffee) during quarter; imports during quarter also shown.	None.	Used by coffee processors and importers and by Government agencies to gauge the supply position.

Program (when initiated)	For detailed description, see:	Universe covered	Kind of sample	How data are collected	Frequency and reference period
TRANSPORTATION STATISTICS					
Commodity Transportation Survey (1963).	Traffic Flow Data (1963)	Total commodity shipments originated by manufacturing establishments.	Probability sample of bills of lading of sample of manufacturing plants.	Microfilming or transcription of selected facts from sample of shipping documents.	1963; Five year Intervals.
National Travel Survey (1963).	National Travel Survey— Concepts and Method (1962)	Total National and regional passenger transportation, and home-to-work transportation.	Probability sample of 6,000 households.	Personal interview.	Quarterly year 1963; Home-to-work, October 1963; Five Year Intervals.
Truck Inventory and Use Survey (1963).	New Data on Trucks and Trucking (1963)	All trucks and truck-tractors in use in the U.S. exclusive of Government-owned vehicles.	Probability sample of 100,000 trucks and truck-tractors.	Mail questionnaire.	About July 1, 1963; Five Year Intervals.
Bus and Truck Carrier Survey (1963).	Introductory Chapter of forthcoming Report.	For-hire carriers not subject to economic regulation by the I.C.C.	Complete count of bus carriers, probability sample of truck carriers.	Mail questionnaire.	1963; Five Year Intervals.

NOTE: Special surveys involving collection of new data and special tabulations of existing government data in this subject matter area have been performed under the Bureau's program for special services on a reimbursable basis. Purchasers have included rail and air transportation research groups, government agencies, trade associations, and business firms.

Timing of publication	Content of published data	Special tabulations and unpublished data available	Uses and users
Preliminary reports mostly in 1965, followed by final report.	Estimated tons and ton-miles of commodities shipped by manufacturers, classified by means of transport, distance, origin and destination areas, commodity, size of shipment, and "Shipper Group."	None at present, but tapes and cards will be available.	Carriers, shippers, Government promotional and regulatory bodies, emergency planning; marketing and economic research.
Preliminary reports in 1964, followed by final report.	National and regional passenger transportation patterns and relationships to socio-economic and geographic factors.	None at present, but tapes and cards will be available.	Travel promotion organizations; government promotional and regulatory bodies; marketing and economic research.
Preliminary reports in 1964, followed by final report.	Number of trucks classified by physical characteristics, occupational use, intensity of utilization, geographic distribution, and the like.	None at present, but tapes and cards will be available.	Federal and State highway agencies; truck and equipment manufacturers; carriers, emergency planning; marketing and economic research.
Preliminary report in 1965, followed by final report.	Number of carriers by form of ownership and principal type of service, operating revenues and expenses, miles operated, passengers carried, passenger miles, employment, busses by capacity, kind and amount of freight carried.	Relatively little use for special tabulations is anticipated, but cards will be available.	Carriers; government regulatory bodies; marketing and economic research.



# **PROGRAM**

For

**CONSTRUCTION STATISTICS**

**- A Tabular Summary -**

**U.S. DEPARTMENT OF COMMERCE  
Bureau of the Census  
February 18, 1964**

Program (when initiated)	For detailed description, see:	Universe covered	Kind of sample	How data are collected	Frequency and reference period
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## CONSTRUCTION STATISTICS

Housing Starts (1959; predecessor series cover period beginning 1889)	Construction Reports C20, Housing Starts.	Starts of construction of public, private, farm, nonfarm, single-family, and multi-family housing units in housekeeping residential buildings, in 50 States and the District of Columbia.	Stratified sample of building permits, subsample of housing starts covered by building permits, and area sample of housing starts in nonpermit-issuing areas.	Mail questionnaires, telephone and personal interviews, and observations by interviewers.	Monthly, covering the previous month.
Housing Sales (January 1962)	Construction Reports C25, Housing Sales.	New one-family homes sold and for sale.	Probability sample of homes authorized in permit-issuing places and homes started in nonpermit-issuing areas.	Telephone and personal interviews.	Monthly, calendar month.
Building Permits (1959; Series cover period beginning in 1920's.)	Construction Reports C40, New Housing Units Authorized by Local Building Permits, and Construction Reports C42, Housing Authorized in Permit-Issuing Places: Summary Statistics.	Privately owned housing units authorized by building permits, publicly owned housing units authorized by contract awards, and non-residential buildings authorized by building permits, in 50 States and the District of Columbia.	Annual survey covers universe of 12,000 permit-issuing places. Monthly surveys based on sample of 3,500 permit-issuing places.	Mail questionnaire.	Monthly, covering the previous month. Annual survey every January following year of reference.
Value of New Construction Put in Place. (1959; Series cover period beginning 1915).	1962 Supplement to Economic Indicators, Construction Reports C30, Construction Activity.	All new construction in 50 States and District of Columbia.	This is not a survey, but a set of estimates derived by a variety of techniques from secondary sources.	Analytically derived from secondary sources.	Monthly, covering the previous month.

Timing of publication	Content of published data	Special tabulations and unpublished data available	Uses and users
Press release with summary results 17 to 20 days after month of reference. Complete report 2-3 weeks thereafter.	Number of housing starts by farm and non-farm classifications, private and public ownership, number of housing units in structures, metropolitan and nonmetropolitan locations, and four geographic regions. Privately owned starts seasonally adjusted by regions.	Number of single family starts in detached and attached structures. Starts classified by number of floors and presence of elevators in multi-family buildings (to be published in 1964).	Government economic policy and housing policy, economic research, business planning, and marketing, and labor union research.
Press release with summary data within 2 months after month of reference. Complete report 2-3 weeks thereafter. Additional quarterly and annual data scheduled for release during 1964.	Number of new private one-family homes sold or for sale monthly by stage of construction, length of time on market, sales price of new homes sold, and asking price for new homes for sale. Scheduled but not yet released quarterly and annual data will provide physical characteristics of sold and unsold homes, type of financing, and selected data by regions or combinations thereof. Some information will also be available on homes built for exclusive use of owner by a single general contractor.	None.	Government economic policy and housing policy, economic research, business planning, and marketing.
Complete monthly report within 6 weeks after month of reference. Complete annual report within 9 months after year of reference. Monthly non-residential data released monthly in the Business and Defense Services Administration Report, Construction Review.	Number of housing units authorized by building permits and public contract awards in individual permit-issuing places. Number and valuation of housing units authorized by building permits and public contract awards by type of structure, by region, State, and selected standard metropolitan statistical areas. Valuation of nonresidential building authorized by building permits by type of building, by region, and selected standard metropolitan statistical areas.	Individual monthly and annual reports submitted by building permit officials for each permit-issuing place: punch cards and photocopies of reports.	Leading indicator of housing starts. Used by all levels of Government and by business firms for research, planning and forecasting.
Press release at beginning of month following month of reference. Complete report within 15 days after month of reference.	Value of new construction put in place monthly by 15 major private and 13 major public classifications. Data are presented in current dollars, constant dollars, and seasonally adjusted values. As a by-product, data are also presented on public construction contract awards by selected types of construction, source of funds, and type of government ownership.	Value of backlog of construction under way. Value of new construction put in place by selected detailed categories.	Government policy, market research, economic analysis, and forecasting.

Program (when initiated)	For detailed description, see:	Universe covered	Kind of sample	How data are collected	Frequency and reference period	Timing of publication
CONSTRUCTION STATISTICS—Continued						
Direct measurement of value of new construction put in place, monthly since 1961. (Being developed in order to replace analytical estimates described above.)	Internal documents, published description not yet available.	Private nonresidential buildings, State and local government construction including highway construction, and military construction.	Probability sample of universe covered by F. W. Dodge Corporation Reports in 37 Eastern States, for private nonresidential buildings. Reports from State governments, sample of local governments, and Department of Defense.	Mail questionnaire.	Monthly, except State and local government construction which is reported quarterly.	Not yet published.
Survey of Residential Alterations and Repairs. (1960)	Construction Reports C50. Residential Alterations and Repairs.	Owners and renters of single and multi-family properties including nonfarm and farm, privately and publicly owned, occupied and vacant, in 50 States and the District of Columbia.	Probability sample of residential properties.	Personal interviews and mail questionnaire.	Quarterly, covering the calendar quarter.	Annually, within six months after year of reference.

Content of published data	Special tabulations and unpublished data available	Uses and users
Not yet published.	Not yet applicable.	Same as value of new construction described above.
Expenditures for residential additions, alterations, maintenance, repairs, and replacements by: Tenure and size of property, Regions, Calendar quarters, Nonfarm-farm, Type of work done, Size of expenditure, Value of property, Age of structure, Family income, Household composition, and Duration of occupancy.	Expenditures and number of jobs for selected and detailed categories.	Government policy, market research, and economic analysis.

Mr. OLSEN. Because tomorrow there will be some witnesses here who will be critical of the paperwork involved, I want you folks to have several representatives here.

Dr. ECKLER. We will be very happy to do that.

Mr. OLSEN. I know the committee will appreciate it and I think we will get back to you again sometime in the near future to explain away or refute objections that are made.

Thank you very much. It has been a very fine hearing this morning.

(Whereupon, at 12:05 p.m., the subcommittee was adjourned, to reconvene at 10 a.m. Wednesday, February 19, 1964.)

## THE 1963 ECONOMIC CENSUSES

WEDNESDAY, FEBRUARY 19, 1964

HOUSE OF REPRESENTATIVES,  
SUBCOMMITTEE ON CENSUS AND GOVERNMENT STATISTICS  
OF THE COMMITTEE ON POST OFFICE AND CIVIL SERVICE,  
Washington, D.C.

The subcommittee met, pursuant to notice, at 10 a.m., in room 215, Cannon Building, Hon. Arnold Olsen, of Montana (chairman of the subcommittee), presiding.

Mr. OLSEN. The subcommittee will please come to order.

I am glad to announce we are maintaining our original schedule and this morning will hold the second session of hearings on the 1963 Economic Censuses of Business, Manufactures, Mineral Industries, and Transportation. Yesterday, we were pleased to have a statement from Congressman Henry C. Schadeberg, of Wisconsin, and the testimony of representatives of the Bureau of the Census. In my opinion, we covered the subject matter quite well. Today, we want to shift our approach somewhat and hear the observations of representatives of the Department of Commerce, some of the users of census statistics, additional Members of Congress, and of business, industry, and professional groups associated with economic census taking.

We should like to start by calling Assistant Secretary of Commerce for Economic Affairs, Richard H. Holton.

Before you begin, Mr. Secretary, I will place in the record at this point letters and statements received by the subcommittee from a number of organizations concerning the economic census programs: (The documents referred to follow:)

### PREPARED STATEMENT OF SOLOMON FABRICANT, DIRECTOR OF RESEARCH, NATIONAL BUREAU OF ECONOMIC RESEARCH, OF NEW YORK CITY

There are a number of points that are crucial to a proper understanding and evaluation of the 1963 Economic Censuses, and indeed of the statistical work generally done by the Bureau of the Census. My experience in economic research leads me to emphasize two of these points: (1) the growing need for economic facts; and (2) the rising efficiency with which such facts are gathered by the Bureau of the Census.

(1) The need of the American people for more facts, and more accurate facts, on the country's economic situation and prospects has risen over the years. We may expect it will continue to rise in the years ahead. This need must be met if the country is to solve its economic problems satisfactorily.

The economic censuses constitute an important means for gathering these facts in the necessary quantity and quality. Without the censuses we would be ill equipped to deal with the difficult problems of growth, stability, and poverty.

The rising need for economic "intelligence" on the structure and development of the American economy is, I am sure, obvious not only to professional economists but also to all thoughtful citizens who realize the complexity of the economic problems that confront the American people and understand that these problems will not be solved satisfactorily except on a solid basis of fact.

What is equally obvious to economists but not always even to the more thoughtful of our citizens is that the economic censuses provide essential underpinnings for a host of the economic series on which public and private agencies, business firms, labor unions, and others depend for vital information. The gross national product, the indexes of industrial production, the current estimates of employment and hours of work and wages, the indexes of productivity—these and many other pieces of valuable information would soon seriously deteriorate in scope and quality if periodic censuses ceased to be taken.

(2) Economic facts are gathered in the censuses, and then compiled, analyzed, and made available to the public, in an increasingly efficient manner. A highly professional and devoted Census staff has sought to make, and has succeeded in making, prompt use of advances in statistical technology and theory. The staff has also made strong and successful efforts to improve the Census Bureau's internal methods, planning, and procedures. As a result, the censuses now cost far less, per unit of information obtained and made available to the public, than they did in earlier decades. And they are of better quality. Many of those who question the censuses because of the cost fail to realize that a great increase has occurred in the Census Bureau's productivity. Because the price is down, the country can afford to buy more information. I should add, also, that the efforts of the Census staff have yielded important methodological and other contributions of great value in the work of businessmen, statisticians, and others outside the Bureau of the Census. The widespread use—in business and in research, as well as in Government—of mechanical and electronic equipment in tabulating and analyzing large bodies of data quickly and accurately and at low cost is an outstanding application of a Census Bureau contribution. The American people have good reason to be proud of this group of its civil servants.

BUSINESS PUBLICATIONS AUDIT OF CIRCULATION, INC.,  
New York, N.Y., February 18, 1964.

HON. ARNOLD OLSEN,  
*Chairman, Subcommittee on Census and Government Statistics, Committee on  
Post Office and Civil Service, House of Representatives, Washington, D.C.*

DEAR MR. OLSEN: Since I understand your committee is holding meetings this week, I am writing on behalf of the 515 business publications which subscribe to our auditing service.

In reporting the job classifications in industrial breakdowns for the circulation lists of our member publishers, we use the Standard Industrial Classification (SIC) codes where they are available. Some problems arise because the SIC code for a given plant is not always the same depending on the source from which it is obtained.

The entire business press would benefit greatly if there were one reliable authoritative source for SIC codes for every business in America. We understand that these data now exist in the Government records. It would be extremely helpful to our member publishers as well as to the other publishers of the business press if an industrial directory could be made available by SIC codes. I believe the commercial list houses would also benefit in having a single authoritative source available to them from which they could select firms for the various markets which they serve.

We are very hopeful that your Subcommittee on Census and Government Statistics can help us find a way to have these data released to the business community. Not only would the publishers benefit, but those manufacturers advertising in the publications would also benefit, because the data would be of immense help in establishing marketing data which is very difficult to obtain under the present circumstances.

I would appreciate your including this letter in the record of the hearing of your subcommittee.

I shall be glad to come to Washington to discuss this problem with you, should you think it desirable.

Cordially,

THOMAS J. CAMPBELL.

CONTINENTAL OIL Co.,  
Houston, Tex., February 18, 1964.

HON. ARNOLD OLSEN,  
Chairman, House Subcommittee on Census and Government Statistics, House  
Committee on Post Office and Civil Service, the Capitol, Washington, D.C.

DEAR MR. OLSEN: The following comments are being submitted in connection with the current congressional hearings on censuses of business, manufacturing, mining and transportation being held by the Subcommittee on Census and Government Statistics of the House Committee on Post Office and Civil Service.

We look at census data as the most reliable and detailed source of information on number of establishments, value added, employment, payrolls, and man-hours for our industry as well as for other industrial sectors. Since the operations of an integrated oil company are concerned directly with producing (mining), refining (manufacturing), transportation, and selling petroleum and its products to all industries, governments, and the public, we use virtually all of the different kinds of census data available. In particular, we use it (combined with data from other sources) to estimate trends in such things as labor productivity and labor costs per unit of output in refining, regional growth rates, sales per service station, and other variables of vital interest to management in decisionmaking.

Of course, it would be helpful to be able to get these data more quickly or to have monthly or quarterly estimates by industry and area for short-run analysis. But it is absolutely necessary to have these vital data by year or census period, as no other sources of equal comparability or reliability are known to us.

As is true for most companies, we are extremely cost conscious and do not particularly relish the thought either of a regular or growing amount of paperwork involving government forms. But in the case of the census material, we feel very strongly that the benefits obtained by our company considerably more than offset the cost involved in supplying the data for Continental.

Sincerely,

HENRY G. COREY.

THE CHEMICAL MARKET RESEARCH ASSOCIATION,  
New York, N.Y., February 13, 1964.

HON. ARNOLD OLSEN,  
Chairman, House Subcommittee on Census and Government Statistics, House  
Committee on Post Office and Civil Service, the Capitol, Washington, D.C.

DEAR SIR: It is my understanding that your subcommittee has scheduled hearings on February 18-19 to determine the attitudes of people in business toward the collection and distribution of certain statistics by the Bureau of the Census; particularly those entitled "The Census of Business," "The Census of Manufactures," "The Census of Mining," and "The Census of Transportation."

The Chemical Market Research Association, a professional society comprising almost 700 chemical market researchers and analysts from some 200 firms, has as one of its objectives the collection and dissemination of authentic and timely information on chemical market economics. It pursues this objective through presentation of papers at regularly scheduled meetings, through publications in the trade press, and by other suitable means. All of this is in addition to the thousands of studies made and reports written annually by the individual members for the guidance of their employer firms.

It is the common belief of the members of this association that the only truly reliable information on which to base market research studies are those statistics compiled by Government agencies such as the Tariff Commission's report, Synthetic Organic Chemicals and the many reports issued by the Bureau of the Census such as Census of Business, Census of Manufactures, Current Industrial Reports, etc. For that reason, the members of the Chemical Market Research Association strongly oppose any movement to suppress the collection and publication of statistics of this type.

A further objective of the Chemical Market Research Association and its individual members is to aid the various Government agencies in collecting desired statistical information so as to improve the scope and timeliness of their publications. With many firms in the chemical and related industries now possessing or rapidly acquiring electronic data processing equipment, the task of collecting the data is becoming far less burdensome for industry, and with similar mechanization by the Government agencies, its compilation and publication can be greatly expedited.

Another situation should not be overlooked in your committee's deliberations: Market research, per se, is a relatively new profession and one which is not very well understood by many of today's business leaders. But tomorrow's leaders will be recruited in large part from the men and women who are convinced that no marketing decisions should be made without benefit of studies based, as I mentioned earlier, in large part on Government statistics.

Therefore, the Chemical Market Research Association wants your committee to recognize that the value to businessmen in general of the statistics published by the Bureau of the Census far outweighs the time and effort required by industry people to collect and report them.

Yours respectfully,

CHARLES T. MENTZER, Jr.,  
Chairman, Government Liaison Committee.

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NATIONAL ELECTRICAL MANUFACTURERS ASSOCIATION,  
New York, N.Y., February 11, 1964.

HON. ARNOLD OLSEN,  
Chairman, Subcommittee on Census and Government Statistics of the Committee  
on Post Office and Civil Service, House of Representatives, Washington,  
D.C.

DEAR SIR: First, I would like to thank you for your letter of February 5 and your invitation to NEMA to appear before the subcommittee on February 19 to discuss the 1963 economic censuses. These censuses represent the type of statistical services of the Federal Government in which our association, and our members have taken a deep and continuous interest. Also, these censuses are something in which I, personally, have been associated with not only through my work with NEMA but also through my membership on various governmental and industry panels that, through the years, concentrated on problems relating to censuses of manufactures and business.

Accordingly, it is unfortunate that we cannot take advantage of your invitation. We are currently very much involved in assembling data for briefs on the impending GATT negotiations for presentation before both the U.S. Tariff Commission and the Trade Information Committee; we are involved in a great deal of work in connection with Walsh-Healey matters affecting various portions of our industry; and particularly during the past few weeks we have spent, and are continuing to spend, considerable time in reviewing and making suggestions with respect to the proposed survey on the impact of defense contracts on the economy. All of these matters have taken, and are continuing to take, all of the staff time that we have available. In addition, the short time that is available to us between now and the February 19 hearing does not give us the opportunity to review the problems connected with the Census programs with our association statistical committee, which has the association and industry responsibility for this type of review. Hence, we would not be able to come up with an industry viewpoint for each of the four particular items listed in your letter.

I do have some personal comments which I might make at this time which, I believe, would reflect the thinking that has been expressed in discussions of the Census program with various members of our industry. These comments I might outline as follows:

(1) The basic Census program involving the quinquennial census of manufactures, business and services, mineral industries and transportation, receives our full support. We feel that these censuses should fill our need for benchmark measures of overall industry activity against which our own association measures can be compared.

(2) The basic Census program involving the annual survey of manufactures also receives our full support, particularly since we had a hand in de-

veloping this program some years ago. These annual surveys provide us with enough overall establishment data to give us a trend not only for our industry but for other industries in which we have an interest.

(3) With respect to (1) and (2) above, however, we would like to say that we are extremely disappointed in the amount of time which it takes to receive summary data from the Bureau of the Census and the number of errors that are contained in the census summaries. The combination of extreme lateness and the high percentage of errors detracts tremendously from the value of the basic Census program. We believe that a major contribution to both industry and Government would be made if there could be some concentration on the problems contributing to these two situations.

(4) My personal feeling in regard to what has contributed to the general unsatisfactory Census performance in these areas is that in recent years too much has been added to the basic Census program. For example, there are now a large number of annual commodity surveys. There are also a large number of quarterly and monthly surveys. Some of these have been added to the Bureau's program in the face of objections from the industry involved. Some of these duplicate exactly the efforts of the associations representing the industries involved. Then, too, special surveys are added to the basic Census program, such as the request for financial data, where the census of manufactures is involved, and such as the recently proposed MA-175 which hopes to measure the impact of Government contracts on the economy through the reporting of considerable detail data as an addition to the 1963 Census of Manufactures. I believe that these tendencies to add more and more to the basic program of the Bureau of the Census detract from the effort and careful attention and guidance that should be applied against the basic programs. I believe that the trend toward vastly expanding the Bureau's program of activities has nullified the advantages that we should have gained from the installation and use of very advanced and, I might add, expensive computers.

(5) There are parts of the Bureau of the Census program which only the Bureau can and should carry out. This would include not only the economic censuses but also the monthly measurement of exports and imports. On the other hand, there are many parts of the Bureau of the Census program that can best be done by private statistical agencies or trade associations. If there could be this kind of combing out of the Census program, then I feel that our goals for promptness and accuracy in the basic industry data can be attained.

I hope that some very worthwhile ideas come out of the forthcoming hearings. I would like to again express my appreciation for your invitation, and my regret at being unable to appear at the hearings myself or to furnish representatives from our association.

Sincerely yours,

A. J. NESTI, *Chief Statistician.*

P.S.—In January 1955 I wrote an article on "What American Business Wants From the Federal Statistical Program." In reviewing this article, it occurs to me that the same conditions prevail today, only more so; the same objectives would apply today, only more so; and the same suggestions for improvement in Government statistics could be made today. I attach a reprint of the article for your information.

A.J.N.

[Reprinted from American Trade Association Executives Journal]

#### WHAT AMERICAN BUSINESS WANTS FROM THE FEDERAL STATISTICAL PROGRAM

(By A. J. Nesti, Chief Statistician, National Electrical Manufacturers Association)

During the past 14 years, the American businessman has taken a more active part in the shaping of the Federal statistical program than ever before in our history. He has done this as a member of a countless number of business and industry advisory committees set up by Government itself and by the U.S. Chamber of Commerce, the Advisory Council on Federal Reports, the American Statistical Association, and other similar organizations. The need for his advice during this period was brought about first by the tremendous statistical

requirements of World War II; then by the problems of postwar economic readjustment; and, finally, by the necessity for reducing the new Federal statistical giant to an adequate, sounder, and more economic operation, which would be more closely geared with current needs. The latter phase is still in progress.

No one familiar with the part played by the businessman in his role as adviser can deny that he made a tremendous contribution to the successful solution of the thousands of problems that were encountered during these past 14 years. Yet, to many, he appeared to be supercritical of the Federal statistical program, the Federal agencies, and the Government statisticians. To some, the businessman appeared to be confused and selfish in his desires for changes, and lacking in appreciation and understanding of the work of the various Government departments. However, out of the endless discussions, meetings, and writings, there has emerged a clear and definite pattern of what American business wants from the Federal statistical program. Boiled down, American business wants economy, accuracy, speed, genuine public service, and a minimum reporting burden.

#### ECONOMY

Business naturally desires that the Federal statistical program be run in a businesslike manner, that is, on an economic basis with all duplication, wastes, and unnecessary programs eliminated. Specifically, business would like to see eliminated, from such programs, all overlapping interests as between different Government agencies, and any programs that are deemed to be unessential. Also desired is a more realistic approach to the problem of Federal statistical budgets whereby funds would definitely be available for those activities that have received congressional approval. This would avoid the waste of expenditures made in preparations for programs which are later ruled out due to the withholding of the necessary funds by the Congress. The experience with the 1953 census program is a good example of such waste of public funds.

#### ACCURACY

Business expects and should get a maximum of accuracy in the information developed from the Federal statistical program. While part of this program is conducted on a sound technical basis resulting in the preparation and release of accurate information, too large a part involves reporting samples that are not representative and techniques that are not sound. As a result, the released information is revised time after time, and in the process the businessman is misled in making decisions which depend upon this information.

#### SPEED

One of the constant and everlasting criticisms of Government statistics is that the figures are not released promptly enough. Too many times data are not released until the time period involved has become part of history. For example, some very important Federal statistical measures do not become available until 2 years after the fact. Obviously, the value of such data is reduced to practically nothing.

#### GENUINE FEELING OF PUBLIC SERVICE

Government agencies and Government employees are in the service of the general public which, of course, includes all businesses and institutions, as well as private individuals. This being the case, the activities conducted by the Government agencies should, without a doubt, reflect the unqualified public interest in the projects. Criteria of public interest as a guide for setting up Government statistical programs have been developed and should be considered.

#### MINIMUM BURDEN OF REPORTING

Naturally, since the businessman is almost always the victim—as a respondent—of any Government statistical program, he desires that the burden upon him for such reporting be kept at an absolute minimum. This requires a complete coordination of statistical programs not only as between the Federal Government agencies, but also as between the Federal agencies, the State agencies, and the municipal agencies.

## HOW THESE GOALS MIGHT BE ACHIEVED

With various conflicting interests at work, it is admittedly not easy to achieve the goals outlined by business. And, admittedly, the job is one that requires not only the cooperation of Government but also that of business and of the general public. However, the job can be done. Here are a series of suggested steps which, if carried out in the order given, could very well lead to economy, accuracy, speed, public service, and minimum reporting burden in the Federal statistical program.

(1) *Overhaul the Federal governmental organization.*—This is the job that the first Hoover Commission tried to do some time ago, and is the job that the second Hoover Commission is currently studying. It is a known fact that some of the problems of Government statistical programs are born at the time the Government departments are set up and their responsibilities defined. Some of these problems would, undoubtedly, be eliminated by a reorganization which would tend to eliminate overlapping responsibilities and functions and clarify, beyond any shadow of a doubt, the responsibilities of each Government department.

(2) *Completely coordinate all Government statistical programs—Federal, State, and local.*—This is not a new suggestion. It has been made by different individuals time and time again. A proper integration and coordination of statistical activities at all Government levels would eliminate duplication of effort, would decrease costs of specific activities, would provide more accurate measures, would provide statistical series that would complement, rather than clash with each other, and would reduce considerably the reporting burden on respondents.

(3) *Establish a basic minimum statistical program with guaranteed funds—subject to review every 5 or 10 years.*—The best minds in Government and in business should jointly decide what the basic minimum requirement is for a Government statistical program. When this is done, there should be no question about setting up the necessary financial structure to insure the funds required for that program. If this is done, there would be eliminated the wastes that grow out of the expense of preparation for programs that are eventually discarded due to the fact that funds are not made available.

(4) *Establish an approximate area of additional Government statistical activity.*—Through careful study by appropriate industry-Government committees, there could be defined an approximate area where the Government would be the most logical agency for conducting certain statistical programs based, of course, upon general public interest. The specific activities that would be involved in this area would be the subject of review by all interested parties in Government and in business to make sure that they are necessary and that Government can best perform them. In the case of such activities, funds should be requested as they are needed.

(5) *Establish an approximate area where Government agencies should very definitely not become active.*—There are some specific programs which the Government is conducting today that are not sufficiently in the public interest and should, therefore, be the responsibility of the private interests involved. There should not be too much difficulty in establishing the approximate boundaries of this particular area.

(6) *Create a continuing reviewing body for Government statistical activities.*—Which would make a constant check on (a) whether Federal agencies are staying within the prescribed boundaries of activities, and (b) whether the activities that are being carried on are following acceptable procedures, utilizing proper definitions and instructions and producing accurate results. Again, this idea is not a new one. A U.S. Statistical Commission has been suggested at various times with approximately this responsibility. Whether such a body could operate within the Office of Statistical Standards of the Bureau of the Budget might be studied.

(7) *Establish and activate a sound but flexible classification of industries and of products.*—Those familiar with the current standard industrial classification and standard commodity classification, as well as similar governmental classifications, know the farflung effects of these classifications upon Federal statistical measures. They also know the inadequacies of the present classifications.

(8) *Develop a widespread educational program among business and the general public on the subject of governmental statistical programs.*—Despite the

huge growth in governmental statistical programs in recent years, there is a sad lack of real knowledge of such programs among business people, as well as among the general public.

To attain the goals outlined above, it would be necessary for all business and for the general public to understand thoroughly the Government statistical program from the standpoint of suppliers of information, as well as from the standpoint of users of the information. This is a job which can be shared by Government agencies, the Office of Statistical Standards of the Bureau of the Budget, the U.S. Chamber of Commerce, the local chambers of commerce, the Advisory Council on Federal Reports, the American Trade Association Executives, the National Association of Manufacturers, the American Statistical Association, and other such organizations.

(9) *Develop a very specific program of training statisticians for practical business jobs.*—At the moment, a very large percentage of the statisticians is employed in governmental agencies, in market research organizations, educational institutions, and other similar technical organizations. A very small percentage of the total number of statisticians is employed in individual business establishments. Consequently, these individual firms are not obtaining the benefits that a trained individual could give them at a time when business requires not only an engineer, a salesman, and an accountant, but also a market analyst. Such a program might be developed by the American Statistical Association in conjunction with educational institutions.

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PITTSBURGH PLATE GLASS Co.,  
Pittsburgh, Pa., February 14, 1964.

HON. ARNOLD OLSEN,  
*Chairman, House Subcommittee on Census and Government Statistics, House Committee on Post Office and Civil Service, the Capitol, Washington, D.C.*

DEAR MR. OLSEN: We use the census of manufacturers in our marketing research and forecasting efforts. We consider the census of manufacturers one of our most reliable sources of information. Specifically, we use the census in forecasting demand for products designed to serve specific industries, forecasting geographical usage of specific products, determining approximate size of unfamiliar markets, and for evaluating an area's economic potential.

I do not feel that the censuses are an unwarranted burden on the business community. However, the people who must prepare the forms are usually not the users of the finished reports. Undoubtedly you would get a lot of complaints from the person or persons charged with making the response if he or they did not know that their company actually uses the tabulated returns. Perhaps a program to educate the respondents concerning the usage of the final reports would be worth while.

The census is a useful tool, but it would be even more useful if it could be completed sooner than in past census years. So far, census figures have had to serve as benchmarks in forecasting and planning. If the census were conducted more often or if it were available sooner it could be more useful for planning current marketing strategies.

Very truly yours,

GEORGE W. PLOHR,  
*Manager, Marketing Research Section.*

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STANDARD RATE & DATA SERVICE, INC.,  
Skokie, Ill., February 14, 1964.

HON. ARNOLD OLSEN,  
*Chairman, House Subcommittee on Census and Government Statistics, House Committee on Post Office and Civil Service, Washington, D.C.:*

It is my pleasure, Mr. Chairman, to submit the following statement concerning U.S. Government censuses.

I, Harold Paul Alspaugh, vice president, editorial, Standard Rate & Data Service, Skokie, Ill., make frequent and extensive use of statistical material released by the respective Government agencies. It is my concept that the Federal Government should function in providing periodic benchmark data for use in business and economic analysis. However, with a view of limiting expendi-

tures for collection and assembly of Government data and to limit the functions of Federal agencies, such data should be made available only for reference benchmark purposes. I do not believe that it is a function of the Federal Government to either collect or disseminate complete economic data to show current levels of economic activity. Sample reporting for State and SMSA on a current basis would provide trend indexes. Statistical techniques have advanced to the point that current estimates can be prepared from the benchmark periods with a high degree of accuracy.

Accordingly, it is my opinion that attempts to collect and disseminate complete current data imposes undue hardships on business to complete the various schedules and results in extensive costs to the Federal Government. Therefore, in the deliberation of your committee, major attention should be directed to the basic function of the Federal Government in collecting and disseminating economic data.

Respectfully submitted.

H. P. ALSPAUGH, Ph. D.,  
*Vice President, Editorial.*

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THE PORT OF NEW YORK AUTHORITY,  
*New York, N.Y., February 20, 1964.*

HON. ARNOLD OLSEN,  
*Chairman, House Subcommittee on Census and Government Statistics, House Committee on Post Office and Civil Service, Washington, D.C.*

DEAR SIR: Our organization makes extremely heavy use of the economic censuses in continuing analyses of retail trade, wholesale trade, the service industries, and the manufacturing industries. We examine not only the relationships between the various counties making up the New York-northeastern New Jersey standard consolidated area but also the area as compared with other metropolitan areas, and with blocks of States that feed the products of commerce and industry into our trade hub. There is scarcely an element in the various breakdowns of data contained in these censuses that does not enter actively in our analyses and evaluations. And these in turn are absolutely vital to our planning of transport services and terminal facilities. To put it another way: The absence of the economic censuses, or any material abridgment of the current census programs would seriously impair our work in so fundamental a fashion that we would be at a loss to devise or initiate suitable substitute measures.

As you are aware, changes in the economy are taking place at a rapid pace, and without suitable measures of these changes, transport planning for the New York-New Jersey metropolitan community of 16 million people would proceed in a vacuum. This, of course, emphasizes the value of timeliness in the release of census data. However, if timeliness is to be gained at the expense of content and established high quality of census programs, we must demur. If there is the possibility of earlier reporting of certain portions of the data, we would wish that all avenues to achieve this be explored.

It is our understanding that efforts are being made by business and industrial interests to cut down on the range of information reported by them to the Census Bureau. At the metropolitan level the detail which might be sacrificed in summary "streamlining" could be disastrous, for agencies such as ours have to cope with the thousand and one changes that are brought about by the actions of business and industry in an expanding economy. Services of supply and transport access for persons and property must be developed to serve new locational patterns. While the task of reporting to Census by business and industry may be onerous at times, we feel that such response is part and parcel of their obligation to the communities and their planning agencies which must provide for and make accommodations to their enterprises.

Sincerely,

CARL A. FRANZMANN,  
*Economist, Regional Studies.*

NATIONAL ASSOCIATION OF MANUFACTURERS  
OF THE UNITED STATES OF AMERICA,  
New York, N.Y., March 3, 1964.

HON. ARNOLD OLSEN,  
*Chairman, Subcommittee on Census and Government Statistics of House Committee on Post Office and Civil Service, Washington, D.C.*

DEAR REPRESENTATIVE OLSEN: It is a privilege to present the views of the National Association of Manufacturers in these hearings on the 1963 economic census program. Good as the Bureau's programs may be, improvements are always possible in such areas as sample design, field operations, and the editing and tabulation of data. We assume that the Bureau is aware of such opportunities and will make the necessary changes as the occasion warrants.

One problem that is of increasing importance to industry, however, is the cost of providing the masses of information that are requested by Government agencies. According to the National City Bank of New York, the Federal Government currently has some 5,300 forms in use for regular reporting, not including reports to the IRS, certain other agencies of the Treasury Department, and the banking authorities, which are exempted from the Federal Reports Act. Another dimension of the problem is revealed by a table on page 13 of the February 1964 issue of the *American Statistician* which details the "Obligations for Principal Current Statistical Programs." This table shows that the obligations have increased from \$76.3 million in 1963 to an estimated \$85.2 million in 1964 and to \$94.3 million in 1965.

While it is true that much of the increase is to be devoted to improvement and strengthening of existing series, the fact of the increase arouses some apprehension that a still greater burden may be imposed on industry for providing ever more detailed data. Similarly, while it is true that the figures quoted above include all agencies, it can be expected that the Census Bureau will share in the expansion.

Our association has no inclination to criticize necessary efforts to strengthen current series. We believe, however, that there is a very real danger that requests for information will become so frequent and numerous that the sheer cost of assembling the data will outweigh its possible value. We urge, therefore, that both this committee and the Census Bureau, in planning future programs, bear constantly in mind the costs involved in supplying data.

In this connection, we would like to suggest two possible steps that may be worthy of further exploration. One is the idea of announcing new or expanded questions substantially in advance of their inclusion in a questionnaire. The other is the possibility of eliminating questions of marginal or questionable value from the questionnaires.

Some of our members have suggested that the growth of computer operations in industry makes it possible to provide certain kinds of data readily if they are programmed in advance. The suggestion follows, therefore, that if those who are to be asked for information are given sufficient advance warning they will be able to program the necessary material and provide the data with relative ease. This, of course, implies a delay between the time it is decided to include a given question and the time that data becomes available, but it would seem that in a substantial number of cases such delay is of little importance compared to the potential cost savings involved.

The second suggestion is based on our own experience in connection with a survey that the Census Bureau conducts annually for the National Science Foundation. In that survey two questions are asked relating to expenditures for research and development and the proportion which is Government financed. These provide the basis for material included in both the census of manufacturers and the NSF study. Supplemental questions are also asked, however, relating to a breakdown of expenditures between applied research and development. Members of our research committee have repeatedly pointed out that data of this latter sort can be no more than an estimate and of little value. We suggest, therefore, that savings are possible through the elimination of questions where substantial problems arise as to proper definitions or where the data supplied must, of necessity, be largely estimated.

The foregoing should not be taken as a recommendation for the noninclusion of new questions or the coverage of new areas. Clearly, each suggestion must be evaluated on its merits. The association's conservation committee, for example, has been highly pleased with the results of the inclusion of questions on water use in the census of manufacturers. The data provided has been of sub-

stantial value in providing a factual basis for recommending public policy in an important area.

Another point that is frequently mentioned is the need for prompt publication of final reports. We recognize the problems of processing the large number of individual forms that are involved. At the same time, it is pertinent to note that much of the value of Census Bureau reports stems from their timeliness and currency.

To summarize, then, we may say that our association has little in the nature of specific criticism of the Bureau's activities. Industry does have a growing cost problem resulting from the steady increase in requests for data from various Government agencies. We urge that this committee and the Census Bureau do whatever they can to ameliorate that problem. We also recommend that the Census Bureau continue to work with industry-oriented groups such as the Advisory Council on Federal Reports in planning expansions of their current programs. Any new programs should, in our opinion, meet the twin criteria of providing only data that cannot be made available by private sources and of being based on readily available company records.

Respectfully,

GEORGE G. HAGEDORN,  
*Director of Research.*

MR. OLSEN. I want also to announce that, without objection, I will keep the record open until February 28 in order to include additional letters and statements concerning the economic censuses.

Mr. Secretary, we are very glad to have you with us and want you to know that we appreciate your coming here this morning to discuss the census. Proceed as you wish, Mr. Secretary.

**STATEMENT OF HON. RICHARD H. HOLTON, ASSISTANT SECRETARY  
FOR ECONOMIC AFFAIRS, U.S. DEPARTMENT OF COMMERCE**

MR. HOLTON. Thank you very much, Mr. Chairman. I am very grateful to the committee for this opportunity to comment on the work of the Bureau of the Census.

You might appreciate knowing first the organizational context in the Department of Commerce within which the Bureau of the Census is now operating. A year ago this month Secretary Hodges reorganized the Department so that he could have, for the first time, an Assistant Secretary for Economic Affairs. The function of this Assistant Secretary is to assume policy direction over the Bureau of the Census and the Office of Business Economics, to review and coordinate all economic research throughout the Department, to provide the principal liaison with the Council of Economic Advisers and with other agencies on longrun economic policy problems, and to serve as the chief economic adviser of the Secretary. One of the two deputies to this Assistant Secretary concerns himself primarily with program matters pertaining to the Bureau of the Census and the Office of Business Economics.

I am the first to occupy this newly created position in the Department and this occasion is my first opportunity to discuss before the committee the role of the Bureau of the Census in the Federal statistical system.

Mr. Scammon, the Director of the Bureau of the Census, has presented a statement to this committee. I believe that most of the discussion thus far has centered upon some of the technical aspects of the conduct of the economic census program. I would like to address my remarks today primarily to your interest in the uses of the census data by the business community.

I wish I could report to you today some accurate figures showing how often various types of census data are used by the different kinds of business. I wish I could tell you how much greater our GNP is, or how much greater corporate profits or personal income is, because of the better business decisions made possible by census data. But as you know, it is impossible to measure accurately the economic value of the census programs.

Nevertheless we do know a great deal about the use of these data. They are widely used by business in general economic or sales forecasting; in the analysis of market potentials; in the analysis of distribution, the layout of sales territories, and of sales performance; in deciding on the location of plants, warehouses, and stores; in the determination of samples for market research; and there are many other specific areas of application.

The business community is becoming very sophisticated in its use of statistical information; increasingly, one finds business decisions being based on a study of the hard facts rather than on a snap judgment. As we seek more rapid economic growth of the economy, we should continue to press for improved data for decisionmaking in business.

One of the more curious features of the whole problem of assessing the use of census data concerns what we might call the "wholesaling" of census data. The wholesaling of census data is good; we welcome it. But typically in this process the data lose their identification with the Bureau of the Census and the user does not realize the source of the information. Census data reach the ultimate users by a variety of routes. Some, of course, get their data direct from census publications. But many others receive census data—or information reflecting census data—through the articles in the business magazines and business press generally, which draw so heavily on census reports. The ultimate users receive bank letters, financial newspapers, and weekly business newsletters which essentially repackage and interpret census data. The executives in a company may base a major decision on a staff paper which used census data. So many, if not most, ultimate users of census data do not recognize the origin of the information.

The private enterprise system rightly looks to the Government for many of these facts needed for decisionmaking in modern business. There is no need at this juncture to repeat the reasons why data of sufficient scope and reliability cannot be generated by private resources and initiative alone. Previous testimony before this committee has covered this ground thoroughly.

It is important to appreciate one way in which the regular series generated by the economic census increase the value of countless other series of data generated privately. The census data are used extensively in checking and revising privately available data. A privately produced time series of annual estimates of retail sales for a given kind of business in a given area, for example, needs the census of business data on retail trade every few years to provide a new "benchmark." Thanks to the census benchmark data, the private series can be produced for the intervening years at a lower cost than would otherwise be possible.

Mr. OLSEN. Mr. Secretary, I wonder for the record if you couldn't give us an example of the use of the census by an industry like shoes, automobiles, bicycles.

Mr. HOLTON. I can give you a general example, Mr. Chairman. The Sales Management magazine publishes every June a survey of buying power which is typical of the way in which census data are really re-packaged and expanded for use by the business community. The publication I have here gives estimated sales data, for example, for different kinds of retail trade, for all of the individual counties in the country, and all of the principal cities.

Mr. OLSEN. Does it tell us anything about shoe sales in a county in the United States?

Mr. HOLTON. They have a particular category. The categories they use are food, general merchandise, apparel, furniture and household appliances, automotive, gas stations, lumber, building and hardware stores, and drugstores. They do not give any breakdown in more detail than that.

Mr. OLSEN. Someone said at one of our hearings some time or other that shoe manufacturers knew how many shoes to make, even of given sizes, because of information from the census. That is what I wanted you to tell me about if you could.

Mr. HOLTON. The Bureau of the Census produces production statistics which will give the shoe manufacturers that kind of detail. The shoe manufacturers, I think, are not getting that from retail sales data out of Census, or retail sales data out of the survey of buying power. The Bureau of the Census conducts many special surveys of production for industry and for small segments of industry, and for the shoe manufacturer there is quite detailed information available on production.

Mr. OLSEN. How about the market? Doesn't the Bureau of the Census give the shoe manufacturer any indication of how many people have two feet and would buy shoes and what their ages are?

Mr. HOLTON. The Bureau of the Census through the current population survey provides this information, to update the decennial census.

Mr. OLSEN. I am trying to make the census very popular with the Congress and I wish you would help me. All of what you say is very good, but it makes the person who reads it draw on his own imagination on how someone draws up a sales territory. Why not give us some examples of what a company does?

Mr. HOLTON. Certainly one of the most common uses of the census of business, let's say, is to look at the geographical distribution of retail sales for a particular kind of business that a manufacturer is interested in, and by this means he can set his sales quotas. In the case of the census of manufactures, and a lot of the special work which the Bureau of the Census does for individual industries, the industry is provided with data on shipments which permit the individual firms in the industry to determine how their own performance is as compared with the performance of the industry as a whole, for example.

Mr. OLSEN. I have in mind that the trade associations could just as well gather together the statistics on production in a given trade as you can, but you folks are the ones who can get information about the general public that the trade associations can't get.

Mr. HOLTON. Yes. On population data, certainly it would be very difficult indeed for any trade association or any other private group to conduct any work that would be even remotely comparable with the

work which the Bureau of the Census does. And certainly there are plenty of trade associations that realize this, as we know. And we use the trade associations a great deal, as I am sure the committee has been told, in advising the Census on the nature of new programs and what industry needs are. So we think the Bureau of the Census is very closely in tune with the needs of the business community.

Furthermore, private studies often begin where the censuses leave off and develop additional valuable detail; such studies are typically much more useful because of their relationship to the basis census data.

One can talk at length about the variety and importance of the use of these data, but I think it is much more important for us to realize that the demand for these data is apparently burgeoning, and widening the gap between the country's need for data and our ability to provide them. I think that the remarkable improvements we have been able to provide in our economic census materials in recent years may tend to disguise the fact that, relative to needs, we may be getting further behind.

There are a number of important reasons why the demand for economic data is increasing rapidly. First, and most obvious, is the fact that the economy is growing rapidly, so that there are simply more firms in existence, and therefore more business decisions made each year. Second, the average firm in the country is growing all the while as well. Consequently it is probably accurate to say that typically there is more money riding on any given decision today in American business than was the case a decade or two ago, even after allowing for changes in the price level. With more money hanging on the outcome of a given decision, the firm obviously values more highly any information which will help in the decision. Third, analytical methods for making business decisions have been improving. Here, I am thinking of such improvements as we have seen not only in market research but also in such fields as inventory management, location of new capacity, and capital equipment replacement. There is a whole series of new management techniques generally lumped under the heading of "Operations Research" that have come to be applied to the areas of production, marketing, and materials handling in business. So the demand for economic data has increased in part because we now have better analytical processes at hand for using it and they, in turn, place a premium on having more and better data.

Fourth, as American management has become more astute over the years, more decisions have had to be made with greater care in order to maintain one's competitive position. Just as U.S. businessmen are continually trying to get the jump on the other fellow by improving the quality of their product, so also are U.S. businessmen continually trying to improve their profit margins and relative positions by improving their management techniques. Many firms are no longer willing to set salesmen's sales quotas without a careful look at the rate of growth of potential sales in each individual territory, for example; and many businessmen feel that they can no longer maintain their competitive position by following old rules of thumb for inventory management or for the replacement of capital equipment. In short, business rivalry now encompasses a scope and variety of forms almost unimaginable a short time ago. This same intensification of the competitive process has placed much greater emphasis upon long-range planning—an exercise that places new strains on data.

Mr. WATSON. Mr. Chairman, if I may interrupt, perhaps to get the continuity, I followed closely here up to this point, and I hope you will develop it later, or if not, perhaps you can inject it now, the specific advantages to be gained by businesses from the business census. This is the thing that concerns me now and what we have to defend, I think, on this committee, is if business could get all of this information from a population census, the sales, the shoes as you point out, probably the need for the manufacture of shoes could be more nearly determined by a population census than by a business census. If you could give me some specific examples of the advantages and/or the needs for a business census, it would be helpful.

Mr. HOLTON. To cite one case in point, if we look at the census of manufactures, one finds that firms which are considering locating a new plant, for example, let's say somewhere west of the Mississippi, but they are not sure exactly where, if they are producing a product for sale to manufacturers, or to establishments in a particular industry, they want to know where those plants, those potential customer plants, are located. And this is one of many uses of the census of manufactures. Furthermore, the census of manufactures data provide, of course, a very good check on the rate of growth of various manufacturing industries in different parts of the country, so that a firm selling to other manufacturers needs the census of manufactures information for his own plant location decisions. This would be just one illustration.

Mr. WATSON. I could see where they could use that in generalities, but do you really believe that a company would make a final determination to locate in an area purely on the figures derived from the business census?

Mr. HOLTON. Oh, not purely on the basis of the data from the census of business, of course, but they would clearly use other information.

Mr. OLSEN. If I could interpose there, in the location of a pulpmill at Missoula, Mont., in order to find out who it was that was making the chips or could make chips in the sawmills in a given area in Montana, they got a lot of their information out of the census. Then they went hunting down these particular lumber operations and even for the lumber machinery that would provide the chips out of the particular lumber operation of each individual mill. And I think much of the basic information they started with was way back East, in Madison, Wis., in the office there, where somebody read all of this information out of the census reports before they ever came to Montana. That is why they came there, because they had this information from the census.

Mr. WATSON. That is fine. I can see that. That is what I wanted, some definite advantages, the basic manufacturing industry looking at the supplying industries or the prospective purchasing industries. I can see that advantage. Now will you develop some more? I don't want to interrupt your trend of thought, but it just impressed me that thus far most of these things seem to me, most of these needs, could have been met by the population census.

Mr. OLSEN. I think our next witness has some examples of this kind. Isn't that right?

Mr. CORCORAN. Yes, Mr. Chairman.

Mr. WATSON. Fine. I will defer it until later.

Mr. HOLTON. Fine. Certainly one of the most dramatic and important of the factors in the changing scene is the computer revolution and all that it implies. It might have been true at one time to say that we had more economic data in some areas than we knew what to do with. But with computers, we can handle huge quantities of data at reasonable cost. Even the smaller firm is finding that the computer is not a big businessman's toy. Not only is it possible to do many of the old information tasks more cheaply, it is now possible to accomplish new tasks that were beyond our imagination when our capacities were more limited.

As this computational and information handling barrier is melting away, it is becoming more apparent that the next barrier to overcome is the inadequacy of the data. So far the more dramatic aspects of computer technology and use have captured the attention and fancy of the public. However, these machines have enormous appetities for data and the intelligence that comes out of them is no better than the data that goes in. The time may be nearing when the computer revolution will be slowed substantially in midcourse because of the failure of the data quartermasters, so to speak, in the rear echelon to provide the necessary supplies to sustain the advance of the frontline troops, the ultimate users of the data.

Perhaps the most important factor of all is the increasing complexity of the decision process. The burgeoning demand for information is not just a result of the fact that there are more decisions or that there is more money riding on each one, it also stems from an expanding range of choices that the decisionmaker must consider. Advancing technology is expanding the number of alternative production processes and the number of alternative materials; and the number of alternative marketing methods seems to be increasing. The shrinking of the globe means a greater number of markets to explore. To make intelligent choices among these expanding alternatives the business decisionmaker finds he must gather a wider range of information and data than before.

Briefly put, I am saying that the demand for economic data for use by American business has increased markedly not only because markets are bigger, but also because typically there is more money riding on any given decision today, because competition is continually pressing businessmen to improve their decisionmaking, and because as a consequence we have made substantial progress in analytical methods. Finally, the advent of the computer and the increased complexity of the decision process have been most important of all in creating what amounts to a revolution in the information process.

It is just as difficult to prepare any quantitative estimate of the increase in the demand for data as to measure the frequency of use. Here again, however, we have a great deal of fragmentary evidence. To cite just one case, an executive in the real estate industry recently said:

We have observed two very important trends in the last decade in our own work. We have checked our work and we have checked that of several of our clients and we find that in the last decade as compared with the previous two, that the uses of census material in several organizations, including our own, has increased about tenfold. There has been a very dramatic increase in the use of material of this character by all types of public and private organizations.

One can also gain a quick impression of the growth in the demand for economic data by considering the content of the prominent busi-

ness magazine, or the columns on the financial page of our newspaper. Businessmen are surely reading more than they have in the past, and the financial press is now far more sophisticated in its analytical commentary than was true, say, just after World War II. In preparation of this news and commentary, the Government's economic statistics obviously play a major role.

In keeping with the committee's expressed interest in the present hearings I have dealt primarily with business usage and have left out of consideration the increase in the demand for economic data to feed the policy problems faced by the State, local, and Federal governments. One can certainly make a very good case that the importance of many of these same data for public decisionmaking is just as important as for business. Furthermore, most of the same factors giving rise to an increase in the importance of information listed above as affecting the business community have had the same effects upon public decision problems. There is an enormous expanding demand. The public information requirements are expanding most at the State and local level. State and local government expenditures in 1962 were more than four times as great as in 1947; that is, they increased by 300 percent. (By comparison, the Federal Government's nondefense expenditures in 1962 were only about 80 percent greater than in 1947, while the gross national product was 135 percent greater.) Thus the State and local government need for economic data with which they might study their problems has no doubt increased much more rapidly than the growth of the economy as a whole would suggest.

If we overlook these public information requirements we vastly underestimate the value of economic data. We all have an important stake in efficient public administration and this requires appropriate facts for decisionmaking the same as in the private sphere. Furthermore I think that it is not adequately appreciated that the necessary information base for decisionmaking is often very nearly identical for both. The State or local official who must plan public investments for schools, roads, and hospitals, needs much of the same kind of information as the businessman who plans his markets or his investments. The same information that the businessman finds useful in evaluating foreign markets is essential to our Government in negotiating trade agreements and interpreting the balance of payments.

I would also like to call your attention to another use which receives very little publicity. I refer to the economic and business research that is going on in the universities, in foundations, and in some businesses. Much of the imaginative research that has created new methods and generated new management techniques would have been impossible without the raw materials generated by the economic census. These economic research interests do not have a prominent lobby in Washington and they are commonly overlooked; but they form the leading edge of some of the most important prospective developments in both economic analysis and management.

All of these aspects of the burgeoning demand for economic data are placing new strains on those data and revealing the limitations of the scope of information currently available.

We do not have reliable estimates of the monthly changes in retail inventories, so manufacturers do not know whether their sales are going on through the distribution channel to consumers or whether goods are piling up at the retail level. Funds are being requested for

fiscal year 1965 to collect information on monthly retail inventories of certain major consumer durable items.

Mr. OLSEN. Won't the trade itself tell them that?

Mr. HOLTON. They haven't yet, Mr. Chairman, and this is a matter that is—

Mr. OLSEN. If the shoe salesman goes to the retail store and he can't sell them any shoes, because the place is loaded with shoes, surely that information ought to be known in the trade.

Mr. HOLTON. But only in a very impressionistic way and not for all retail outlets and there can be substantial differences from one city to another.

Mr. JOHANSEN. Don't they have any national publication or any national information medium on that score? Is only Washington able to provide that?

Mr. HOLTON. Some of the trade associations do conduct some survey work of their own.

Mr. OLSEN. We are afraid we are going to be told on the floor of the House one of these days that this can all come from the private sector and we are just duplicating it. We want to have a record that tells the facts here. We are not arguing with you, we just want to know and we want to be able to tell our colleagues what the fact is.

Mr. HOLTON. Mr. Chairman, I can say, certainly, that the various industry groups, whom we have advising the Bureau of the Census, are deeply interested in the collection of these data. Now with specific reference to the retail sales or retail inventories—

Mr. OLSEN. Of durable goods.

Mr. HOLTON. We are talking only about estimates of the inventories of some consumer durable goods, not all goods, not shoes, not clothing.

Mr. OLSEN. All right; take copper. The Anaconda Co. doesn't have to call up the Census Bureau to find out copper is not moving and the inventories are getting large with the people they supply.

Mr. HOLTON. No, they can tell from their own sales contacts.

Mr. OLSEN. Yes.

Mr. WILSON. Is this being done just for the benefit of business or is there some use the Government is going to have for these figures?

Mr. HOLTON. Certainly these data on inventories of consumer durables at the retail level would be useful both to business and to Government and it would be difficult to say which would find the information more useful. One of the principal causes of economic recession is excess accumulation of inventories, and, at various points in the pipeline, in the distribution channel. And this can be particularly troublesome with consumer durables. So this information should serve to alert businessmen sooner than they would be alerted otherwise to the general market condition.

Mr. WILSON. It seems that we are, through a lot of these business surveys, doing much of the work that some of these trade associations should be doing and they are getting fees and membership dues for work that apparently the Government is doing for them. That may be all right, but just how far do we go in doing these things for people? We keep getting complaints from certain Members of Congress that we are interfering too much in the normal process of daily lives of people.

Mr. HOLTON. First of all, Congressman, let me say that about 14 percent or so of the survey work that is done for specific industries, some

series are monthly, some quarterly, and so on, about 14 or 15 percent of the cost of these programs is financed by private industry, by trade associations and by individual firms.

Mr. OLSEN. Wait a minute. You are not getting to the answer. This is the answer we want in the record. We want to know why does the Census have to gather the material?

Mr. HOLTON. One of the principal reasons is that the trade associations in many cases have difficulty getting reports from their member firms because of the concern—

Mr. OLSEN. More than that, it is impossible, isn't it. Endicott-Johnson Co. won't tell the trade association, for fear they will tell some other shoe company and we are the only ones that all of the industry there trust, will trust, and that is why we have to gather the information; is that right?

Mr. HOLTON. Yes. You have the question of mandatory reporting and the confidentiality.

Mr. OLSEN. Protection and confidentiality; that is, the Census Bureau is the only one that will be trusted in this field.

Mr. HOLTON. Right.

Mr. OLSEN. That is what we have to have in the record, because this subject will come up from Members on the floor, just as it has come up here. We honestly don't know all of the answers. That is why we hold these hearings and we have to get the answers into the record, so we don't get challenged on the floor.

Mr. HOLTON. Mr. Chairman, let me supplement that in an important way, if I may. For a field like retail trade, a trade association can have a good bit of difficulty, because of the sampling problem. How many stores do you talk to, before you really know whether you have a representative sample? Now accurate sample design is a very expensive and very difficult and technical process and at the Bureau of the Census we have specialists in this field and so the sampling procedure which the Census can employ is far more likely to give accurate results than the kind of sample which the usual trade association could afford to put together. So the information is much more accurate, it is likely to be more accurate when it comes from the Bureau of the Census.

Mr. OLSEN. Thank you very much. Now I want to ask the members if there is objection to having the Secretary retire for a moment and we will hear from our colleague, Mr. Becker, whom we know is anxious to take care of some other business.

Mr. JOHANSEN. I want to defer to my colleague, but may I ask a question of the witness to reflect on in the interim and then he can come back and answer. This gives you maximum opportunity.

I would like to have any information you can put in the record as to what the Department of Commerce and the Census Bureau do to encourage exhausting private enterprise methods of getting this information before they take over the burden. You can chew on that for a few moments.

Mr. OLSEN. Mr. Becker, we are certainly glad to have you come and help us shed a little light on this subject of census records and whether or not they are burdening the businessman with too many questions or too much paperwork.

STATEMENT OF HON. FRANK J. BECKER, CONGRESSMAN FROM  
THE FIFTH DISTRICT, NEW YORK

Mr. BECKER. Mr. Chairman, it is very kind of you and the distinguished members of the committee to give me this opportunity to appear.

I appear here not only as a Member of the House, but as a businessman, and president of a small corporation. And frankly, I am sick and tired of all the forms we get from the Government. I can say here in the presence of this gentleman, Mr. Hafner, who is not the certified public accountant for my corporation, but for the CPA who is, I have to pay him by the year to fill out and file all the forms for the various taxes, State and Federal, in addition to making out other forms that come in from the Government. I would like to say one thing in the beginning. I am told by the Census Bureau and the Department of Commerce that such responses are voluntary; that there is no law compelling business people to fill in these forms, but you will only find this stipulation in the very smallest print. As a consequence there is hardly a businessman, particularly the smaller businessman, who doesn't think that he is compelled by law to do it.

I would like to make a recommendation that the following be put on all of these forms in large letters: That one is not compelled by law to fill it in and return it; that any reply is voluntary.

Mr. WILSON. Let's get this straight. Yesterday it was testified this is a mandatory thing, that there is a penalty people are subject to if they don't return these things.

Mr. BECKER. I was informed differently.

Mr. OLSEN. On the specific census of transportation, for instance and manufactures, there can be compulsion about answering the Census Bureau. But let us get it in context, that of all of the forms that are required by the Government, and all of the reporting required by the Government, there is only about 20 percent of it that is census and 80 percent of it is other, and let us say they are regulating agencies of the Government, rather than statistical. I shouldn't say the census is 20 percent. Twenty percent of the reporting to the Government is statistical, 80 percent of the reporting to the Government is to regulating agencies. Of that 20 percent that is statistical, it is very small, I guess 4 percent, that is the census. So the census is down on the lower end. But that doesn't in any way void your particular complaint. We want to hear it, because we are going into the whole field of reporting to the Government before we are through on this committee this spring.

Mr. BECKER. I wish the Census Bureau would bring the form that they send to the private hospitals and nursing homes up here—sheets this long. You should see the questions on it. This is voluntary, mind you, but the people don't know it.

One hospital told me last year it would require their administrative staff at least 1 whole week, if not longer, to try to fill out those forms.

Mr. OLSEN. Now sitting behind you there, Congressman Becker, I see many shaking of heads.

Mr. BECKER. They can shake their heads all they want, because it is their job to make up these forms, and they wouldn't have jobs if they weren't doing so.

Mr. OLSEN. They indicate it isn't their agency that requests this information.

Mr. JOHANSEN. May I say that without knowing it, possibly the responsibility for this item rests with HEW.

Mr. BECKER. Mr. Chairman, I say this, I am here this morning not interested in a particular department of the Government, HEW, Census, Department of Commerce. I think we have too many people on the payroll dreaming up these ideas.

Mr. JOHANSEN. Do you have any comprehension as to how many more forms we are going to have when this "civil wrongs" bill gets into effect?

Mr. BECKER. Well, I would just like to make my statement and then introduce the gentleman on my left.

Mr. WATSON. Mr. Chairman, I didn't hear the answer to your question, Mr. Johansen.

Mr. JOHANSEN. It wasn't a question. It was a rhetorical question, I would say.

Mr. BECKER. I didn't answer it. Knowing my good friend, Mr. Johansen, I know he did not want a reply to that. I would say this, Mr. Chairman, speaking now as a Member of the House, having received innumerable complaints, I am not going to put in the record here, Mr. Hafner will do his own job—

Mr. JOHANSEN. Would the gentleman identify his guest here?

Mr. BECKER. I will do that.

I personally believe if we are to help our business community, if we want to do what the Congress and the administration says it wants to do, to help industry and business provide more jobs, rather than Government, then we have to try to minimize the burden of Government upon the business community, so they may use their profits, their energy, and resources to provide jobs. If the Government imposes more regulations and forms, forcing business to use employees to fill out such forms, I am sure that gradually profits of business will be eaten up in this way, rather than through employment of people. This is my great interest.

I think also that we have got to realize at some point that it is business which provides the taxes and the individuals that keep the departments of Government going. Therefore, we should give them the greatest freedom in production and in operating their business, thereby providing employment.

I think on the other hand that what we have been doing for years is providing jobs for dreamers in the various departments, to think up every fantastic type of form to fill out.

I don't know where people get all these ideas, thinking that a businessman can take the time to fill out these lengthy forms and answer all of these questions without losing a great deal of interest in his own business.

Now we have done enough to take away incentive from people in earning money, by our high tax brackets, by siphoning off the incentive he is working for. Mr. Chairman, I don't know of any chairman of a subcommittee who has evinced more interest in this subject than you have. In my own office up here, over the past 2 years, I have gotten many questionnaires from foundations and groups of all kinds, including educational institutions. Why, I think I had one 2 weeks ago that took me about an hour just to glance through. It contained about 150 questions, excluding subtitles. I think this could be fine for those people who have nothing else to do, but it found its way the next morning into my "circular file."

I don't think we ought to be spending money for this kind of thing, because it is taxpayer's money which subsidizes their composition and printing.

Mr. Chairman, I want to present to you a constituent of mine, a personal friend, who lives in a village just about 1½ miles from my own village on Long Island. He is an upstanding certified public accountant, he has a great reputation in his field and he is well respected in his community in civic and community work. He heads the civic association and has other community interests. At this time I introduce Mr. Harold Hafner, whose home is in Baldwin, Long Island, N.Y.

Mr. OLSEN. Thank you very much, Mr. Becker, for bringing this gentleman here and thank you for your comments.

I want to say to you and Mr. Hafner, that today and yesterday we have been busy with the census itself and then we will have more hearings later on this greater volume of paperwork that is being required by so many other departments. I just decided yesterday that I am going to ask our Chairman Murray if our subcommittee can't go to some of the citizens, that is go to New York, for instance, which is a great commercial State, and go maybe to some of the other great commercial States to hear from the business people, so they don't have to come to Washington, to go to their States and hear from them on this subject of this paperwork jungle that I have been talking about and you have been talking about. But today, of course, we are on the census and we will take whatever remarks you have, but we are kind of confining it to the census.

Mr. JOHANSEN. Mr. Chairman, before the witness makes his statement, I want to assure my very able colleague and friend from New York, that any remarks I made do not indicate a lack of sympathy with his viewpoint. I want also to say, if I may within the limits of propriety, that I congratulate our witness on the representation he has in Congress.

Mr. BECKER. Thank you. You know I am retiring this year.

Mr. JOHANSEN. I trust that is a bit of bad humor you are offering. I am sorry to hear it.

Mr. WATSON. I would like to ask two questions. First, what is the size of your business, Congressman?

Mr. BECKER. You mean in dollars?

Mr. WATSON. Dollars and number of employees, approximately.

Mr. BECKER. I employ about five or six full-time and several part-time employees.

Mr. WATSON. One final question. Not that it would be determinative as to the value of the census or the business census, but how often, if ever, have you used the statistics gained through a business census in your business?

Mr. BECKER. I don't know that I ever have. All of the statistics in the world are not going to help me get business. I have to go out and work to produce it.

Some of these statistics I can understand may be helpful in saying that so and so many people live in this country. A certain newspaper that says the census indicates Long Islanders to be wealthy and wise. It shows my congressional district to be the fifth highest in income in the Nation.

Mr. JOHANSEN. This ought to soften my colleague up a little bit, to have this flattering information put out by the census.

Mr. BECKER. It also says that the unemployment rate in my district is 2.7 percent, well below the national average of 5.1 percent. And in education, I think we are ranked sixth nationally. We are fortunate. But this is census information and I don't know what good it is to me as a businessman. It is published in the headlines of the paper. Maybe the Census Bureau knows where this does good, finding the people in my district to be in the fifth highest income bracket in the Nation.

Mr. OLSEN. Let me give you an example. My brother is in the gasoline wholesale and retail business. He has anywhere from 10 to 12 employees through the year. He has been making many errors over the years and now he is in hopes the transportation census will actually help him; that there will be something from the transportation census that will give him some good advice in his business. But I am sure before we are through here, the Census Bureau is going to discharge themselves well on how their information is used and they are not requiring a lot of paperwork. But I want to assure you, my dear colleague, that we are going to pursue this thing this spring to find out where the bulk of the paperwork is being generated and if we can eliminate some of it.

Mr. BECKER. This I would hope and pray and I am sure you will.

Mr. OLSEN. Yes; all of this committee is vitally interested and we will pursue it diligently.

Mr. BECKER. Thank you.

**STATEMENT OF HAROLD R. HAFNER, CERTIFIED PUBLIC  
ACCOUNTANT, BALDWIN, N.Y.**

Mr. HAFNER. Mr. Chairman and members of the committee, Mr. Becker told me about this meeting, and I said I would not miss it for the world. This is the opportunity we CPA's have been waiting for, to get before the members of the committee. In other words, you men are painted by the various bureaus as the big bad wolves, and we welcome this opportunity to come before you to express the views of the CPA's, and the various plants from whom we get these gripes, and who actually have never had any occasion to use these statistics asked for here. I have been in the accounting field some 35 years.

Now, it didn't look for a little while that we were going to make it. There were 4 or 5 inches of snow on Long Island this morning, but Eastern Airlines kept their schedule and we made it.

Now, you did mention, Mr. Chairman, this was confined to the Census.

Mr. OLSEN. We are not going to confine you. You came a long way. You give us your information. I just wanted you to know that is our particular subject now. But we want to hear what you have to say. You have come a long way. We will see it is moved into the other record as well, into the other hearings we are going to have later. And I think it is good music for the Census to hear, too. They are sitting here.

Mr. HAFNER. That is right. I want to be able to prove there are duplications here.

Now the first thing I want to mention is this, and this is a little different information than Frank (Congressman Frank Becker) has given you here, but this is typical of what he calls, and I call, and I think we all call gobbledygook, baloney, whatever you want to call it, from the various Government bureaus.

Now, I have had a lot of correspondence with Frank, and I am one of his best correspondents. He has a whole file on me, because I am one of the few people that take my own time to write. I am self-employed, nobody pays me for any of this, or to come down and tell him what we think is wrong. And Frank is a great fighter, as you know.

He did mention he called up the Census Bureau, and they told him one particular form was not necessary to file. Well, this is information they gave him over the phone. I have the evidence here that says it has to be filed. But this is what is going on. If you really pin a man down on the phone, they give different information than they give in the returns.

Mr. OLSEN. Would you identify the returns you are speaking of?

Mr. HAFNER. Right. The first one I have came from the U.S. Department of Labor, the Bureau of Labor Statistics. Now, besides the usual question of "Average number of employees," "Total hours worked," they want to know what your peak operations were, what your normal operations were, and your slack operations. Of course, they are talking about business operations. But right alongside of it they ask you, and this comes under "Injury Summary," How many deaths did you have in your firm; how many total impairments; how many temporary disabilities; how many hernias?

Well now, in the first place, if this information was of any value to anybody, and this is called a cooperative survey, or a work injury survey, if this means anything to the U.S. Department of Labor, this information is already available where it would be and should be, with the Workmen's Compensation Bureau, where they have to have it. Those men on the committee who are insurance men know they have to have this, so they can figure the rates State by State. Every State in the Union has a rating bureau, where all of these statistics would be.

As far as the labor hours are concerned, I mean if it is necessary, another form could be included with the compensation payroll audits to cover that, if it is really necessary. That is point No. 1.

We come to point No. 2—

Mr. WILSON. Excuse me a moment. How broadly is this mailed out? What type of business received this?

Mr. HAFNER. The particular one I took here is received by everybody. It happened to be sent to a painter who has about two or three employees.

Mr. WILSON. Would you indicate those cases where people receive more than one form from different governmental agencies that may ask a similar question?

Mr. HAFNER. Well, the similarity in questions here is always how many people do you have on your payroll; what was your payroll on the 15th of a certain month; what are your hours, and so forth. There is your duplication. There is no other that asks for the deaths.

I don't think, unless you are self-insured, unless you happen to be self-insured, or a large corporation, you are ever going to have such statistics as this. That is what you pay your insurance broker for, or the compensation company. They have these statistics.

Why in the world the Bureau of Labor Statistics goes to the little fellow, who may have had some accident, we do not know. He doesn't know the ultimate outcome of a compensation case. All he knows is that he is paying his compensation premium, the payroll auditor comes, he gets all of the information he wants from the books, the bill is paid, and he is through, but along comes this, and this comes every year. And if you don't fill it in there is another followup, they threaten you with jail, they threaten you with a fine, and they quote congressional law, and that is you fellows, and that is why you are painted as big bad wolves. It is asked, Why does anyone want this information, and the Bureau says Congress authorizes it, and they quote the law on these forms here.

This is one exhibit I would like to leave with you. The fellow is out of business, but it is immaterial, and if the fellow was in business he wouldn't have the answers anyway.

Mr. OLSEN. We can put that in the record.

(The form follows:)

U.S. DEPARTMENT OF LABOR

BUREAU OF LABOR STATISTICS

NEW YORK STATE DEPARTMENT OF LABOR,  
DIVISION OF RESEARCH AND STATISTICS,  
*New York, N.Y., January 2, 1964.*

GENTLEMEN: The New York State Department of Labor and the U.S. Department of Labor, Bureau of Labor Statistics, jointly solicit your participation in this annual cooperative survey of work injuries.

The purpose of this survey is to provide information that will stimulate interest in accident prevention and provide the safety movement with a measure of its problems and its accomplishments. The one report you submit on the cooperative form (BLS-1418) will furnish both the State and national agencies with the information they need in compiling their respective summaries. Copies of these summaries will be sent to you upon request.

The success of the survey depends upon a large volume of reports from establishments of all sizes, in all types of activities. Whether your plant had many injuries or none, your report is important, since it will be combined with those from other employers to arrive at the average rate for your industry. If there were no disabling injuries, fill out only parts I and II, and enter zero on line 11.

Data reported will be held in confidence and will not be published or released in any form that would reveal the figures of any individual establishment or company. To avoid duplicate requests to you for the same information, however, your report may be made available, upon official request, to other Government agencies having authority to collect similar information.

Please review the detailed instructions on the other side of this letter before completing the enclosed form (BLS-1418). This report should cover your New York operations only, even though you may have employees outside of the State. One copy of the report is for your files. Please return the other copy in the enclosed envelope, which requires no postage. Your prompt reply will be very helpful.

If you have any questions, please address them to the State Labor Department, Division of Research and Statistics, 80 Centre Street, New York, N.Y. 10013, or telephone Cortland 7-9800, extension 7418.

We greatly appreciate the widespread cooperation we have received from New York employers in previous surveys and look forward to your participation this year.

Very truly yours,

CHARLES A. PEARCE,  
*Cooperating Representative.*

B.L.S. 1418

U.S. DEPARTMENT OF LABOR  
BUREAU OF LABOR STATISTICS  
WASHINGTON 25, D.C.

**WORK INJURIES  
COOPERATIVE SURVEY**

Budget Bureau No. 44-R002.14.  
Approval expires Nov. 30, 1964.

NEW YORK STATE DEPT. OF LABOR  
DIVISION OF RESEARCH AND STATISTICS  
80 CENTRE STREET  
NEW YORK, N.Y. 10013

(Return one copy to above address)

**Report NEW YORK STATE operations only**

Please complete this report whether or not there were any disabling injuries. See separate instruction sheet.

IP code)

**I. EXPOSURE DATA, 1963.** (See instructions I.)

(Please complete this section even though there were no disabling injuries.)

1. Average number of employees (Enter average for year; include all classes of employees) . . . . .
2. Total hours worked by all employees during entire year . . . . .
3. Operations: If hours averaged less than 1,500 or more than 2,500 per employee, please supply the following data:
 

	Average employment	Hours per week per person	Number of weeks
Peak operations . . . . .	.....	.....	.....
Normal operations . . . . .	.....	.....	.....
Slack operations . . . . .	.....	.....	.....
Total number of weeks operated during year . . . . .	.....	.....	.....
Comment . . . . .	.....	.....	.....

**II. NATURE OF BUSINESS.** (See instructions II.)

4. Principal type of activity of this establishment (i.e., manufacturing, wholesale, retail, construction, public utility, etc.):  
.....
5. Enter in order of importance the principal products manufactured, lines of trade, specific services, or other activities. Percent of total annual sales value or receipts, 1963
 

(a).....	.....%
(b).....	.....%
(c).....	.....%
(d).....	.....%
(e).....	.....%
6. If manufacturing, please indicate:
  - (a) Principal materials used (e.g., Aluminum castings, machined parts, assembled parts; rayon staple, wool yarn, cotton fabrics, etc.—in the form brought into plant, do not list materials produced in this plant.)  
.....
  - (b) General types of operations performed (e.g., foundry, machine shop, assembly; spinning, weaving, sewing, etc.).....

**III. INJURY SUMMARY, 1963.** (See instructions III.)

Report all disabling (or "lost-time") injuries arising out of employment; include occupational diseases. DO NOT count any case in more than one section. If no disabling injuries during year, enter "0" on line 11.

Injuries resulting in—	Number of cases	Time charges (see over)
<b>7. Deaths</b> (All deaths resulting from 1963 work injuries, regardless of time between injury and death.) (Describe over) . . . . .		
<b>8. Permanent-total impairments</b> (Describe over) . . . . .		
<b>9. Permanent-partial impairments</b> (Also include unrepaired inguinal hernias.) (Describe over) . . . . .		
<b>10. Temporary disabilities</b> (All work injuries, not reported above, which disabled worker for 1 full calendar day or more after the day of injury.)		↓ <b>DAYS OF DISABILITY</b> (Total days lost, including Saturdays and Sundays)
(a) Disabilities of 1, 2, or 3 days each . . . . .		
(b) Disabilities of 4 or more days each (except inguinal hernias) . . . . .		
(c) Hernias, inguinal, repaired . . . . .		
(d) Disabilities of unknown duration (Describe over) . . . . .		
(e) .Sum of items 10(a), (b), (c), and (d) . . . . .		
<b>11. Grand total—All disabling injuries</b> (Sum of items 7, 8, 9, and 10(e). If no disabling injuries, enter "0" . . . . .		
<b>12. Medical treatment cases</b> (Injuries requiring only first-aid or medical treatment. If records of these cases are not readily available, enter "N.A." DO NOT include in count of disabling injuries above.) . . . . .		XXXXXX
	Frequency rate	Severity rate
<b>13. Injury rates</b> (for office use only) . . . . .		

(SEE OVER)



Mr. HAFNER. The next one is addressed to one of our small laundromats that just went into business. When a man goes into business you file to get him a social security number. You file with the Department of Health, Education, and Welfare this form No. SS-4. They immediately give him a social security number. Immediately following that, he gets a questionnaire.

Mr. OLSEN. What is the number of that form?

Mr. HAFNER. OAA-100.

Mr. OLSEN. Who does that come from?

Mr. HAFNER. It comes from the Department of Health, Education, and Welfare, Social Security Division.

Mr. OLSEN. All right.

Mr. HAFNER. Now this is a very simple questionnaire. If they were all as easy as this, it would be all right. But the point is, we already have filed an SS-4 and given them the county in which these people are working, the fact that they just did hire an employee, half time or full time, et cetera. This questionnaire now asks how many employees you have, when did you start in business, what type of business are you in, et cetera. If that is pertinent information and they really need it, my question is why do we have another form that practically duplicates the first one, the SS-4?

This form seems to be of importance to the Census Bureau, because the same stencil number and same social security number that is on these forms, emanates from SS-4, the first form. In other words, it starts a mailing list for the other Government bureaus. Now, if Health, Education, and Welfare wants to have these statistics, why not incorporate a few more questions in the SS-4 and let's eliminate one form, one complete form. It could very easily be done.

I will leave this form with you.

Mr. OLSEN. If you would, please.

(The forms mentioned follow on pp. 89-91.)

Mr. HAFNER. Now, I come to the most famous of all. After our taxpayers and businessmen and your constituents—Frank's constituents—have been sort of given a body blow by these previous forms and they come to me and I say, "It is going to cost you money, if you want me to fill it out," then we come to the biggest one of all, from the Census Bureau. You are immediately frightened by the fact you get a big long official-looking form, Government document, and you open it up and this is the size you have to fill out.

This is a typical one. It is about 10½ by 20 inches. The name of this particular form is the "1963 Census of Business," form CB-58.

Now we hear a lot about integration and segregation and so forth. This particular client of mine has been segregated and he is classified in the eating and drinking establishments. Actually, it is a typical bar and grill with a New York State liquor license. Now he has a part-time employee, one employee. So he is classed as an eating and drinking establishment.

Immediately you look it over, and the same questions are asked—I am showing you here a copy of this. I am not leaving with you the originals. I am leaving the copies that are supposed to remain with the taxpayer. So you are not actually seeing the names. I have the originals right here.

FORM 95-4 U.S. TREASURY DEPARTMENT INTERNAL REVENUE SERVICE (REV. 10-50) EMPLOYER'S APPLICATION FOR IDENTIFICATION NUMBER UNDER THE FEDERAL INSURANCE CONTRIBUTIONS ACT DO NOT WRITE IN THIS SPACE

NOTE—Read instructions on reverse before filling in this form TYPEWRITE or PRINT all entries in BLACK or DARK BLUE INK

1 EMPLOYER'S NAME—Enter owner's TRUE name under which tax returns will be filed, as distinguished from TRADE name.

2 TRADE NAME, IF ANY—Enter name under which business is operated, if different from ITEM 1

3 ADDRESS OF PRINCIPAL PLACE OF BUSINESS—No. and Street City P. O. Zone County State

4 CHECK (X) TYPE OF ORGANIZATION—If "Other" specify, such as "Estate," etc.  
 Individual Owner  Corporation  Partnership  Other (Specify) NUMBER OF EMPLOYEES 5

6 Give date employer in ITEM 1 acquired this business Month Day Year 7 Give first date employer in ITEM 1 paid taxable wages to one or more employees Month Day Year

8 SHOW NATURE OF BUSINESS (See instructions on back)

9 Has employer previously filed an application for an identification number for this or any other business?  Yes  No 10 Was this business previously operated by another employer?  Yes  No  
 If "Yes," give approximate date

11 If answer to ITEM 10 is "Yes," give previous employer's name and identification number, if known

DATE SIGNATURE—DO NOT PRINT—Owner, Partner, Officer, or Fiduciary TITLE

INTERNAL REVENUE SERVICE COPY PAGE 1

DO NOT DETACH

10-43733-3 U. S. GOVERNMENT PRINTING OFFICE

PAGE 2 SOCIAL SECURITY ADMINISTRATION COPY FORM 95-4 (REV. 10-50)

1 EMPLOYER'S NAME—Enter owner's TRUE name under which tax returns will be filed, as distinguished from TRADE name.

2 TRADE NAME, IF ANY—Enter name under which business is operated, if different from ITEM 1.

3 ADDRESS OF PRINCIPAL PLACE OF BUSINESS—No. and Street City P. O. Zone County State

4 CHECK (X) TYPE OF ORGANIZATION—If "Other" specify, such as "Estate," etc.  
 Individual Owner  Corporation  Partnership  Other (Specify) NUMBER OF EMPLOYEES 5

6 Give date employer in ITEM 1 acquired this business Month Day Year 7 Give first date employer in ITEM 1 paid taxable wages to one or more employees Month Day Year

8 SHOW NATURE OF BUSINESS (See instructions on back)

9 If nature of business is MANUFACTURING, list in order of their importance the principal products manufactured and the estimated percentage of the total value of all products which each represents.

1	%	2	%
3	%		

10 CHECK (X) REASON FOR FILING THIS APPLICATION—If "Other" specify, such as "Change in corporate structure," "Acquired by gift or trust," etc.  
 Started new business  Purchased going business  Change in partnership  Other

11 Does employer in ITEM 1 operate more than one place of employment?  Yes  No. If "Yes," attach a list showing for each separate place of employment: a. The name and address. b. Nature of business. c. The number of employees.

10-43733-4

GEO. CODE IND. CODE CLASS CODE SIZE CODE REASON FOR APPL. BUS. BIR. DATE

## INSTRUCTIONS

**WHO MUST FILE THIS APPLICATION?** Every person who pays taxable wages to one or more employees and who has not previously applied for an identification number under the Federal Insurance Contributions Act. (If you pay taxable wages only for household work in your private (nonfarm) home, you should ask the Collector of Internal Revenue to place your name on his mailing list. You are not required to use this form, but may do so by entering your name in Item 1, your household address in Item 3, and "Household workers only" in Item 8.)

Only one application for an identification number should be filed, regardless of the number of establishments operated. This is true even though the employer has adopted and is doing business under one or more business or trade names. Each corporation of an affiliated group must be treated as a separate employer, and each must file a separate application. If a business is sold or transferred and the new employer does not have an identification number, he should not use the identification number assigned to the previous employer, but must file an application on Form SS-4 for an identification number himself.

**WHERE MUST THIS APPLICATION BE FILED?** Either with the nearest field office of the Social Security Administration in the State in which the employer's principal place of business is located or with the United States Collector of Internal Revenue for the district in which such place of business is located.

**WHEN MUST THIS APPLICATION BE FILED?** On or before the seventh day after the date on which employment for taxable wages first occurs.

**HOW THIS APPLICATION SHOULD BE FILLED IN.** All answers should be typewritten or printed plainly in Black or Dark Blue Ink.

Items 1 and 2. Name of employer. Enter in Item 1 the true name of the employer, and enter in Item 2 the trade name, if any, adopted for business purposes. For example, if John W. Jones, an individual owner, operates a restaurant under the trade name of "Busy Bee Restaurant," "John W. Jones" should be entered in Item 1 and "Busy Bee Restaurant" in Item 2.

**NOTE.**—If the employer was created by statute, court order or decree, charter, oral or written agreement, will, declaration of trust, or other legal instrument, enter in Item 1 the full name recognized thereunder. If the employer is a corporation, enter in Item 1 the corporate name as set forth in its charter or other legal document issued by the Government creating it. In the case of a trust, the name of the trust estate should be entered in Item 1, and the name of the trustee in Item 2. In the case of an estate of a decedent, insolvent, etc., the name of the estate should be entered in Item 1 and the name of the administrator or other fiduciary in Item 2. If the true name of the employer is unusually long, the true name must be shown in a statement attached to this form. In such case, a short name clearly identifying the employer and distinguishing this employer from other employers should be adopted for purposes of this form and entered in Item 1.

16-43733-3

## DO NOT DETACH

Item 7. Give first date employer in Item 1 paid taxable wages to one or more employees. If the employer does not know whether the employment taxes are applicable with respect to his employees' wages, he should consult the United States Collector of Internal Revenue.

Item 8. Describe the kind of business carried on by employer in Item 1.

The following examples illustrate the type of information needed.

- (a) **MINING AND QUARRYING.** State principal product obtained, i. e., bituminous coal, bauxite, crude oil, crushed limestone, etc.
- (b) **CONSTRUCTION.** State whether general contractor or special trade contractor and show type of work normally performed, i. e., general contractor on streets and highways, general contractor for residential building, plumbing subcontractor, electrical subcontractor, etc.
- (c) **WHOLESALE TRADE.** State whether operating on own account or on a commission basis, and specify principal commodity or line of goods sold, i. e., independent wholesaler of canned fruits and vegetables, commission wholesaler of industrial chemicals, manufacturer's representative for mining machinery, etc.
- (d) **RETAIL TRADE.** State type of establishment and principal line of goods sold, i. e., retail grocery store, retail hardware store, retail gasoline filling station, retail package liquor store, retail millinery shop, etc.
- (e) **MANUFACTURING.** State type of establishment operated, i. e., sawmill, vegetable cannery, by-product coke oven, steel cold-rolling mill, etc. In Item 9 on page 2, list principal products manufactured.
- (f) **FARM.** State kind operated, i. e., dairy farm; apple orchard; cattle ranch, etc.
- (g) **NONPROFIT.** State whether organized for religious, charitable, scientific, literary, educational or humane purposes and state the principal activity, i. e.: religious organization—hospital; charitable organization—home for the aged, etc.
- (h) **OTHER ACTIVITIES.** State exact type of business operated, i. e., motion-picture theater, owner-operator of apartment house, barber shop, advertising service, rental of coin-operated machines, steam laundry, etc.

Employer will be notified of the identification number assigned.

FORM OAA-100  
(4-63)

FORM APPROVED,  
BUDGET BUREAU NO. 72-R238.10

EMPLOYER INFORMATIONAL SCHEDULE

DEPARTMENT OF  
HEALTH, EDUCATION, AND WELFARE  
SOCIAL SECURITY ADMINISTRATION  
BOX 2115, BALTIMORE 3, MARYLAND

SECOND REQUEST

\* 11 2011461 11 2140 7215 03 263 1963

GORDON & GORDON  
GORDONS LAUNDRY & CLEANING VILLAGE  
66 WESTERVELT AV  
BALDWIN, N Y

DO NOT FILL IN THESE ITEMS			
UNIT			
SINGLE	MULTI		
CODE			
GEO.		IND.	

The Social Security Administration is required by law to study the effectiveness of the Social Security program, and to recommend improvements in legislation and administration policy. The information requested on this form is necessary to carry out these duties.

In order to reduce the number of requests you receive for identical information, and to lessen duplication of work in the government, photo copies of your completed Schedule may be supplied to other government statistical agencies under Regulation 1. To insure satisfactory copies, your answers should be TYPED or CLEARLY PRINTED in INK. Answer completely all questions which apply to your business as indicated in item 1 below. PLEASE RETURN THIS SCHEDULE IN THE ENCLOSED ENVELOPE WITHIN 15 DAYS.

1. DO YOU OPERATE MORE THAN ONE PLACE OF EMPLOYMENT?  YES  NO IF "YES" FILL IN ITEM B ONLY IF "NO" FILL IN ITEMS 2, 3, 4, 5, 6 AND 7

2. ARE YOU SUBJECT TO THE UNEMPLOYMENT COMPENSATION LAW OF ANY STATE?  YES  NO IF "YES" ENTER NAME OF STATE AND U. C. ACCOUNT NO.

3. HOW MANY EMPLOYEES DO YOU HAVE IN THIS ESTABLISHMENT? STATE AND COUNTY 4. IN WHICH THIS ESTABLISHMENT IS LOCATED

5. DESCRIBE THE TYPE OF BUSINESS YOU OPERATE. IF YOU ENGAGE IN MORE THAN ONE ACTIVITY, GIVE THE APPROXIMATE PERCENTAGE OF EACH BASED ON TOTAL RECEIPTS FOR THE PAST 12 MONTHS OR SINCE THE BUSINESS WAS ESTABLISHED.

a		%
b		%

6. TO WHOM DO YOU SELL MOST OF YOUR PRODUCTS OR SERVICES?  BUSINESS ESTABLISHMENTS  GENERAL PUBLIC  OTHER (SPECIFY)

7. IF YOU ARE ENGAGED IN MANUFACTURING FILL IN THE FOLLOWING:

PRINCIPAL PRODUCTS (BASED ON PRECEDING 12 MONTHS' PRODUCTION OR SINCE THE BUSINESS WAS ESTABLISHED)	PERCENT OF TOTAL VALUE	PRINCIPAL RAW MATERIALS USED
a)		
b)		
c)		

8. IF YOU ANSWERED "YES" TO ITEM 1, FILL IN THE FOLLOWING: (ATTACH ADDITIONAL SHEETS IF NECESSARY)

TRADE NAME AND ADDRESS OF EACH PLACE OF EMPLOYMENT	DESCRIBE THE TYPE OF BUSINESS OPERATED AND, IF MANUFACTURING, LIST PRINCIPAL PRODUCTS	U. C. ACCT. NO. AND STATE (SEE ITEM 2)	NO OF EMPLOYEES

DATE SIGNATURE TITLE

The standard questions are asked, of payroll, dollar volume of sales, how many employees did you have in a certain period of the month, etc. This is all information that has been submitted in prior forms and to different other bureaus. This is all easy enough to figure, but when the Bureau asks that every question in this form be answered, you can imagine the frustration and the lost feeling that anybody has.

I do not fill these forms out unless I get paid for them. Actually, the Census Bureau throws to accountants and lawyers additional business. But few like to fill these forms out. You get a feeling of frustration, uselessness. What does this mean, what is it used for?

Mr. WILSON. I don't understand what you mean when you said he has been segregated. You said this is a bar and grill. What is the difference between that and eating and drinking?

Mr. HAFNER. The Census Bureau puts him under the category of eating and drinking.

Mr. WILSON. Isn't that what a bar and grill is?

Mr. HAFNER. Yes.

Mr. WILSON. What do you mean by saying he has been segregated?

Mr. HAFNER. In a few minutes you will see what I mean. On the second page he has become integrated. We have a couple of questions here, and we go to the back page of this particular form and it wants to know how many customers can he seat in his establishment. That is easy enough to answer, too, if you want to take the time out. Then they want to know if offstreet parking facilities are provided. Then they want to know how many days in the week you are open, how many hours per day. What they want to know these things for we do not know.

Now here is the final blow. Now we come to section 13, "Merchandise Lines," and this is why I mention this man has a bar and grill, classified as eating and drinking. Now it says here, "Make an entry on each of the lines below—enter a zero on the line if you sold none of the merchandise described." There are around 30 to fill in here.

Here is where I question what information we get from this, where it would apply, what is it all about. They want to know from this bar and grill of his sales, how much cosmetics did he sell, how much men's and boys' clothing did he sell, excluding footwear. Next they want to know how much footwear did he sell, how much women's clothing, how much curtains and draperies. That is what I mean by segregation or integration. He is an eating and drinking establishment on this side and they ask him to be integrated on the other side.

I don't know what this is all about, where these statistics are used, but these are the things that take time to fill out. This is a typical one.

Mr. WATSON. Mr. Chairman, may I interrupt there?

There is a classic expression, "You ain't seen nothing yet," until after this civil rights bill. You spoke of segregation and integration there, in perhaps a generic term, but when you apply it to a specific problem, the Census Bureau, and it is not going to be their fault, we, the Congress, are going to force them to impose a burden on business and you people will get rich while the business is going broke.

Mr. HAFNER. That is why I am glad to appear before your committee, because they put the blame entirely on your shoulders.

FORM CB-58 (5800)

U.S. DEPARTMENT OF COMMERCE BUREAU OF THE CENSUS

CONFIDENTIAL—Response to this inquiry is required by Act of Congress (13 U.S.C.). The report you submit to the Census Bureau is confidential and may be seen only by sworn Census employees. It may not be used for purposes of taxation, investigation, or regulation. Copies retained in your files are also immune from legal process.

1963 CENSUS OF BUSINESS

EATING AND DRINKING

In correspondence pertaining to this report please refer to the 11-digit file number in the box above your name.

CB-58 (5800)

KEEP THIS COPY FOR YOUR FILES

PLEASE COMPLETE AND RETURN THE FORM WHICH SHOWS YOUR NAME AND ADDRESS

(Do NOT make any entries on the above label.)

1. NAME AND PHYSICAL LOCATION OF ESTABLISHMENT ON DECEMBER 31, 1963.

a. Name of establishment
Your answers to parts b, c, d, e, and f of this item should relate to the ACTUAL PHYSICAL LOCATION of this establishment which may be different from the mailing address.

d. Is this establishment physically located within the legal boundaries of the place named in "c"?
Yes No

e. County in which located

f. State

g. Telephone number of establishment

\*If establishment location cannot be described by street and number, give name and number, if any, of road or highway and sufficient information to locate establishment, e.g. Rt. 25, 3 miles south of Charlesville.

c. Type and name of place in which located (Check first applicable type and enter name of place.)

Table with columns: Type, Name of place. Rows: City, Village or borough, Town, Township, Other (Specify)

2. Identification Number used for this establishment on Employer's Quarterly Federal Tax Return (U.S. Treasury Department Form 941).

3. FORM OF OWNERSHIP (Check one)

- 1 Individual proprietor
2 Partnership
0 Corporation (Do not include any form of cooperative association).
8 Cooperative association (corporate or non-corporate).
9 Other (Specify)

4. PERIOD OWNED IN 1963

a. Did you own this business at the end of 1963? 1 Yes 2 No

b. How many months during 1963 did you own this business? No. of months

5. CLASS OF CUSTOMER

Check the box which indicates the class of customer which accounts for more than half of your entry in Item 7a. If no one class accounts for more than half, indicate approximate percentage next to each box.

- 1 % General public (household consumers, farmers, individuals.)
2 % Business firms, government, institutions
3 % Other (Specify)

6. METHOD OF SELLING

Check the box which describes your principal method of selling. (Do not check more than one box.)

- 1 Selling at this establishment
2 Mail order (catalog selling)
3 House-to-house (direct selling)
4 Operating merchandise vending machines

ANSWER ALL QUESTIONS A, E AND BELOW

7. DOLLAR VOLUME OF BUSINESS IN 1963

a. Sales of merchandise and other receipts from customers \$ XX

b. Does the entry in "a" include sales and excise taxes collected from customers? 1 Yes 2 No

c. If "No," how much did you forward to taxing agencies for such taxes? \$ XX

Dollars Cents Key

XX X-6

X-7

XX X-8

8. PAYROLL AND EMPLOYMENT

—Note: If this is an unincorporated business, do not include the compensation of owners with the payroll figures, and do not count owners as paid employees.

a. Total ANNUAL payroll in 1963 before payroll deductions \$ XX

b. Number of paid employees for the WORK WEEK ended nearest November 15, 1963. Number X-10

c. Payroll for the ONE WEEK ended nearest November 15, 1963 \$ XX 1-1

If your payroll is for a period other than one week, please adjust the figures to a one-week basis.

PAID EMPLOYEES—Report total number of employees on the payroll during the week specified, including those on paid sick leave, paid holidays, and paid vacation. Include salaried officers and executives of corporations. Do not include owners and partners of unincorporated businesses.

PAYROLL—Include all salaries, wages, commissions, bonuses, vacation allowances, and the value of payments in kind, such as goods, lodging, food, and clothing. Do not include tips, gratuities, etc., received by your employees from others. Do not include payments to (or withdrawals by) owners or partners of unincorporated businesses.

SALES OF MERCHANDISE AND OTHER RECEIPTS

Include: All sales of merchandise (whether or not payment was received in 1963). All receipts from customers for services, including repair, maintenance, delivery, and installation charges. All receipts from carrying charges or other charges for credit. Do not include: Receipts from rent or sale of real estate. Commissions from vending machine operators. Income from investments. Do not deduct: Trade-in allowances from sales. Deduct: Allowances for returned goods.

9. DEPARTMENT OR CONCESSION LOCATED IN THE ESTABLISHMENT OF ANOTHER FIRM

a. Is your business at this location conducted as a DEPARTMENT OR CONCESSION (such as a tobacco concession in a restaurant) in an establishment operated by another firm? (Check "Yes" if customers normally consider your operation as part of the establishment operated by the other firm, or if your sales to customers are billed by that establishment.) 1 Yes 2 No

b. If "Yes," please enter the name and description (kind of business) of the establishment which is operated by the other firm. Name Kind of business

10. DEPARTMENT OR CONCESSION LOCATED IN THIS ESTABLISHMENT

a. Is any department, concession, or any business not owned by you, operated within this establishment? (Check "Yes" if there is any operation of others which customers normally consider part of your establishment, or if you bill customers for sales of such department, concession, or business.) 1 Yes 2 No

Table with columns: Name and address of owner of department or concession (A), Kind of business of department or concession (B), Estimated sales during 1963 (C), Are the sales of this department included in your answer to Item 7a? (D), Are the employees and payroll of this department included in your answer to Item 8? (E), Census Use Only (F). Rows 1 and 2.

11. COMPANY AFFILIATION

a. Check this box if this business is owned or controlled by another company and enter the name, mailing address, and Employer Identification Number of owning or controlling company (if known). b. Check this box if this business owns or controls any other company or companies and enter the name, mailing address, and Employer Identification Number of owned or controlled companies (if known).

Name of company Mailing address E. I. Number

Please complete inquiries on reverse side

THE UNIVERSITY OF CHICAGO  
DEPARTMENT OF CHEMISTRY  
LABORATORY OF ORGANIC CHEMISTRY  
CHICAGO, ILLINOIS

RECORD OF RESEARCH  
PROJECT: SYNTHESIS OF POLYMERIZATION CATALYSTS  
DATE: 1954-1955

NO.	DATE	DESCRIPTION
1	1/15/54	Preparation of catalyst A
2	1/22/54	Reaction of catalyst A with monomer
3	2/5/54	Analysis of polymer product
4	2/12/54	Preparation of catalyst B
5	2/19/54	Reaction of catalyst B with monomer
6	3/5/54	Analysis of polymer product
7	3/12/54	Preparation of catalyst C
8	3/19/54	Reaction of catalyst C with monomer
9	4/5/54	Analysis of polymer product
10	4/12/54	Preparation of catalyst D
11	4/19/54	Reaction of catalyst D with monomer
12	5/5/54	Analysis of polymer product

REPORT OF RESEARCH  
PROJECT: SYNTHESIS OF POLYMERIZATION CATALYSTS  
DATE: 1954-1955

BY: DR. J. H. HARRIS  
AND  
MR. R. W. BROWN

1. INTRODUCTION  
The purpose of this research was to investigate the synthesis and activity of various catalysts for the polymerization of ethylene. The catalysts were prepared from different metal complexes and their activity was measured by the amount of polymer formed under standard conditions.

2. EXPERIMENTAL  
The catalysts were prepared by the reaction of metal salts with organic ligands. The polymerization reactions were carried out in a high-pressure reactor at 1000 psi and 50°C. The polymer products were analyzed by elemental analysis and infrared spectroscopy.

3. RESULTS  
The results of the experiments are summarized in the following table:

Catalyst	Polymer Yield (%)
A	15
B	25
C	35
D	45

4. DISCUSSION  
The results show that the activity of the catalysts increases with the complexity of the ligand system. This suggests that the ligand plays a significant role in the catalytic cycle. Further studies are needed to elucidate the mechanism of the polymerization reaction.

5. CONCLUSIONS  
The synthesis and activity of various catalysts for the polymerization of ethylene have been investigated. The results show that the activity of the catalysts increases with the complexity of the ligand system.

6. REFERENCES  
1. J. H. Harris, R. W. Brown, J. Polym. Sci., 1955, 15, 123.  
2. R. W. Brown, J. Polym. Sci., 1954, 14, 456.

**12. KIND OF BUSINESS**

1-4

a. If one of the following titles adequately describes your kind of business, place a "1" on that line and make no entries on the other lines. If no one title describes your business adequately, place a "1" next to the title which indicates your most important activity, a "2" next to the second most important, etc.

- |   |   |
|---|---|
| <b>826</b> _____ Caterer (other than in-plant)  | <b>831</b> _____ Drinking place                       |
| <b>825</b> _____ Refreshment place (soft drinks, ice cream, frozen custard, hamburgers, hot dogs, etc.) | <b>921</b> _____ Liquor store (retail package store)  |
| <b>823</b> _____ Cafeteria (self-service)   | <b>389</b> _____ Merchandise vending machine operator |
| <b>822</b> _____ Restaurant, other eating place   | _____ Other kind of business ( <i>Describe kind</i> ) |

- b. Was this establishment operated on the premises of, and under contract with, a company or governmental organization to sell meals and refreshments to its employees? Yes  No
- c. Was the principal activity of this establishment the catering (either on your premises or elsewhere) of foods and beverages to parties or other groups on a contract basis? 1  2
- d. Was waiter or waitress service provided at tables or booths? 1  2
- e. Was drive-in curb service (service to customers at vehicles) provided? 1  2
- f. Are any rooms or cabins for rental to transient guests, operated as part of this business, at this location? 1  2
- If "Yes" (1) How many units? (Number) \_\_\_\_\_
- (2) About what percent of the total receipts of this establishment in 1963 was from rental of these units? (Percent) \_\_\_\_\_%
- g. How many customers can be seated in this establishment at one time? (Number) \_\_\_\_\_
- h. Are off-street parking facilities available to customers of this establishment, without charge, at this location? Yes  No
- i. How many days per week is this establishment usually open? (1)  7 days (3)  5 days  
(2)  6 days (4)  Fewer than 5 days
- j. How many hours per day is this establishment usually open? (1)  18 hours or more (3)  6 hours or more but fewer than 12  
(2)  12 hours or more but fewer than 18 (4)  Fewer than 6 hours

**13. MERCHANDISE LINES**

Make an entry on each of the lines below—enter a zero (0) on the line if you sold none of the merchandise described. Make entries on the basis of sales (or purchase totals) you usually prepare. If you do not prepare totals, make estimates on the basis of your knowledge of your own operation. It is important to make an entry on each line, even though estimated. Note: Entries on the following lines should exclude sales from vending machines owned by others.

You may report either in dollars or as a percent of total

Merchandise lines	Estimated sales during 1963		Census use only	Merchandise lines	Estimated sales during 1963		Census use only
	Dollars	Per-cent			Dollars	Per-cent	
1. Groceries, other food items for preparation and consumption away from this establishment (including candy, bottled or condensed soft drinks).			20	15. Sporting and recreational equipment, boats, bicycles, luggage, hunting, fishing, camping equipment.			300
2. Meals, snacks, sandwiches, non-alcoholic beverages generally served for consumption at this establishment.			040	16. Hardware, tools, gardening equipment and supplies.			320
3. Alcoholic drinks (served at this establishment).			060	17. Lumber, millwork, building materials, paints, heating and plumbing equipment, home repair and modernization equipment and supplies (include major appliances on Line 11—not here).			340
4. Packaged liquor, wine and beer.			080	18. Automobiles, trucks, other powered road vehicles.			380
5. Cigars, cigarettes, tobacco (exclude sales from vending machines owned by others).			100	19. Automotive fuels and lubricants.			400
6. Cosmetics, drugs, health, first aid and sick room needs, toiletries, dentifrices, soaps and detergents, household cleansers.			120	20. Automobile tires, tubes, batteries, accessories, parts.			420
7. Men's and boys' clothing and furnishings (exclude footwear; all footwear should be reported on Line 9).			140	21. Farm equipment, machinery.			440
8. All women's and girls' clothing and accessories, infants' and children's wear, etc. (exclude footwear; all footwear should be reported on Line 9).			160	22. Hay, grain, feed, farm supplies.			460
9. All footwear.			180	23. Fuels (coal and wood, oil, LP gas), ice.			480
10. Curtains, draperies, bedsheets, blankets, linens, piece goods, patterns, laces, trimmings, notions, closet accessories, blinds, window shades.			200	24. All other merchandise. (Magazines, newspapers, books, photographic equipment and supplies, toys, stationery, baby carriages, etc.)			500
11. Major household appliances, radio, TV, record players, tape recorders, records, tapes, sheet music, musical instruments.			220	<i>(If sales of merchandise on this line is more than 10% of total sales, specify principal lines):</i>			
12. Furniture, sleep equipment, floor coverings.			240	25. All nonmerchandise receipts from customers. (Include receipts from carrying charges and all other charges to customers for credit. Also include all receipts from customers for installation, delivery, repair, maintenance, on-site construction, and rental of tools and equipment.) If sales and excise taxes are not included in the entries on Lines 1-24, include them with other nonmerchandise receipts on Line 25.			
13. Kitchenware, small electric appliances, china, glassware, lamps, lamp shades, mirrors, pictures, and other home furnishings.			260	26. TOTAL (Lines 1 through 25—should equal sum of figures in Items 7a and 7c.)			540
14. Jewelry, watches, clocks, silverware, optical goods.			280				

**14. MERCHANDISE VENDING MACHINE OPERATORS**

If you checked the box "Operating merchandise vending machines" in Items 6 and 12a, enter the number of each type of machine on location at the end of 1963:

3	Number	Key	Number	Key
1. Cigars, cigarettes, and tobacco.		3-1XX	7. Cookies, crackers, biscuits and other nonrefrigerated foods not listed above.	3-10
2. Milk and ice cream.		3-4	8. Sandwiches, salads, and other refrigerated foods not listed above.	3-11
3. Soft drinks (not including fruit and vegetable juices) (a) Bottled.		3-5	9. Other types <i>(Specify)</i> _____	3-12
(b) Cup.		3-6	10. TOTAL (Sum of Lines 1 through 9)	3-13*
4. Coffee, soup, other hot beverages.		3-7		
5. Candy, confectionery, gum, nuts.		3-8		
6. Hot foods (not including beverages).		3-9		

**15. YOUR BUSINESS LOCATIONS**

- a. In 1963 did you operate your business at more than one location under the Employer Identification Number you had at the end of 1963? 1  Yes 2  No
- b. If "Yes" is checked above, separately list below each location, including your main selling location, and including facilities other than selling establishments (such as warehouses, central administrative offices, buying offices, etc.).

Address of business (Street, number, city or town, county, State)	Description of business	Census use only	Sales		Number of employees (Pay period ended nearest Nov. 15)
			Dollars	Cents	
1.			\$	XX	
2.			\$	XX	
3.			\$	XX	
Totals for this Employer Identification Number <i>(Should be equal to Items 7a and 8c.)</i>			\$	XX	

This space may be used for any explanations that may be helpful in understanding your report.

**16. CERTIFICATION**

Name and address of person who should be contacted if questions arise regarding this report. Telephone No. \_\_\_\_\_

This report is substantially accurate and covers the period from \_\_\_\_\_ to \_\_\_\_\_

Date \_\_\_\_\_ Title \_\_\_\_\_ Signature of authorized person \_\_\_\_\_

*(Use additional sheets of paper, if necessary, to complete any item or to submit any explanation. Identify each sheet with the 11-digit file number appearing over your name.)* \* GPO : 1963 OF-100251

to the extent of the amount of the contribution, the donor shall be deemed to have made a contribution to the charity in the year in which the contribution is made.

Section 170(e)(2)(B) provides that the amount of the contribution shall be reduced by the amount of the interest on the loan.

Section 170(e)(2)(C) provides that the amount of the contribution shall be reduced by the amount of the interest on the loan.

Section 170(e)(2)(D) provides that the amount of the contribution shall be reduced by the amount of the interest on the loan.

Section 170(e)(2)(E) provides that the amount of the contribution shall be reduced by the amount of the interest on the loan.

Section 170(e)(2)(F) provides that the amount of the contribution shall be reduced by the amount of the interest on the loan.

Section 170(e)(2)(G) provides that the amount of the contribution shall be reduced by the amount of the interest on the loan.

Section 170(e)(2)(H) provides that the amount of the contribution shall be reduced by the amount of the interest on the loan.

Section 170(e)(2)(I) provides that the amount of the contribution shall be reduced by the amount of the interest on the loan.

Section 170(e)(2)(J) provides that the amount of the contribution shall be reduced by the amount of the interest on the loan.

Section 170(e)(2)(K) provides that the amount of the contribution shall be reduced by the amount of the interest on the loan.

Section 170(e)(2)(L) provides that the amount of the contribution shall be reduced by the amount of the interest on the loan.

Section 170(e)(2)(M) provides that the amount of the contribution shall be reduced by the amount of the interest on the loan.

Section 170(e)(2)(N) provides that the amount of the contribution shall be reduced by the amount of the interest on the loan.

Section 170(e)(2)(O) provides that the amount of the contribution shall be reduced by the amount of the interest on the loan.

Section 170(e)(2)(P) provides that the amount of the contribution shall be reduced by the amount of the interest on the loan.

Section 170(e)(2)(Q) provides that the amount of the contribution shall be reduced by the amount of the interest on the loan.

Section 170(e)(2)(R) provides that the amount of the contribution shall be reduced by the amount of the interest on the loan.

Section 170(e)(2)(S) provides that the amount of the contribution shall be reduced by the amount of the interest on the loan.

Section 170(e)(2)(T) provides that the amount of the contribution shall be reduced by the amount of the interest on the loan.

Section 170(e)(2)(U) provides that the amount of the contribution shall be reduced by the amount of the interest on the loan.

Mr. WILSON. I might suggest to someone in New York, where you have a specialty house, an eating and drinking place specifically, I can see where it might be peculiar, some of those questions that are asked. But if you go into New Mexico, or some areas where you get into outlying communities, you will find that some eating and drinking places do have byproducts where they sell many other items and this is probably the reason why they have made this to encompass the whole thing. I am sure there is a good reason.

Mr. OLSEN. I am sure that form was meant to go to a general store at Seeley Lake, Mont. That would be very appropriate there, where we have 18 different departments. And, by the way, you can go there and buy a drink while you are getting your shoes fitted.

Mr. HAFNER. You can imagine the frustration of a man in New York receiving this. It becomes ridiculous to fill in every line here. Now this particular form has an arrow and it says, "You may report either in dollars or as a percent of total." Well, that is defeating the whole purpose of statistics. If you want to combine this fellow's percentage with somebody else's percentage, without taking dollars and cents into consideration, you would have meaningless figures. So what the Census Bureau would come out with, if anybody did fill in this form, I don't know. It is like adding apples and oranges; what do you get?

(The form faces p. 93.)

Mr. HAFNER. Now I have some other forms which I will leave with the committee. These are all typical. But I want to point out the time spent on these, the frustration involved, the terrific mail that comes. These just came in January and February, and others will come throughout the year, and there will be followups.

Let me quote two more here. "Confidential. Response to this inquiry is required by act of Congress (13 U.S.C.)." They quote the law. And in the followups I can quote them, and I know we will get them, because people refuse to fill these useless forms out and the statistics that the average small firm would have are not important anyway, but after being polite the Census Bureau will come along and say, "Give us estimates, give us something, send back the form." Then they quote the law to penalize you, a little jail sentence or quote the law as far as the fine is concerned. This is all contrary to what Frank Becker was told over the phone on some of these forms.

Now I will get to these others, which I will leave with you, too. These are all headed "1963 Census of Business." This is called 1963, too, and it says "Due date, February 29, 1964."

Mr. OLSEN. Go to the next one now.

Mr. HAFNER. Incidentally, up in the left corner it says "Penalties for failure to report." They don't quote it, but they say "Penalties." This particular one is CB-73B, called "Miscellaneous Business Services." It happened to be received by an individual who is one of the clients in my office. She has one employee. She designs undergarments, corsets, girdles, and so forth. So she receives this big, long form, here again both pages to be filled in. I will leave it with you.

(The form is retained in the subcommittee files.)

Mr. HAFNER. One thing I want to say with respect to all of these forms, every one of them asks the same thing, after they ask your name, which is on the form anyway, they want to know your social security number, which is on the form anyway, what they want to know is what is your payroll, what is the number of employees you had on the 15th of a certain month, what is the payroll for the year, how many employees did you have, and some want hours.

I submit, as concerns the information requested on every one of these forms, if you want to go to some other Government bureau, you can get the information. If you want to find out about the 15th of the month of any year, you go to the Social Security Administration. This is all submitted to them. It is submitted to the New York State Division of Employment Statistics. If you want to know the total payroll for the year, you can go to form 940 and 941. This goes for practically every firm in the United States having a payroll.

Mr. OLSEN. That form 940 and 941, that is Treasury?

Mr. HAFNER. That is right.

Mr. OLSEN. We have to be careful that she has it for the record.

Mr. HAFNER. Form 941, Treasury Department, known as the quarterly social security report and form 940 entitled "Employees Annual Federal Unemployment Insurance Return." The statistical information is added there, about how many employees did you have on the 15th of a certain month, and so forth.

If they wanted more, if it was of any value at all, it could be added to that form. But what they ask for here is a repeat.

Mr. OLSEN. When you say what they ask for here, you are holding up the census form and you are saying that is a repeat of form 941 of the Treasury Department.

Mr. HAFNER. That is correct. The information is already on file and that part could definitely be obtained without going to any of these forms. Also, the sales can be obtained. The sales of any business are contained in the tax reports, the corporation form, the partnership return or the individual 1040, which is filed by every businessman. It is right there. And on the tax return, they ask you what type of business you are in. It is the same classification apparently as we have here. So the same statistics, to that extent, are available already.

(The above-mentioned form follows on pages 95 and 96:)

Mr. HAFNER. I am leaving this sample envelope with you. This is a sample of what is mailed. I don't know the facts in this case, but I often questioned this. I cannot get the answer from our local post office men who deliver all kinds of mail from all of our bureaus, because every one of them says "Postage and fees paid." It doesn't say "by the U.S. Department of Commerce." It says "Postage and fees paid. U.S. Department of Commerce." My question to this committee is, Does the Post Office include this in its deficit or does the U.S. Department of Commerce or any of these departments who are requesting these statistics actually include in their budget the cost of this mailing, so that we get a true picture of the cost, which we are complaining about? I did not know the answer.

Mr. OLSEN. Generally these departments must reimburse the Post Office Department for the cost of the postage and, as far as we can, we try to relieve the Post Office Department of the burden. They have

(continued on p. 97)





enough deficit, without this. So the Post Office Department is actually reimbursed from the budget of other agencies for the service.

Mr. HAFNER. Well, I am glad to hear that. I had to come all of the way down to Washington to find out the true answer on that.

Mr. OLSEN. But the fact is the taxpayers are paying for it, because it is all out of the budget.

Mr. HAFNER. True. And that is the other thing we are complaining about here.

From our end of it—and Frank Becker said he has to employ an accountant for just the forms, if we have to pay to fill these forms in, what about the other end, the taxes, that go into these forms, mail and everything else?

Mr. OLSEN. Sure. That is why we are having these hearings. These agencies are going to have to justify this expense, otherwise my my colleagues and I can't go to the floor of this House and justify what they are doing. So that is why the hearings.

Mr. HAFNER. I am most certainly glad to hear that. I will bring that news back to our constituents.

Now, this is a sample of the type of mailing that this particular form comes in. It is a very neat job. I give credit to the Bureau of the Census that they do a neat job of mailing.

Mr. OLSEN. Identify it by number again.

Mr. HAFNER. It says, "Official business, EC-12 (L-2)."

Mr. OLSEN. From whom?

Mr. HAFNER. U.S. Department of Commerce, Bureau of the Census, Jeffersonville, Ind.

Mr. OLSEN. Thank you.

Mr. HAFNER. It says "Remove staple carefully" and "Do not destroy." That is very well worded. If you don't remove the staple carefully, there is usually a nice tear here by the time you get through.

I will leave this one.

I will leave with the committee samples of other forms. This is a "1963 Census of Business," coming from the same Bureau, on food, purely on food, CB-54. This was sent to a delicatessen store, now out of business, which I can leave with you, because it is meaningless anyway. It asks the same questions, what is your payroll, statistical information which is already available, sales, and it has a lot of questions here, too, the same things, which don't apply to these people and they want you to fill in every line. You can't say not applicable. They want every line filled in.

(The form is retained in the subcommittee files.)

Mr. HAFNER. Another one the same way. This is a laundry. It has been classified as laundry, cleaning, and related services. It is a laundromat, machine-operated by dimes, one of the new types just opened up. This is Form CB-72A. The same story, the standard questions, and fill it in to your heart's content.

(The form is retained in the subcommittee files.)

Mr. HAFNER. Now, you have seen—if you think these are complicated forms, now we come to the granddaddy of all, and the particular clients that received this one did send it down to Congressman Becker. He did call up the Bureau.

Mr. OLSEN. What business is he in?

Mr. HAFNER. Machine shop.

This is called "Annual Survey of Manufacturers." It is Form MA-100. Of course, it doesn't seem to apply to him, but they put him in this classification, "Carbon and Graphite Products," in other words, they put him in the category of a manufacturer of carbon and graphite products, industrial electrical equipment. It doesn't seem to apply to him, but even if it did, this is the granddaddy of all granddaddies, because you have here eight pages, different colors, eight pages to fill out.

Mr. WATSON. What size business is his?

Mr. HAFNER. He has about a dozen employees, in a machine shop.

Mr. WATSON. A dozen employees?

Mr. HAFNER. Yes; I will explain this, Congressman Watson. It doesn't make any difference, apparently, as far as this mailing is concerned, it just goes out to everybody. If you are on the social security list, you get one of these forms. If you are in business, and I venture to say 999 out of 1,000 businesses employ help, they have to file a social security form, and that is where the mailing list starts, because everyone comes from the same original source, from the social security number. That is where you get on the mailing list. And there is no distinction made as to how many employees. The Census Bureau wouldn't know until you send back the forms, you see.

Now, this particular form asks for more information than you and I would be required to give to a board of directors, or any management, or the president of any corporation, to give him statistics and data on how to run his business, what his costs are, and to determine his sales policies.

I am going to leave this with you. I don't think you as individuals want to take the time out to look this over.

Mr. OLSEN. We are going to look it over, and once more the Census is going to have to respond to this and justify it, if they can.

Mr. HAFNER. I would be very interested to know what all this is used for.

(The above-mentioned forms are retained in the subcommittee files.)

Mr. HAFNER. I would like to quote what my client wrote to Congressman Becker, when he sent this form to him. I will leave the letter here. [Reads:]

In our organization, we do not keep our records in such manner that the questions on these forms can be readily answered. We would have to spend several days to abstract this information. I suppose we could give rough estimates from memory but doubt that this would be very accurate.

Further, they have us listed as manufacturers of carbon and graphite products, which does not apply to us in any manner whatsoever.

I don't know what useful purpose these figures serve but suspect they are very carefully compiled and stored somewhere.

Cannot something be done to eliminate or at least reduce the paperwork required by these different Government bureaus?

Mr. OLSEN. Will you leave that with us?

Mr. HAFNER. Yes.

(The letter follows:)

JANUARY 30, 1964.

HON. FRANK J. BECKER,  
Lynbrook, N.Y.

DEAR CONGRESSMAN: I am enclosing, for your information, form MA-100 together with form MC-36E.

In our organization, we do not keep our records in such manner that the questions on these forms can be readily answered. We would have to spend several days to abstract this information. I suppose we could give rough estimates from memory but doubt that this would be very accurate.

Further, they have us listed as manufacturers of carbon and graphite products, which does not apply to us in any manner whatsoever.

I don't know what useful purpose these figures serve but suspect they are very carefully compiled and stored somewhere.

Cannot something be done to eliminate or at least reduce the paperwork required by these different Government bureaus?

Your comments and views will be appreciated.

Very truly yours,

MICRO-LECTRIC, INC.  
GAVIN A. RALSTON, *President*.

Mr. HAFNER. Now, you haven't heard everything yet. You must be qualified to fill this form in, and you need to give the due care and attention which the Census Bureau wants. Right in here they say, "Please fill this out carefully," because if your ratios do not appear correct, it infers that they may want to even telephone you. They ask for your telephone number on some of these forms. They say to please prepare carefully, and they infer if your ratios are not correct you may be asked why.

Now, there is a letter that comes with this, too, and this is a little misleading. This letter comes from the U.S. Department of Commerce, with this form, the Bureau of the Census, and it is form C-63-L-4, and it comes from the Office of the Director, and is supposedly signed by Richard M. Scammon, Director of the Bureau of the Census. It infers that this particular census comes every 5 years.

Mr. OLSEN. It does.

Mr. HAFNER. I can truthfully say that maybe some of these forms I have shown you here today have come or will come every 5 years, but this particular form was received by one of my clients, who happens to sell boats. A year ago—1962—it has no relation to him at all.

(The letter follows:)

U.S. DEPARTMENT OF COMMERCE,  
BUREAU OF THE CENSUS,  
January 10, 1964.

DEAR SIR: There is enclosed your 1963 census of manufactures form for completion. The censuses of business, manufactures, and mineral industries are conducted every 5 years under the authorization of an act of Congress (13 U.S.C.) which requires that a report be filed for your concern.

You will notice that form MA-100: Annual Survey of Manufactures, constitutes pages 1 and 2 of your census of manufactures report. While form MA-100 is almost identical to that used in 1962, changes have been introduced in the list of product classes and in a few other places. Therefore, please review carefully the instruction manual and the report form before completing your entire census report for 1963.

The Census Bureau makes every effort to avoid sending duplicate reports to respondents. However, our mailing list is developed primarily from the employer identification numbers issued for reporting under the Social Security Act, and it is possible for us to have you listed under more than one number. Therefore, if you receive a 1963 census report other than the enclosed form MA-100 for this establishment, please return it with the notation that you are filing form MA-100 under the identification number on the enclosed report.

Please complete and return your report to the Census Operations Office, Jeffersonville, Ind., by February 29, 1964. If filing by due date causes an undue burden, a request for extension should be directed to that office.

Your cooperation in filing your report promptly will be appreciated.

Sincerely yours,

RICHARD M. SCAMMON, *Director.*

Mr. HAFNER. Last year—1962—they asked for the kilowatt-hours he consumes, nuclear energy, all kinds of things.

Finally, we didn't fill it in. It didn't apply to him at all, but this similar form did come last year to this client. So what they refer to as filing every 5 years I don't know.

Mr. WILSON. It is possible, if the chairman will let me mention it here, it is possible—these censuses are taken in the years that end in 3 and 8, every 5 years. Obviously they start in 1963 and they probably don't even finish with everybody until 1964. Just because one client got it in 1963 and another in 1964, it doesn't mean they are all getting it sooner than every 5 years.

Mr. HAFNER. That would be logical. You mean that it would be staggered.

Mr. OLSEN. Somebody has to be first and somebody last.

Mr. HAFNER. No, this came in 1962, wanting 1962 statistics, not 1963 statistics.

Mr. OLSEN. I want you to put in the record the way you found it and the Census Bureau will have to respond to it.

Mr. HAFNER. It is a form—I don't have the form number. I never expected to be in a hearing a year ago today.

Mr. OLSEN. But you are accurate, and they will respond to it.

Mr. HAFNER. They know what this is. They have correspondence and they finally admitted to Congressman Becker that this did not apply to him at all and to please disregard it.

Mr. OLSEN. I have to ask you to move ahead rapidly because I have one other witness we have to hear this morning.

Mr. HAFNER. Yes, I am coming to the end now.

This is the granddaddy of them all, and this is a repeat of last year.

Mr. OLSEN. What are you referring to now?

Mr. HAFNER. I am referring now to a 42-page booklet, exclusive of the back and front cover and exclusive of the index, the contents, a 42-page booklet, in which they say "the purpose of this manual is to assist you in filling out the annual survey of manufactures," and suggest in here you should read and look this over before you file this form. This is entitled: "Instructions for Completing the Annual Survey of Manufactures Report, 1963-64," and its number is MA-100-R1. It comes out of the U.S. Department of Commerce, Bureau of the Census, and it says "Retain this manual for use in reporting on the annual survey of manufactures." It is a very well organized book. Somebody spent a lot of time on it. But the question is, What is it all about? Is it worth it?

In business today, we measure things by is it worth the effort involved to get these statistics? Is the result worth it? That is what we question here. I was glad to hear you question the previous witness on the same subject.

Mr. WILSON. Just to set the record straight, this came up yesterday.

Mr. Watson asked the question about the size of the booklet, and that covers all industries. It doesn't require 42 pages of reading for anyone

to get the information about their own particular business. It is intended to be very comprehensive and I don't think we should leave the record to make it appear that people are being required to read 42 pages of something in order to answer a questionnaire.

Mr. HAFNER. He will still have to search through to find the portion applicable to him.

(The booklet is retained in the subcommittee files.)

Mr. HAFNER. Now I will leave Form 940: Employer's Annual Federal Unemployment Tax Return. So you can see where they do ask for some of the statistics already requested on these other forms.

(Form 940 appears on pp. 102-103.)

Mr. OLSEN. I think you have that well covered. Now I think we will really have to go to another witness.

Mr. HAFNER. This is the last. This is a form which these same people file with the New York State Unemployment Insurance. It is New York State Department of Labor form IA-5 (3-61), entitled "Employer's Report of Contributions."

(The form appears on p. 104.)

Mr. HAFNER. This is a letter. This is a copy on my own stationery of the letter I had addressed to you.

Mr. OLSEN. We will make your letter a part of the record at this point.

(The letter follows:)

HON. ARNOLD OLSEN,  
*Chairman, Subcommittee on Census and Government Statistics,  
House Office Building,  
Washington, D.C.*

DEAR CONGRESSMAN OLSEN: I welcome the opportunity to appear personally before your committee on behalf of myself and multitudes of clients of this office relative to the continual annoyance of requests for statistics from various departmental agencies within the Federal Government structure.

There has been much correspondence between my office and Congressman Frank Becker's office, as well as continual complaints and correspondence of clients and businessmen between the Census Bureau and Congressman Frank Becker's office but with little or no avail.

Our businessmen and local individual storekeepers, restaurant owners, landscapers, etc., continually receive requests for statistics from the Census Bureau, the U.S. Department of Labor, the Health Administration, the Social Security Bureau, all pertaining to his business, and all costing money as well as time to fill in.

Every one of these reports gives us a feeling of frustration as it is filled in because one wonders exactly what it is all about, and where the statistics are used, if at all.

Particularly is it good to appear before your committee and to meet the members of your committee because the various Government statistical bureaus claim that the requests for statistics really come from Congress itself. Each time a Government bureau is questioned as to why they want these particular statistics and what they use them for they quote congressional acts making it mandatory for businessmen to furnish the statistics and spend the necessary time involved.

Every one of the forms that comes out from the Census Bureau states that there are penalties for not filing. Based upon past experience, these forms will threaten a fine or possible some time in jail because Congress said it is necessary to fill these forms in. This talk would be much too lengthy if I were to go into minute detail and cite all the gripes of the various businessmen and clients whose confidence this office has.

First, let me show you from a distance the first request which came in just recently from the Department of Labor, Bureau of Labor Statistics.

(continued on p. 104)

FORM 940 REV. (10-62) Y EMPLOYER'S ANNUAL FEDERAL UNEMPLOYMENT TAX RETURN

EMPLOYER'S  
NAME AND  
ADDRESS  
▲  
(IF NOT  
CORRECTLY  
PRINTED  
PLEASE  
CHANGE)

		EMPLOYER IDENTIFICATION NUMBER
		CALENDAR YEAR <b>1962</b> IF NO LONGER IN BUSINESS WRITE "FINAL".
DO NOT FOLD, STAPLE OR MUTILATE	1. TOTAL TAXABLE WAGES PAID DURING CALENDAR YEAR. (Enter amount from Item 5 of Schedule B on other side).....	(DISTRICT DIRECTOR'S USE) T
	2. GROSS FEDERAL TAX (3.5% of wages in Item 1).....	P
	3. LESS: CREDIT From Item 18 OF SCHEDULE A (FORM 940).....	I
	4. REMAINDER OF TAX (Item 2 minus Item 3). PAY TO "INTERNAL REVENUE SERVICE".....	T

I declare under the penalties of perjury that this return (including any accompanying schedules and statements) has been examined by me and to the best of my knowledge and belief is a true, correct, and complete return, and that no part of any payment made to a State unemployment fund which is claimed as a credit in Item 3 above was or is to be deducted from the remuneration of employees.

DATE \_\_\_\_\_ SIGNATURE \_\_\_\_\_ TITLE (Owner, President, Partner, Member, etc.) \_\_\_\_\_

U. S. TREASURY DEPARTMENT - INTERNAL REVENUE SERVICE

BE SURE TO ENCLOSE  
REMITTANCE AND  
SCHEDULE A  
WITH THIS RETURN

**Schedule B—COMPUTATION OF TAXABLE WAGES**  
 (See Schedule B instructions on back of Schedule A (Form 940))

1. Total remuneration (including exempt remuneration) paid during the calendar year to: services of employees .....	Approximate number of employees involved	Amount paid
Exempt remuneration: LIST EACH TYPE OF EXEMPTION		
2. Remuneration in excess of \$3,000. (Enter only the excess over \$3,000 paid to individual employees).		
3. All other exemptions (Explain each, attaching additional sheet if necessary):		
-----		
-----		
-----		
-----		
4. Total exempt remuneration .....	XXXXXXXX	XXXXXXXXXX
5. Total taxable wages (line 1 minus line 4). Enter this amount in Item 1 on other side.		

**NEW YORK STATE DEPARTMENT OF LABOR  
DIVISION OF EMPLOYMENT  
EMPLOYER'S REPORT OF CONTRIBUTIONS  
COPY TO BE RETAINED BY EMPLOYER**

For your record, enter your Employer Registration Number, as shown on the original, in the space below.

**IMPORTANT**

**Read Carefully Instructions on Reverse Side of Employer's Copy**

Enter beginning and ending dates of calendar quarter and answer ALL items 1 thru 11 below.

Report for calendar quarter	
begin .....	ended .....
Mo. Day Year	Mo. Day Year
	Dollars Cents
1. Total remuneration paid for employment during this quarter. (See Instructions.)	\$
2. LESS: Remuneration included in Item 1 which represents amounts in excess of the first \$3,000 paid each worker during the calendar year. (See Instructions.)	\$
3. Wages subject to contribution. (Item 1 above less Item 2.)	\$
4. Contributions due. ....% of Item 3. Enter Rate. (See Instructions.)	\$
5. Plus: Amounts previously underpaid. (See Instructions.)	\$
6. Less: Amounts previously overpaid. (See Instructions.)	\$
7. Amount of Remittance.	\$
8. Total number of employees earning remuneration during the payroll period ending nearest the 15th of each calendar month of this quarter (include those who earned over \$3,000). (See Instructions.)	1st Month
	2nd Month
	3rd Month

9. If business in New York State was permanently discontinued or sold, in whole or in part, during the calendar quarter covered by this report, answer items below.

a. Date of permanent discontinuance in New York State .....

b. Was all or part of business sold?  All  Part

Date of sale .....

Name of new owner .....

Address .....

10. Has ownership (i.e., corporation, partnership, individual ownership) changed during the calendar quarter covered by this report?  
 Yes  No. If "Yes," explain here: .....

**THIS COPY MUST BE CAREFULLY  
PRESERVED BY THE EMPLOYER  
FOR A PERIOD OF  
NOT LESS THAN SIX YEARS**

Requests for additional copies of this form should be directed to:

**DIVISION OF EMPLOYMENT  
UNEMPLOYMENT INSURANCE ACCOUNTS BUREAU  
800 North Pearl Street  
Albany 1, N. Y.**

Make Remittances payable to:

**NEW YORK STATE UNEMPLOYMENT INSURANCE FUND**

Address: P.O. Box 1589  
Albany 1, N. Y.

IA 5 (3-61)

Besides wanting to know the average number of employees, total number of hours worked, they also want to know about peak operations, normal operations, and about slack operations.

They also ask about deaths, permanent and total impairments, whether anybody has a hernia, and what not.

This first piece of literature which I am showing you here, and which I will submit to you, as an exhibit for your files and for you to permanently keep, represents submission of statistics which 999 businessmen out of 1,000 would not even have; but every piece of statistics which the Bureau of Labor Statistics asks for here is compiled in the Workmen's Compensation Bureau and is used by them to determine the rates of workmen's compensation.

Next I show you a comparatively simple and small schedule from the Department of Health, Education, and Welfare and sent to employers. This is a very simple questionnaire. They want to know how many establishments the employer has, is he subject to the unemployment compensation law of any State, how many employees does he have, in which county does he operate, what product does he sell, etc.

Most of this information has already been submitted to the Treasury Department on form SS4, and that information which is not contained on the SS4 could very readily be included to eliminate at least one of the troublesome forms which are coming out to the harassed businessman.

Next, I would just like to show you, just an example of what comes in the daily mail of your constituents from the Bureau of Census, and which puts the final punch into the employer.

Here I open before you a copy of what is called the 1963 Census of Business. The particular one I have in hand is for eating and drinking places. It was received by a bar and grill owner who has one employee. It came at a time when he was having trouble with his help and wondering whether it paid to be in business or whether he should go back to working for someone else.

Besides asking the standard questions about the number of employees, whether he is located in a city, town, or village, and what his sales volume is, on the back it wants to know how many customers can be seated in his establishment, whether he has offstreet parking facilities, and how many days a week, and how many hours, he is open.

Then it goes on to ask him, in paragraph 13, about what he sells in his little bar and grill. To add insult to injury, every line on paragraph 13 must be filled in according to the form, and there are approximately some 30 of them. The good form, which I am dangling before you, wants him to put a zero in each place where he sells nothing of that particular category.

Here we have a typical example of a restaurant or bar and grill owner who is being asked to tell how much men's and boys' clothing he sells, how much women's and girls' clothing he sells, how much footwear, curtains and draperies, major household appliances.

Like all Government forms which come particularly from the Census Bureau, you wonder just what it is all about and where these statistics (if they can be called statistics) are being used.

On every one of these forms where sales are asked for, and where payroll is asked for, that information is already at hand in one of the Government bureaus. If you want to know how much payroll a concern had on the 15th of any month during the year you can go to the social security form 941 where that information is requested quarterly.

If you want to know the total payroll of a firm for the year you can go to that same form 941, or you can go to the Federal unemployment insurance form which is filed annually with the Treasury Department.

If you want to know the sales of an establishment you can go to the income tax bureau to compile the total sales of any particular industry.

Therefore, why does the Census Bureau, when all of this information is available from other Government bureaus, ask these questions all over again?

Also, let me ask what difference does it make whether a concern has offstreet parking, or how many days it works, or how many customers it seats? As a matter of fact, if you want to find out in New York State how many customers an establishment seats you can go to the New York State Liquor Authority where this is on record, if it means anything to anybody.

Every one of these forms says "response to this inquiry is requested by act of Congress (13 U.S.C.)." If Congress has requested this information is Congress aware of what the businessman is being asked for, and the time that is being spent to get all this information, if it is really given to the Census Bureau?

In business and in offices in general every piece of accounting work, or statistical information which is gathered together is weighed on the theory of whether or not the time involved justifies the end.

I am leaving with the committee today these various forms so that they may get a firsthand view of what is causing the frustration and hopeless feeling of accountants and businessmen when they receive these in the mail. I am leaving with you a copy of the eating and drinking census request which you see before you, copy of the miscellaneous business services which was received by a client of this office who employs one individual and designs undergarments, one received by a small printer who has several employees, another by a delicatessen now out of business, and coming under the classification of a food census, and another by a little laundry with a part-time employee.

Now I come to the crowning glory of all, and here I think the Bureau of Census really outdid itself. You see before you, in various colors, copies of what is called the Annual Survey of Manufactures. It was sent to one of my clients, a machine shop, and apparently it applies, if to anybody, to someone who manufactures carbon and graphite products and industrial electrical equipment.

Aside from the fact that it does not apply to our client whatsoever, the statistics which the Bureau of Census requests, in eight pages of a size 8½ by 11 inches, are really 100 times more than a board of directors would require in the management of a business and determination of its costs and sales policies.

How many manufacturers will actually send back this form and honestly fill in its entire eight pages, is a good question. I leave this form with you for some of your staff members to go over to see whether or not you feel the businessman is justified when he has complained about such forms as these coming in the mail.

To add insult to injury, in order to file this eight-page report you are supposed to read this booklet which I show you now called "Instructions for Completing the Annual Survey of Manufacturers Report 1963-1964." This booklet, No. MA100-R1, besides having a front cover and a back cover, and an unnumbered index page, runs from page 1 to 42 and this is what you have to read before you really feel qualified to fill out the eight-page report sent by the Census Bureau.

Let me quote a letter I am leaving with you which is addressed to Congressman Becker, from the particular client involved, which would be typical of most organizations. "In our organization we do not keep records in such a manner that the questions on these forms could be readily answered. We would have to spend several days to extract this information. I suppose we could give rough estimates from memory but doubt that this would be very accurate. Further, they have listed us as manufacturers of carbon and graphite products which does not apply to us in any manner whatsoever. I do not know what useful purpose these figures serve but suspect that they are very carefully compiled and then stored somewhere."

As an accountant and a member of the profession of certified public accountants, I have never lost sight, nor have my colleagues or associates, of the need for certain statistics and information, but any and all of the information which comes out of the Census Bureau, if it has any value at all, can be obtained from sources of other governmental agencies without the continual harassment of employers as is going on today.

If you want to get, I repeat that if you want to get payroll you can go to the Social Security Administration, if you want to get sales you can go to the income tax bureau, if you want to get other relationships you can also go to the income tax reports.

The committee's patience in listening to these gripes which I bring from Long Island on the part of businessmen and clients is appreciated. I hope that in the end your committee will be able to do something to eliminate all of what seems to be useless requests for statistics. I thank you.

Yours very truly,

HAROLD R. HAFNER.

Mr. OLSEN. What is that envelope you have there?

Mr. HAFNER. Yes, this is for the committee file.

I want to thank the committee for the time given. I hope it will go down in history and for your grandchildren's benefit that you will be able to correct the situation.

Mr. OLSEN. All right. I want to say there, Mr. Hafner, because I know the Census Bureau will have some very good explanations—let me say they will have some explanation. We have to judge how good they are later. We will see you get a copy of the record and you will see what they have to say about so many of these forms.

I want to thank you and I am sure the committee is grateful to you for your time and trouble to come down here and testify and I will advise you we are going to try to come to New York with our committee to have hearings on this subject later this spring, and we would be glad to hear from you again at that time.

Mr. HAFNER. Perfect. I would be glad to bring my clients along.

May I say one more word? I listened to the previous speaker from the textile industry. Before I went into business for myself, 14 or 15 years ago, I used to be in the textile industry, and I made statistics for

the firm. We used Standard & Poor, Moody, and most of the statistics we needed were in those without using Government statistics.

But the interesting part of this is 50 percent of the periodical reports which I was asked to prepare eventually I discontinued. Nobody ever missed them. When I asked why, they said "We never read them." I just say that this is what happens to the majority of the statistics.

Mr. OLSEN. Thank you, Mr. Hafner.

**STATEMENT OF NORMAN W. HOLLAND, PRESIDENT, NATIONAL SOCIETY OF PUBLIC ACCOUNTANTS; ACCOMPANIED BY STANLEY H. STEARMAN, COUNSEL**

Mr. OLSEN. Mr. Holland, I understand the members of your organization are deeply interested in census taking, because your organization handles the accounts and fills out Government reports for many thousands of business concerns. We are very interested in what remarks you might have to make.

First of all, before you proceed, would you identify the gentlemen with you.

Mr. HOLLAND. This is Mr. Stanley H. Stearman, the counsel of the National Society of Public Accountants.

Mr. OLSEN. Thank you.

Mr. HOLLAND. I want to thank you for the opportunity of appearing here, Mr. Chairman, and I realize the time element and appreciate your moving us in this way. I have all of the forms the previous gentleman was discussing, and I will not go into them in detail, but try to cover some of the high points.

My name is Norman W. Holland, president of the National Society of Public Accountants. I have been in practice in Chicago and La Grange, Ill., since 1946; I was associated with the Internal Revenue Service for 7 years previous to that.

I am appearing before you today as a representative of the National Society of Public Accountants and on behalf of our more than 11,000 members throughout the country. The national society is a nonprofit individual membership organization which was formed in 1945. Our members are engaged in the public practice of accountancy in all of the 50 States, the District of Columbia, and several territories.

The national society is dedicated to elevating and maintaining among its members a high standard of professional integrity and we are constantly at work to establish good will and understanding between the general public and the public accounting profession throughout the United States.

Our members predominantly serve the needs of small- to medium-sized business firms. They are very close to the problems faced by the small businessmen of our country who are so vitally involved with the economic census program. Our members work primarily with the small business rather than with the larger companies.

Mr. OLSEN. Generally large business has its own accountants, its own experts.

Mr. HOLLAND. This is correct.

Mr. OLSEN. And you are experts for the small businessmen.

Mr. HOLLAND. That is correct. We handle all facets of the small businessman's accounting matters and many others. We get into the category of the doctor, lawyer, accountant, a very confidential situation, we are very close to them. And they are very definitely affected by this economic census. And I would like to state here I intend to only discuss the current 5-year economic census. I could have many more comments about the other census reports which we hope we will have an opportunity to discuss at a future date. But I understood these hearings pertained to this 5-year economic census. I want to direct my remarks from two viewpoints.

First, relative to the direct effect of the procedure and timetable on our own practices, and second, the feelings of the small businessman, and I will give some typical examples of the reactions we have had from them.

To the public accountants, this economic census causes great difficulties, falling as it does in January and February. Receiving the reports poses a problem. As our clients receive them, they are confused, wonder what it is all about. From our standpoint, in trying to complete them by February 29, it becomes practically impossible to do under all of the other circumstances involved at that time of the year. As you know, this is a busy period both for the businessman and the accountant. I would like to give an example sent to us by one of our members from Florida. It is all in the testimony we prepared for you there, but just to highlight a little bit the extent to which businessmen taxpayers are forced during the period from January 1 through April 30 to complete many reports and tax returns. The typical small businessman must submit to the Federal Government a corporation income tax return, a personal income tax return, approximately 200 forms No. 1099, a Federal unemployment return and let us say, approximately 70 W-2 forms for employees. Let us also not forget the W-3 form and the quarterly No. 941 report—one in January and one in April. Additionally, there are monthly Federal tax depository cards, plus the regularly monthly census reports for some clients.

This was the example he gave pertaining to one of his specific clients and the problems he was having. This does not include the census reports at all.

He must also file a State sales tax return, a quarterly unemployment return—January and April—and in all probability, he must reply to several inquiries about employees' social security status or their working records relative to the State unemployment compensation rules.

The above description about our member in Florida can be multiplied many times over. In other parts of the country there is likely to be in addition a State and/or city income tax form, franchise tax reports, personal property tax reports, and annual sales tax recapitulation reports, plus trying to operate his business to make some money to pay the fees that are necessary for us to handle these things for him.

When the economic census forms are received, they impose an additional burden on the already overburdened businessman. As a result,

the businessman refers the economic census forms to his accountant and shifts the responsibility to him on the theory that since the accountant is filling out every other report, return, and form required, he may as well assume responsibility for completing and filing the economic census report form.

If we think that the typical businessman is burdened with required Government reports from January 1 through April 30, this situation is compounded for the accountant. For it is true without exception, and this is shown by experience, that the accountant can look forward to receiving the economic census report form assignment from every client because they all feel the same way as the typical businessman in our example.

At this point I would like to comment where the previous gentleman or witness was able to get additional fees for doing this. This does not hold true in our category, mostly because the small businessman's fee is geared at a monthly stipulated fee in the majority of cases, which is in an area that we can afford to have these things done. So here is another thing that is just thrown to us, that we cannot put in an additional fee for preparing these reports. And, of course, as far as the accountant is concerned, compound this by all of his clients, all of the items I previously read have to be prepared and multiply this times the clients he has. The timetable of the census has been of great concern to the National Society of Public Accountants for several years.

It is our opinion that arrangements for the taking of the 5-year economic censuses should be modified so that the required date for the filing of report forms does not coincide with the busy tax filing season. It is our belief that the burden on small businessmen and practicing accountants would be lessened considerably if economic census report forms could be filed, for example, any time up to May 31, which is a reasonable period beyond the deadline for the filing of the great bulk of tax returns and other reports.

We discussed this problem extensively with Census Bureau officials during the latter part of 1963 in anticipation of the upcoming economic census. The Census Bureau was exceptionally cooperative and understanding. Bureau officials seemed anxious to cooperate and alleviate the burden on the practicing accountant to the maximum extent possible, consistent, of course, with the overriding requirements of the Bureau and its responsibilities to Congress, other Government agencies, and business organizations.

As a result of a series of meetings, discussions, and negotiations, the Census Bureau agreed to devise a means by which practicing accountants could obtain extensions for the filing of economic census report forms for their clients. A special form (NC-X-4) was designed for this purpose, and it permits an accountant to obtain an extension until May 15, 1964, for those report forms which cannot be timely filed without causing the accountant undue hardship.

MR. OLSEN. Do you have one of those forms?

MR. HOLLAND. I have only one that I have filed.

MR. OLSEN. We will provide one for the record at this point.

(The form referred to follows:)

Budget Bureau No. 41-6368; Approval Expires May 31, 1964

Form **NC-X-4** (9-30-63) U.S. DEPARTMENT OF COMMERCE BUREAU OF THE CENSUS

**REQUEST FOR EXTENSION OF COMPLETION DATE FOR FILING 1963 ECONOMIC CENSUS REPORTS**

**READ INSTRUCTIONS ON REVERSE BEFORE COMPLETING REQUEST**

Line No.	11-digit Census file number (from Census report form)	Name of client	Address of client (Street and number, city, State)
	(a)	(b)	(c)
1			
2			
3			
4			
5			
6			
7			
8			
9			
10			
11			
12			
13			
14			
15			

*If more space is required, continue on reverse*

This is to affirm that the requirement to complete the filing of 1963 Economic Census reports for the above listed firms by the standard February 29, 1964, filing date would result in an unusual hardship. The undersigned, therefore, requests an extension and, on approval of this request, agrees to complete the filing of the regular 1963 Economic Census reports for these firms no later than May 15, 1964. Reports will be filed on a flow basis beginning as early in 1964 as can be managed without undue hardship. It is understood that firms whose reports are not filed by extended filing date (May 15, 1964) will be subject to the penalties provided by law for failure to file (13 U.S.C. 224).

Signature of Accountant	Title	Date
Name of Accounting Firm	Address (Street and number, city, State, ZIP Code)	Telephone No.

Line No.	11-digit Census file number (from Census report form)	Name of client	Address of client (Street and number, city, State)
	(a)	(b)	(c)
16			
17			
18			
19			
20			
21			
22			
23			
24			
25			
26			
27			
28			
29			
30			

**INSTRUCTIONS**

This form is designed for use by accountants to request an extension of the completion date for filing 1963 Economic Census reports (these include the Censuses of Business, Manufactures, and Mineral Industries.) The original and copy No. 1 should be addressed, to the Jeffersonville Census Operations Office, Jeffersonville, Indiana, 47130. Keep copy No. 2 for your file.

The 11-digit Census file number (together with the name and address of the client) should be listed for each report for which an extension is requested.

(Note that if a client is required to submit more than one report, each report has a different Census file number.)

If you wish to request an extension for a client before the client has sent you his Census report form, you will not have his 11-digit Census file number. Where this occurs, you may substitute in Column (a) the client's 9-digit Employer Identification Number. This is the number used to identify his firm on the Employer's Quarterly Tax Return, Treasury Form 941.

Remarks

Remarks

Mr. HOLLAND. This form lists 30 clients on it, or 30 small businessmen, and as we complete it, the procedure we follow is as soon as we get these reports from the clients, we list them on here, we send it to the Census Bureau in Jeffersonville, Ind., and they send it back with the extension stamped on it until May 15. However, I would like to point out this extension to May 15, in our negotiations and discussions with the Census Bureau officials, was based on the fact that we would do our utmost to give them a steady flow, as much as we can of these reports as they go along because we realize that is a problem for them. So our members are trying to send them in, but I think they will find it is going to be awfully slow at the start, and they, of course, will get them all by May 15.

On the other hand, to accomplish this, we have publicized this arrangement widely among our members, some 60,000 people, accountants, throughout the country and this takes a lot of expense, on our part for postage and mailings, all of the rest of these things, besides the expense to the Government of printing these forms, which would automatically be eliminated by a May 31 automatic filing date. Then this would not be necessary. And the purpose of the extensions is the big item. If the reports are not in by February 29, the businessman gets a telegram or a phone call, long distance in some cases, or is contacted and immediately he calls us and says, "Why aren't you taking care of my accounts, why are you letting me down? They tell me there is a \$500 penalty and this sort of thing." So we look bad.

As far as the forms themselves are concerned, frankly they are too long. I think this is the consensus of everybody's opinion when you look at them. And I want to comment about the form of eating and drinking establishments. I just picked this one. There are 15 questions on this form, there are 156 actual entries in those 15 questions, plus the extensive research to be able to answer the questions and the fact you have to read every bit of information that they are asking for to answer these items.

Now we realize it has to be a form that will cover many places, from a hamburger stand to a large restaurant. They are trying to accomplish several things there. But there could be a consolidation of a great many of these items. The businessman's comment when he gets this is, "What is this all about?" So we become in the publicity category, public relations area, actually, on behalf of Census Bureau and Government, too, trying to retain good will here to explain this to them. It is a very difficult job.

In my personal situation, all my clients, without exception, have referred every one of these census reports to me. They just sent them or drop them off or hand them to me when I contact them. In the practice of public accounting, the financial information is available. We have this. It is the other problems that are very difficult to answer. It results in the fact that we have to contact our client, either by telephone or in person, to be able to fill out the rest of the form. We have all of the financial data. This is there. But it is the rest of the information that becomes hard. And based on the experience with filling out one of these forms in each category, I have recommended simplification, a consolidation of questions.

For example, going to question 1-A through 1-F, it is asking exactly the same information to be filled in that is already printed on the label. I should think if they just ask if there is a change from what is printed on there, instead of having to repeat all of this data and information it would help. On the report for laundry and drycleaning establishments, we question the detailed inquiries to the machines and equipment operated and the areas they are in. Frankly the immediate reaction of one of my clients is "What are they trying to do, get information for the salesman, so he can come in and sell us more equipment?" Maybe this is the purpose, I don't know. I think it winds up in a result like this. But it seemed to be a great deal more data than we felt was necessary.

I have been trying to bring to you only very brief examples, and we do understand the responsibilities of the Census Bureau and we think they have a very difficult job. But we also feel there is room for improvement, both on our part and their part. A suggestion that I would like to make is that possibly a series of conferences could be arranged between the Census Bureau personnel, who have the technical knowledge of what is desired and what they need and what they want and so on, and groups such as ours, who have the practical application of the problem of furnishing this data. In meetings of this nature between all of us, we could probably come up with something that would simplify everybody's job, give all of the information, maybe more data that would be worthwhile than is now received. But this would be for the overall program in the future. We know this is going to continue on.

Our comments are intended to be constructive, not critical, so that certain changes may be made which we believe would result in an improvement in the degree of voluntary compliance by business firms.

The Census Bureau officials have been very cooperative in working out a program that has alleviated the problems of a lot of the accountants, all of the accountants in the country. In fact, we have just been swamped in our Washington offices with requests for this NC-X-4 form. Accountants appreciate this, and we have had to get additional supplies. But the cost of mailing these forms is tremendous, and answering all of the letters and correspondence we get on it. The May 31 filing date would alleviate this on our part. I think it would alleviate a great deal of expense on the Government's part, because they have to send these back to us and they have to get them back. So there is a duplication of efforts.

On behalf of the National Society of Public Accountants, may I extend our appreciation for the opportunity of appearing. We hope that these observations will be helpful to you in your important studies. If we can assist in any way in the future in any area or other facet of it, we will be more than ready, willing and able and happy to participate.

Mr. OLSEN. Mr. Watson?

Mr. WATSON. I just want to commend you on a very good presentation. I am glad to know you have at least "ironed out" this one problem temporarily here.

Mr. OLSEN. I want to thank you, too, for coming here and lending to us the contribution of your Society of Public Accountants. I take

it you would like to have your statement in whole made a part of the record?

Mr. HOLLAND. Yes, sir.

Mr. OLSEN. Without objection it is so ordered.

(The full statement of Mr. Holland follows:)

PREPARED STATEMENT OF NORMAN W. HOLLAND, PRESIDENT, NATIONAL SOCIETY OF PUBLIC ACCOUNTANTS

Gentlemen, my name is Norman W. Holland. I am the current president of the National Society of Public Accountants. I have been in practice in Chicago and La Grange, Ill., since 1946. Prior to opening my own office, I was associated with the Internal Revenue Service for 7 years.

I am appearing before you today as a representative of the National Society of Public Accountants and on behalf of our more than 11,000 members throughout the country. The national society is a nonprofit individual membership organization which was formed in 1945. Our members are engaged in the public practice of accountancy in all of the 50 States, the District of Columbia, and several territories.

The national society is dedicated to elevating and maintaining among its members a high standard of professional integrity and we are constantly at work to establish good will and understanding between the general public and the public accounting profession throughout the United States.

Our members predominantly serve the needs of small- to medium-sized business firms. They are very close to the problems faced by the small businessmen of our country who are so vitally involved with the economic census program.

We appreciate the opportunity of appearing before you to discuss this important topic. I will direct my remarks to several aspects of the economic censuses primarily from two viewpoints. The first will be comments that we, as practicing accountants, will make relative to the direct effect of the economic census procedure and timetable on our own practices. Secondly, I would like to discuss the feelings of our small business clients and try to give you an idea of the typical reaction of the small businessman to the economic census report forms.

Insofar as practicing accountants are concerned, there is no question but that the economic censuses cause real difficulties. It is true that this is only a once-every-5-year occurrence, but when it does happen, the impact is serious.

The main problem from the accountants' standpoint stems from the timetable presently utilized for the mailing of economic census report forms and the due date for their completion and filing. This period coincides exactly with the busiest time of the year for the practicing accountant and his client.

This busy period is due primarily to the heavy burden on the business community and the public accounting profession which results from the need to comply with requirements of various governmental agencies for reports, forms, and documents of many types.

Here is an example which was conveyed to us by one of our members in Florida. It highlights the extent to which businessmen taxpayers are forced during the period from January 1 through April 30 to complete many reports and tax returns. The typical small businessman must submit to the Federal Government a corporation income tax return, a personal income tax return, approximately 200 forms No. 1099, a Federal unemployment return and let us say, approximately 70 W-2 forms for employees. Let us also not forget the W-3 form and the quarterly No. 941 report (one in January and one in April). Additionally, there are monthly Federal tax depository cards, plus the regular monthly census reports for some clients.

He must also file a State sales tax return, a quarterly unemployment return (January and April), and, in all probability, he must reply to several inquiries about employees' social security status or their working records relative to the State unemployment compensation rules.

The above description about our member in Florida can be multiplied many times over. In other parts of the country there is likely to be in addition a State and/or city income tax form, franchise tax reports, personal property tax reports, and annual sales tax recapitulation reports.

During all of this, he must operate his business and try to make a living.

When the economic census forms are received, they impose an additional burden on the already overburdened businessman. As a result, the businessman refers the economic census forms to his accountant and shifts the responsibility to him on the theory that since the accountant is filling out every other report, return, and form required, he may as well assume responsibility for completing and filing the economic census report form.

If we think that the typical businessman is burdened with required Government reports from January 1 through April 30, this situation is compounded for the accountant. For it is true without exception, and this is shown by experience, that the accountant can look forward to receiving the economic census report form assignment from every client because they all feel the same way as the typical businessman in our example.

The problem resulting from the timetable of the economic censuses has been of concern to the national society for several years. It is our opinion that arrangements for the taking of the 5-year economic censuses should be modified so that the required date for the filing of report forms does not coincide with the busy tax filing season. It is our belief that the burden on small businessmen and practicing accountants would be lessened considerably if economic census report forms could be filed, for example, any time up to May 31, which is a reasonable period beyond the deadline for the filing of the great bulk of tax returns and other reports.

We discussed this problem extensively with Census Bureau officials during the latter part of 1963 in anticipation of the upcoming economic census. The Census Bureau was exceptionally cooperative and understanding. Bureau officials seemed anxious to cooperate and alleviate the burden on the practicing accountant to the maximum extent possible, consistent, of course, with the overriding requirements of the Bureau and its responsibilities to Congress, other Government agencies, and business organizations.

As a result of a series of meetings, discussions, and negotiations, the Census Bureau agreed to devise a means by which practicing accountants could obtain extensions for the filing of economic census report forms for their clients. A special form (NC-X-4) was designed for this purpose and it permits an accountant to obtain an extension until May 15, 1964, for those report forms which cannot be timely filed without causing the accountant undue hardship.

We have publicized this special filing arrangement for accountants widely among our members throughout the country, as well as many thousands of practicing accountants who are not affiliated with the national society. The new procedure has been received by accountants as a tangible benefit in scheduling their work during this busy period. Many have taken advantage of the opportunity to file form NC-X-4 and obtain the necessary extension.

All of this is good and very definitely welcomed by the public accounting profession. There is an honest and a genuine desire on the part of the Census Bureau to extend the fullest cooperation. However, to accomplish this objective, it has been necessary for representatives of the national society and busy Census Bureau officials to spend a considerable amount of time and effort. A new form had to be devised and printed by the thousands. The national society assumed responsibility for publishing and distributing to approximately 60,000 accountants around the country details of the special filing procedures which had been arranged.

We suggest that a considerable amount of this effort, time, and money could have been eliminated if the Census Bureau procedure and timetable for the economic census provided in the first instance for a deadline date beyond the tax filing season. A due date of May 31, for example, would be of considerable assistance to practicing accountants and business firms.

If this were so, the information received by the Bureau would be just as timely and a burden would be eliminated. We believe that a May 31 due date is realistic and practical and would not, in the final analysis, unduly delay the tabulation and preparation of census reports beyond that which presently exists.

We suggest, therefore, that when the next economic census is taken, a timetable be established which will provide for a due date of May 31 rather than the end of February. With such an arrangement, business firms and their accountants will be able to file economic census report forms on time without the necessity of going through detailed extension request procedures. Needless to say, elimination of the requirement that extensions be obtained will lighten the recordkeeping workload imposed upon the Bureau.

I would like at this point to convey to you some comments concerning the actual forms themselves. These thoughts and suggestions are derived primarily from the reaction of business clients and the feeling of practicing accountants who are called upon to complete the forms with the required information.

In the first place, and speaking rather frankly, the forms are too long, and seem to be too involved. For example, the report forms relating to eating and drinking establishments consist of 15 questions by number, but there are some 156 actual entries to be made. Add to this the time required to read and understand the instructions.

Also, many questions asked require extensive research among books and records of the client in order to find reasonably accurate answers.

The way the forms are presently arranged and the detail required results in a situation where the typical businessman cannot possibly complete the report himself. In my own personal case, every one of my clients, without exception, has referred his economic census report form to me. Most of them want to know, "What is this all about?" From my standpoint as a practicing accountant, I use whatever financial information I have available to complete the report, but must contact the client and discuss the problem further with him. For the least complicated economic census report form, I would estimate it takes the accountant approximately 1 hour to complete the information required.

Based on the experience of practicing accountants, we would recommend that the economic census report forms be simplified and the questions consolidated as much as possible. For example, could not question 1-a through 1-f be consolidated to some extent?

And, on the report form for laundry and drycleaning establishments, we question the necessity for the inclusion of such detailed inquiries relating to machines and the equipment operated.

These are brief examples of what appears to be excessively detailed questions about items which are of questionable usefulness for anyone or any agency.

We can understand the responsibilities of the Bureau of the Census. We think they have a difficult job to do and are accomplishing excellent results. However, there is always room for improvement in any operation.

Our comments are intended to be constructive, not critical, so that certain changes may be made which we believe would result in an improvement in the degree of voluntary compliance by business firms.

On behalf of the National Society of Public Accountants, may I extend our appreciation for the opportunity of appearing. We hope that these observations will be helpful to you in your important studies.

Mr. OLSEN. I would hope that perhaps you, Mr. Holland, could be here again this afternoon and hear some of what the Census Bureau has to say. I am sure they take what you say in the same vein in which you contributed it. They understand you are here to cooperate and believe you me that is what the hearings are for, is to try to find more cooperation. And we think before the spring has worn on too far, we are going to get some more cooperation out of Government agencies, including the Census, with the accountants and with the business people to make the burden less onerous.

Thank you very much for your contribution.

Mr. HOLLAND. Thank you.

I would like to tell you the National Society of Public Accountants is available any time we can assist you in any of these areas, surveys, membership.

Mr. OLSEN. I would like to make this contribution: To your next society convention, you ought to invite a panel of experts from the Bureau of the Census, and I am sure they would be glad to participate and explain their show. They said yesterday that public relations in this economic census are very difficult, because unlike the decennial census, where they get the cooperation of advertising agencies to explain the need for the census, because they are making the inquiry of 1 businessman maybe out of 40 people, and they just can't get

the advertising cooperation that would help explain to people the necessity for the business censuses. And I think they see more now the need for getting this information to these business people. You folks with your medium of conventions and delegates from all of the States coming to your convention hall and having the Census explain would, I think, help them and help you. Maybe at that time some of your people could corner some of the Census experts to simplify the forms.

Mr. HOLLAND. Fine, thank you. We will take that into consideration. I would just add that our convention falls in August this year and if these reports were made in May, I think there should be a little more time elapsed so they won't get too bad a reaction from the members after having just completed the reports.

Mr. OLSEN. Thank you very much.

Now the meeting is recessed and we will reconvene at 2 o'clock this afternoon.

(Whereupon, at 12:05 p.m., the subcommittee recessed, to reconvene at 2 p.m. of the same day.)

#### AFTERNOON SESSION

Mr. OLSEN. The subcommittee will come to order.

I hope those who were waiting here patiently can see that in the life of a Congressman, you have to look after your vote and appearance on the floor, and you have to be at the committee meetings, but the most important things are these fine people that come from home to visit, and I must say to you gentlemen who are at the table here that you are under the gun now, you have to put on a good show, because I have a couple of constituents here.

I think where we left off was asking for some specific examples where the Census Bureau serves business and promotes business.

#### **STATEMENT OF HON. RICHARD H. HOLTON, ASSISTANT SECRETARY FOR ECONOMIC AFFAIRS, U.S. DEPARTMENT OF COMMERCE; ACCOMPANIED BY A. ROSS ECKLER, DEPUTY DIRECTOR, BUREAU OF THE CENSUS; AND HOWARD GRIEVES, ASSISTANT DIRECTOR, BUREAU OF THE CENSUS**

Mr. HOLTON. Mr. Chairman, if I may, before getting into the specific examples, I would simply like to insert the remainder of my prepared testimony in the record at this point.

Mr. OLSEN. That is well taken.

Mr. HOLTON. Business planners have been bothered by the surprising lack of data on retail sales by merchandise line. The Federal Reserve Board data on department store sales by departments, which are generally granted to be quite inadequate for our needs, are a very poor substitute for what we really ought to have if businessmen are to be able to keep fully informed on retail sales developments. Retailing generally has been going through some rather wild changes since the end of the war, with merchandise lines being scrambled so much that traditional designations of kinds of business are a very poor guide to what goods are actually being sold. Meeting the need for sales data by merchandise line is an extremely difficult assign-

ment and very careful appraisal of the possible methods for providing these data is necessary.

With the growing interest in foreign markets, we would like to be in a position to provide better export statistics. We know that the value of goods exported involves some error because often the individual providing the export price to the Bureau of the Census is some middleman other than the seller of the goods; consequently he may not know the correct price. Also we know that some of the evaluations do not include an accurate reflection of the cost of freight to the port of shipment.

Since the end of World War II the Census Bureau has greatly improved and increased its work in statistics of manufacturing. Users of Census statistics, however, are aware that particularly with regard to new products, our data could be greatly improved. Given the importance of technological change and of new products in the whole process of economic growth, more detailed information on some of the more rapidly changing product groups would seem to be a high priority need.

All of you are aware of the rapid expansion of the service trades in recent years. Here we have made only a bare beginning in collecting data on establishments, employment, and sales. We also have quite a distance to go before we can provide much in the way of retail sales data for all the major metropolitan areas.

In the field of transportation statistics, there are so few basic data, other than for railroads, that a former Chairman of the Interstate Commerce Commission recently told another committee that intelligent planning is impossible. We have reported to you the significant beginning that is being made currently in our transportation statistics, but one needs to emphasize that this is only a limited beginning.

One of the weakest links in our whole economic information system is in construction. We have only very rough estimates of construction work currently underway, of the types of construction involved, or of the changes in construction activity from one time to another. The deficiencies of the series now available have been investigated repeatedly over the years by both Government and business groups and strong recommendations for basic improvement have been made. We are making some progress on this problem, but even a minimum adequate job is not in hand or even in sight.

These dramatic changes in the demand for information are not only revealing more vividly the inadequate scope of our economic data; they are also beginning to point up some limitations in the accessibility of the data for certain uses. For many purposes now the users prefer access to data on the computer tape rather than to the same data in census publications. The Bureau has made enormous strides in recent years in accommodating these requests for access to the tapes. To make further progress along these lines, we may have to make an important capital investment in preparing the census tape files to facilitate their continuing use even after the data are published.

The economic data we are reviewing here today have been woven into the warp and woof of decisionmaking in business and in all levels

of Government in such a way that we cannot estimate its value. We only know that it is indispensable. We also know that revolutionary changes in management methods have been increasing the demand for economic data. The very impressive professional accomplishments of the leaders of the Bureau of the Census cannot overcome the fact that the present census budget simply prohibits our moving as rapidly as many would like toward closing what we might call the information gap.

Would you prefer I turn to the specific uses or Mr. Johansen's question first?

Mr. OLSEN. Let's take care of Mr. Johansen's question, because he thought it was important and I do too. His question was relating to the statistics compiled by trade associations and whether or not they weren't sufficient to displace the Census Bureau.

Mr. HOLTON. Well the trade association people, in a substantial number of cases, think not. Let me say first of all that in the course of preparing for the 1963 economic censuses, something like 1,400 different trade associations were contacted to get their views about what should be in the economic censuses, and their views about what kinds of information these firms could and could not report. As far as relying on trade associations for all of the data in a particular industry, this in fact is what we do in some cases. The general rule is that if a trade association can and does provide a reliable series, then the Bureau of the Census stays out of it.

For example, the Bureau of the Census does not produce automobile production figures, because the Automobile Manufacturers Association does quite a satisfactory job of this. Now there are any number of instances where we do rely on the trade associations' data for informing the industry. In one case, for example, the sawmills, the trade association publishes the monthly production statistics, but because they know their coverage is something less than complete—after all this is an industry where there is a lot of exit and a lot of entry of new firms—

Mr. OLSEN. A lot of failures and a lot of beginners.

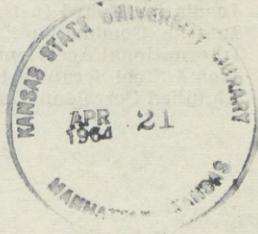
Mr. HOLTON. Right; they rely on the economic census to give them a benchmark every 5 years, so they can correct their coverage and give a new base from which to estimate the month-to-month changes in production.

Mr. OLSEN. Now for the most part do you supply trade associations with the information that they use to give their trade?

Mr. HOLTON. Yes; certainly we have—

Mr. OLSEN. Could you give me a list, roughly, of examples where you have furnished the trade associations the statistical information they need to advise their people what production is, what it has been, what consumption is, and what it has been?

Mr. HOLTON. Mr. Chairman, if I may, I would like to provide that for the record. I have some illustrations of cases, uses of Census data, but I do not have a list of trade associations who subscribe to the Census publications. We will provide such a list for the record.



(The list follows:)

PARTIAL LIST OF TRADE ASSOCIATIONS SUBSCRIBING TO AND/OR REPUBLISHING  
DATA FROM THE CURRENT INDUSTRIAL REPORTS OF THE BUREAU OF THE CENSUS

Aerospace Industries Association.  
Agricultural Ammonia Institute.  
Air Conditioning & Refrigeration Institute.  
Aluminum Association.  
American Bleached Shellac Manufacturers.  
American Boiler Manufacturers Association.  
American Carpet Institute.  
American Coke & Coal Chemicals Institute.  
American Feed Manufacturers Association.  
American Forest Products Industries.  
American Glassware Association.  
American Iron & Steel Institute.  
American Meat Institute.  
American Paper & Pulp Association.  
American Petroleum Institute.  
American Pharmaceutical Association.  
American Pulpwood Association.  
American Textile Manufacturers Institute.  
Asphalt Roofing Industry Bureau.  
Association of American Soap & Glycerine Producers.  
Association of Cocoa & Chocolate Manufacturers.  
Association of Pulp Consumers.  
Bureau of Raw Materials.  
Calcium Chloride Institute.  
Can Manufacturers Institute.  
Certified Ballast Manufacturers Association.  
Chlorine Institute.  
Clothing Manufacturers Association of the United States.  
Combed Yarn Spinners Association.  
Compressed Air & Gas Institute.  
Compressed Gas Association.  
Construction Industry Manufacturers Association.  
Copper & Brass Research Association.  
Cork Institute of America.  
Corset & Brassiere Association.  
Die Casting Research Foundation.  
Douglas Fir Plywood Association.  
Drop Forging Association.  
Dry Color Manufacturers Association.  
Electronic Industries Association.  
Farm Equipment Institute.  
Fiber Producers Group.  
Fire Apparatus Manufacturers Association.  
Flat Glass Jobbers Association.  
Gas Appliance Manufacturers Association.  
Gelatin Manufacturers Institute of America.  
Glass Container Manufacturers Institute.  
Gray Iron Founders Society.  
Hardwood Plywood Institute.  
House Dress Institute.  
Hydraulic Institute.  
Independent Petroleum Association of America.  
Institute of Appliance Manufacturers.  
Institute of Makers of Explosives.  
Institute of Shortening and Edible Oils.  
Insulating Siding Association and Insulating Siding Core Board Association.  
Insulation Board Institute.  
Internal Combustion Engine Institute.  
International Acetylene Association.  
Iron & Steel Scrap Institute.  
Liquified Petroleum Gas Association.

Magnesium Association.  
 Malleable Iron Founders Society.  
 Manufacturing Chemists Association.  
 Mayonnaise & Salad Dressing Manufacturers Association.  
 Miller's Federation.  
 Narrow Fabrics Institute.  
 National Agricultural Chemicals Association.  
 National Association of Bedding Manufacturers.  
 National Association of Drug Manufacturers Representatives.  
 National Association of Finishers of Textile Fabrics.  
 National Association of Furniture Manufacturers.  
 National Association of Glue Manufacturers.  
 National Association of Machine Tool Builders.  
 National Association of Manufacturers.  
 National Association of Manufacturers of Pressed & Blown Glassware.  
 National Association of Margarine Manufacturers.  
 National Association of Photographic Manufacturers.  
 National Association of Plastic Fabricators.  
 National Association of Printing Ink Makers.  
 National Association of Shirt & Pajama Manufacturers.  
 National Association of Wool Manufacturers.  
 National Automatic Merchandising Association.  
 National Clay Pipe Manufacturers.  
 National Confectioners Association.  
 National Cotton Compress & Warehouse Association.  
 National Cotton Council.  
 National Cottonseed Products Association.  
 National Electrical Manufacturers Association.  
 National Insulation Manufacturers Association.  
 National Knitted Outerwear Association.  
 National Lubricating Grease Institute.  
 National Lumber Manufacturers Association.  
 National Mineral Wool Association.  
 National Paint, Varnish & Lacquer Association.  
 National Paperboard Association.  
 National Paper Box Manufacturers Association.  
 National Paper Trade Association.  
 National Particleboard Association.  
 National Petroleum Association.  
 National Plant Food Institute.  
 National Renderers Association.  
 National Shoe Manufacturers Association.  
 National Soybean Processors Association.  
 National Vitamin Distributors Association.  
 National Vitamin Foundation.  
 New England Shoe & Leather Association.  
 Newsprint Service Bureau.  
 Nonferrous Founders Society.  
 Northern Textile Institute.  
 Oil Heat Institute.  
 Paper Napkin Association.  
 Paper Shipping Sack Manufacturers Association.  
 Pharmaceutical Manufacturers Association.  
 Plumbing Fixtures Manufacturers Association.  
 Printing Paper Manufacturers Association.  
 Pulp & Paper Prepackaging Association.  
 Red Cedar Shingle Bureau.  
 Refractories Institute.  
 Rubber Manufacturers Association.  
 Scientific Apparatus Manufacturers Association.  
 Silk & Rayon Printers & Dyers Association.  
 Society of the Plastics Industry.  
 Soda Pulp Manufacturers Association.  
 Southern Furniture Manufacturers Association.  
 Southern Pine Association.  
 Special Refractories Association.

Specialty Paper & Board Affiliates.  
 Steel Boilers Institute.  
 Steel Founders Society.  
 Steel Service Center Institute.  
 Steel Shipping Containers Institute.  
 Structural Clay Products Institute.  
 Sulphite Paper Manufacturers Association.  
 Tall Oil Association.  
 Tanners Council.  
 Textile Distributors Association.  
 Textile Economics Bureau.  
 Textile Fabrics Association.  
 Tile Council of America.  
 Tissue Association.  
 Truck Trailer Manufacturers Association.  
 Tufted Textile Manufacturers Association.  
 Underwear Institute.  
 United States Pulp Producers Association.  
 Vegetable Parchment Manufacturers Association.  
 Waste Paper Utilization Council.  
 Water Systems Council.  
 West Coast Lumbermen's Association and West Coast Lumber Inspection Bureau.  
 Wood Office Furniture Institute.  
 Wool Bureau.  
 Work Glove Institute.  
 Writing Paper Manufacturers Association.

NAMES OF TRADE ASSOCIATIONS THAT CONTRIBUTE ALL OR PART OF THE COST OF  
 CURRENT COMMODITY SURVEYS COMPILED AND PUBLISHED BY BUREAU OF THE  
 CENSUS

Business Equipment Manufacturers Association.  
 Certified Ballast Manufacturers.  
 Construction Industry Manufacturers Association.  
 Corset and Brassiere Association.  
 Farm Equipment Institute.  
 Luggage & Leather Goods Manufacturers of America.  
 National Association of Bedding Manufacturers.  
 National Association of Glue Manufacturers.  
 National Association of Margarine Manufacturers.  
 National Electrical Manufacturers Association.  
 National Flexible Packaging Association.  
 Refractories Institute.  
 Underwear Institute.  
 Tufted Textile Manufacturers Association.  
 Water Systems Council.  
 Wood Office Furniture Institute.

Mr. OLSEN. How many would there be? Do you know?

Mr. GRIEVES?

Mr. GRIEVES. I actually couldn't tell you the number offhand. It wouldn't mean very much because trade associations vary greatly in their size and significance. There are some that have thousands of members and some just a few. But it runs into the hundreds.

Mr. HOLTON. If I may indicate, this isn't quite a trade association use, but close to it. One editor has written, with regard to retail trade data:

These reports are used for background material in connection with food industry stores for our two publications, Food Topics and Food Field Reporter. Sales figures and comparisons are particularly helpful in evaluating trends.

Mr. OLSEN. Trends of what?

Mr. HOLTON. Trends in food sales. This would be in retail food sales. These replies have to do with the retail, monthly retail sales data.

Another publisher writes:

We use your reports as source material for our four business and economics newsletters.

Mr. OLSEN. We are not getting specific enough here. We talked about this a little earlier. You said there are many hundred. Many hundred of what and who?

Mr. GRIEVES. Trade associations which subscribe to census reports and republish them in the trade papers which they distribute to their members.

Mr. OLSEN. Which is the biggest trade association you know of, or one of the biggest? Give me five or six trade associations that use census material.

Mr. HOLTON. Here is one I do happen to have here. This is from the National Cotton Council, writing with respect to a new series of yarn production.

This is very definitely one of the most important innovations we have had in a long time. Our market research people are very happy to have this information. We look forward with great interest to getting \* \* \*.

This was written in 1961.

\* \* \* We look forward with great interest to getting the 1960 report as soon as possible, particularly since it will afford the first year-to-year comparisons for various types of blends.

Another case in point, this again is not a trade association, but a case in which census data is repackaged, so to speak, for an industry, Fleischman's, has prepared an attractive booklet called "The Bakery Census Digest," based on special tabulations of the 1958 and 1954 Census of Manufactures data. Uses of the booklet are being described to bakers through talks and slides that Fleischman's was apparently sponsoring throughout the country.

Sales Management has written sometime ago:

Probably the greatest use we make of the census of manufactures data lies in the many specialized studies we make. Here at headquarters we are organized on an industry basis, which means we are constantly studying specific industries. Plant employment data and data on a number of plants are basic to these studies.

Mr. OLSEN. Why? That is what I am going to have to answer one of these days on the floor of the House.

Mr. HOLTON. Let me give one case in point. One manufacturer, before the 1958 census came out, had established on the basis of the 1954 Census of Manufactures, their estimate of their share of the market for a given commodity. This happened to be in chemicals. They were planning on the basis of the performance of their sales in the years following the 1954 Census of Manufactures, to build a new plant. They judged that on the basis of the performance of their sales looking on their market shares remaining stable, the industry was growing so very rapidly that there would be plenty of market for the output of this new plant.

Mr. OLSEN. This is what we have to get. We have got to get more examples like that.

Mr. HOLTON. When the 1958 Census of Manufactures came out, they saw what had happened was their market share had not remained stable as they thought; they simply had a very effective marketing pro-

gram, their market share had expanded very greatly, and there was not a market for the output of that proposed plant, and they canceled the plans to build the plant.

Mr. OLSEN. That is a very poor example. I want to see an example, and not one—I do think and I am very sincere in this, that the Bureau of the Census can justify itself very well, but you have to do it better than this, you have got to show us lots of examples of where the growth in the economy, investment in the economy, is influenced by the census information.

Mr. HOLTON. We have had one case recently of a life insurance company that came in and was particularly interested in data we are going to be producing shortly. This is a new way of organizing data, which will permit a much more, a much cheaper analysis of regional growth. This insurance company is especially interested in seeing the economic growth data for different sections of the country, because they have a portfolio amounting to several billions of dollars in real estate investments which they are managing and they simply want to know where they should put this investment, in what part of the country. And in order to analyze this kind of problem, they need to look at not just increases in population, because they are interested of course in jobs and income, but also they are concerned about what industries are growing at what rate in different parts of the country. Some of those investments will be no doubt in industrial real estate.

I have another case in point, and again this is a quotation from a person writing in:

I know that census will continue to provide our industry with the statistics which have been so valuable in the past. I am sending you a study which I made—utilizing census information—which materially contributed to the final decision to build a new branch plant in Georgia.

Another, a manufacturer of woodworking equipment, asked the Census Bureau for statistics on the number of sawmill and planing mill establishments by counties. This information was used to determine the geographical areas in which a potential market for woodworking machinery equipment and supplies existed.

In another case, a manufacturer of formica material for metal dinette and breakfast sets, used census data on production of these items by State to determine his primary market. This was again the census of manufactures, where you have manufacturers selling to other manufacturers.

Another case:

In addition to the prevalent use of our company's shipments of a particular product with the U.S. total, we have applied the census current industrial reports data to the determination of county potentials for industrial sales. The details supplied by those reports make it possible to separate industrial products from commercial products, and to determine the total U.S. industrial potential; that is, the maximum amount of business available per year to any single company or group of companies.

Another case:

Using census figures on the production of oxygen by States, we compare our own production, State by State, with the total production, in order to see those localities where we are strong and where we are weak. The objective is to do a better job with allocating sales efforts in proportion to possibility, thereby eliminating waste.

Another case :

Your data permit us as manufacturers to analyze our position in the industry, on the various lines of equipment that we make.

Another case :

We are expanding our sales department to provide better coverage of potential machine customers. We need to know more about where the market for our product exists, both geographically and by industry.

The nature of this need too is indicated by special tabulations which have been prepared for two groups of industries. One, the steel, aluminum, and copper producers, and the other, the paper and pulp people, asked for a special tabulation showing the material used, and again it is from the census of manufactures, by industry and by region of the country, so that they could all have access to these data which would help them see what industries were buying their products and in what regions.

Mr. OLSEN. Well, I think this is what we have to have in the record. Have you got anything to say about shoes now?

Mr. HOLTON. I did see something on that here; 1 minute, please.

Mr. OLSEN. I want you to be that specific. The closest you got to a specific example, was, you say, copper, aluminum, and steel. I want you to get really specific about some area where the Census Bureau furnished business statistics, from the business census, that helped business grow. Otherwise you know we are just gathering statistics for the economists, who are teaching classes in school somewhere. I am sure that Congress has got to have example where the Census Bureau serves industry and business and promotes it.

Mr. HOLTON. Let me turn to Mr. Maxwell Conklin, who is the Chief of the Industry Division, and who has immediate supervision of a large number of the specific industry surveys, particularly the special requests. He has been especially close to some of these special jobs we have done for the shoe business.

Mr. CONKLIN. The Census Bureau has compiled monthly statistics for the shoe industry since 1921 actually. The New England Shoe Association for example, asks for special tabulations on a regional basis, by type of shoe, each month of the year. They pay for this on an annual basis, because they attach a great deal of value to these data.

Mr. OLSEN. As we go into this, I think this is one thing we ought to say first, and that is, the reason that the Census Bureau is in this business. The reason the trade association requests it is that the Bureau of the Census has got the confidence of the shoe industry, the Bureau of the Census doesn't tattle on one company to another, and therefore all of the shoe people are willing to report to the Census. Therefore the trade association knows this and they rely on you to gather the information. Is that right?

Mr. CONKLIN. Yes, that is true.

Mr. OLSEN. And nobody else could do this?

Mr. CONKLIN. No one else does it. Every other year the industry, which is very conscious of the need for data on the changing price lines of shoes, asks the Census Bureau to conduct a special survey on production of shoes by price line.

Mr. OLSEN. And you keep the confidence of the manufacturers, so that you don't hurt one or give advantage to one?

Mr. CONKLIN. We are very careful about that.

Mr. OLSEN. You don't know of any infractions of this rule, do you?

Mr. CONKLIN. There are none.

Mr. OLSEN. Fine. Now you go ahead. What else do you learn about shoes? Do you know the ages of people, do you know what kind of shoes, what sizes of shoes? Do you give them that kind of information.

Mr. CONKLIN. We collect statistics monthly on the production of shoes by age-sex category and also as to whether they are dress or workshoes. For example we collect statistics on men's dress shoes, men's workshoes, women's dress shoes, women's workshoes, and also whether they are for children, athletic shoes, as a group, slippers—

Mr. OLSEN. Does this help the industry?

Mr. CONKLIN. All of the information the Census collects on production is always worked out with the industry groups. We are not the engineers. We don't know about every model. What we do know is how to get information from industry and who the experts are. So that all of the product information that we developed is worked out in cooperation with—and I might say almost uniformly with the devotion of a great deal of energy by the people in industry, in trying to get the appropriate product breakdown.

Mr. OLSEN. This helps them plan how much leather they buy and how many shoes they make.

Mr. CONKLIN. It gets to be the basis for their production scheduling. It enables each company, in the first place, to measure its own performance against the performance of others by type of shoe in the industry. And by region, in this case, because the data are compiled regionally.

Mr. OLSEN. Could you say the same thing for aluminum?

Mr. CONKLIN. Yes, we could say the same thing for that. That is certainly true. We always work closely with the aluminum industry.

Mr. OLSEN. How about canned fruits and vegetables?

Mr. CONKLIN. The National Canners Association collects a great deal of information on canned fruits and vegetables. And the Fish and Wildlife Service collects a good deal of information on canned fish for example. We work especially closely with the National Canners Association in developing the product breakdowns for canned foods for which we collect data in the economic censuses. The only time we get detailed data is in the census of manufactures. This is very closely worked out with the industry, both as to type of fruit or vegetable or juice or preserves, whatever the case might be, and type of container.

Mr. OLSEN. Before this gentleman leaves, I want to find out whether or not you help the broadcasters any. This is a radio broadcaster back here from Montana. Is there any way the Census Bureau helps gather information that would serve the broadcasters?

Mr. CONKLIN. Well, I suppose the census of manufacturers would be somewhat more remote in a sense from the broadcasters than would be a census of population or a census of retail trade or service, which is closer to the ultimate consumer. Certainly the economic censuses, though, constitute the background.

Mr. OLSEN. Dr. Eckler has something to say about this, I believe.

Dr. ECKLER. Mr. Chairman, I believe that the materials which are most useful for the broadcasting people are those having to do with the distribution of the population and the characteristics of the population, information concerning the economic status, age, sex, color, family composition, occupation, income and so on. There may also be some application of the statistics on housing, information on housing units, types of homes, and that kind of information, because they are very vitally concerned with movements of the population, and their ability to buy goods, the possessions they have, and so on.

Mr. OLSEN. I think it is well taken what you have said, because I know that some of these broadcasters, they don't like a 15-minute political speech, because they lose the audience, you know, the audience turns to something more attractive. But getting closer to his problem, the people selling cigarettes, or selling any other item, they want to know how many people they are selling to, and the population of the city of Butte is not very large, but there are so many people that listen in the vicinity of Butte. So they have to have the census help them with the metropolitan area of Butte, Mont., and it helps the broadcaster sell his radio station to the national hookup.

Dr. ECKLER. One of the real problems that comes up in connection with the broadcasters is the definition of metropolitan areas, and the determination of the size, how rapidly they are growing, because the ones that are listed as standard metropolitan statistical areas are in a certain category, and they attract certain contracts and the ones that are not so listed may be at a disadvantage. Hence they come to the Census Bureau and ask about what information there is on this since the last census, and could this place be established as a standard metropolitan area. We have a great many interests of that sort. We give them what information we can, but when you are 4 years after a census, in a place like Butte, you may not have too good a basis for estimating what has taken place.

Mr. OLSEN. While we are on the subject of Butte, it has had some reverses, economically, and some loss of population. But I note the school census shows we have got more children going to school. I have reason to believe people are still there. That is why I want a middecade census, if only to prove that people are still there. And the industries like the broadcasting industry at Butte or other cities in Montana, could be assisted by a middecade census. It would help maintain their business if they could with justification from the Census Bureau show that the population is growing rather than diminishing.

Mr. GRIEVES. By the same token, Mr. Chairman, if the business census shows large volumes of retail and service sales in the area, that is evidence people are there too.

Mr. OLSEN. If they are still selling shoes.

Mr. GRIEVES. And food.

Mr. OLSEN. And food. But if they have any kind of economy at all, they are going to put shoes on those kids and on themselves. And I think it demonstrates whether or not the population is staying there every bit as much as the number of telephones or the number of other utility outlets.

Mr. GRIEVES. One of the items of interest that was objected to by one witness this morning, was the question on merchandise line sales of shoes, regardless of the kind of outlet selling shoes. One of the

reasons for that inquiry is the fact that, as you are well aware, retailing has become very mixed up and shoes are now sold through shoe stores and many other outlets. The question is from the standpoint of the market, what outlets are really successful. This is a guide as to how you should distribute your own shoes and what is the volume of the market in total, which is obscured now because of the diversity of the distribution channels. This helps connect the manufacturing function with the distribution function, it helps to allocate advertising around the country, it helps communities that are really striving to prove their sales, it gives a gage of the size of the market for the sales effort of the manufacturer and the distributor.

There are a myriad of uses. I could barely enumerate them all. Even the structure of distribution is revealed by the census, the extent to which the manufacturers are handling their own distribution by owning the retail outlets, the extent to which they are operating through independent wholesalers, the extent to which they are using sales branches. This is the picture of America as an industrial and distributive organism, that is renewed once every 5 years. That is the very purpose of the census, the reason it has existed for decades, and it is the reason every industrialized society in the Western World has such censuses. It is the reason why every time the burden of preparing becomes the dominating theme, and it is a burden, it happens periodically that the existence of the censuses is threatened and then all of these subtle and sensitive and diverse uses come to the fore, we have hearings and resume these censuses. That is the history of it.

Mr. OLSEN. So my friend from Montana, can take the broadcasters a message, we do with the Bureau of the Census very well serve the radio station operators of America, don't we?

Mr. GRIEVES. We do.

Mr. OLSEN. Of course they serve the public very well now, we are glad to have them. But they get a lot of help from us, don't they?

Mr. GRIEVES. Yes. There are many many other uses. I think one of the difficulties, if I may say so, of this kind of discussion, wherever you stop there is an implication that these are the uses. There are many, many other uses. For example, the refutation of error is a very important function of the census. It is what keeps our society more or less following paths of truth and accuracy. Rumors don't dominate the economic life where the census provides guidelines. Phony statistics can't flourish where the census provides periodic benchmarks. Rumors can't ruin a locality, if you can count the people periodically and measure the business. It is equally important to a productive society to prevent bad decisions, to prevent the plant being built that would be idle and so forth.

Mr. OLSEN. Yes. I use the example that it is well to prevent the community from building a new sewer line, if they are not going to have any people. I don't think that example will hold, I rather think the communities will grow and they will need the sewer line, because you are going to have more people. But the fact is the census could tell us the rate of growth and we could know when the new facility will be needed.

Likewise, and more important, probably, is whether or not we need more shoes or we need more automobiles.

Mr. GRIEVES. And where.

Mr. OLSEN. And where and can the people afford it? I wish we could have some of that. Now I know my friend, Mr. Merrick, from Montana has to leave and I can see him trying to edge toward the door. I wish we could interrupt this hearing long enough to hear from him.

STATEMENT OF WILLIAM A. MERRICK, STATION KBMN,  
BOZEMAN, MONT.

Mr. MERRICK. I was interested in your conversation and I thought it might be interesting to this committee to know that today, if she is doing what I told her to do, my secretary is compiling a station presentation using Bureau of the Census figures to show in my community, Bozeman, Mont., the importance of the agricultural market we serve and that presentation would be used by us to convince suppliers and producers of agricultural equipment and supplies to encourage them to advertise in our market, to reach this real large market. And we are working on that right now. We use these quite regularly. We get the reports every year.

Mr. OLSEN. You would like to show how many farmers you have down there that are buying farm equipment?

Mr. MERRICK. Right.

Mr. OLSEN. And the only way you can do this is through some impartial account and the Bureau of the Census is the only impartiality you can find, isn't it?

Mr. MERRICK. That is right. We use the number of farms, acres of farm land, the amount of farm produce of various types produced in the area, the amount of farm equipment and vehicles that are used in the area, and we get all of these and it is very, very valuable to us.

Mr. OLSEN. Now I will interpose this and then we will go on with the committee. Yesterday I was on a radio program together with Mr. Hartman from the Department of Agriculture and strangely enough he wanted to know where I came from in Montana, and I said western Montana, and he says that is the cattle country and he spoke specifically of Bozeman.

While we have great ranges of cattle country out there, there is a lot of feeding that goes on in the Gallatin Valley, so the Gallatin Valley becomes known as the cattle country. And I think that is good for your station. But it couldn't be proved any other way than by some impartial and accurate statistics, rather than rumor, as you say.

Thank you, Mr. Merrick, it is a pleasure to have you here.

Mr. GOLDFIELD. Mr. Chairman, I wonder if I could give you a specific example for the broadcasting industry. This happens to be in the first place the censuses of population and housing, but is eventually gets to use the other censuses too. The broadcasting industry identifies its markets in terms of the number of households with radio and TV sets in a given area. These are the so-called penetration figures. These figures come from the decennial census. This is an area in which there is a great need for figures that will be uniformly agreed upon as authentic within the industry. It is not an area in which advertisers can accept a local radio station estimate of what the size of the market is and pay rates on the basis of that estimate. Instead

the broadcasting industry uniformly uses the census figures as the reliable, accurate, standard, comparable figures for size of market served by each radio station and television station. They get their revenues on the basis of that. I can't think of a more businesslike use of census statistics than to point out that what they charge for advertising is based on what the census shows is the size of their market. Now the broadcasting services, American Research Bureau, A. C. Nielsen, and others, take these census figures as their benchmarks as they become available and update them with the aid of other census figures, in order to get new figures for each year.

I had some correspondence recently with the proprietor of a radio and TV station in Texas, who said to me the validity of these figures is a matter of life and death to his business. He said if our figures were not available and were not right, he couldn't get the revenue he needed to support his enterprise. He also mentioned, and I think most of the others in the industry would agree with him, that 10 years is a long time between censuses, when they are being used in this way, in an area in which changes do occur.

Mr. OLSEN. Yes. With reference to Mr. Merrick's area, I would say the Gallatin Valley has grown in population a great deal, and while at the same time the number of farmers has diminished and the acreage of each farm has increased. Nevertheless, I would say the population in the Gallatin Valley has increased and you need a census to prove that. Is that right?

Mr. MERRICK. Right.

Mr. GOLDFIELD. As Mr. Merrick said, once the population and housing census establishes the general size of this market, then he and other enterprising broadcasters will take the census of manufactures, census of agriculture, census of business, and amplify the picture of the market they serve, in order to attract advertising revenue.

Mr. OLSEN. The fact is that the size of his market not only reflects the revenues he ought to get for advertising, but it does reflect the actual market, what is available as a sales market, and what the producer ought to be producing to sell to that sales market.

Mr. GOLDFIELD. And what he should be programing.

Mr. OLSEN. Right. Mr. Merrick, I am glad you came. Thank you very much.

Mr. MERRICK. Thank you.

Mr. HOLTON. Mr. Chairman, I would like to underscore one point that I think should be clear. In most cases the expanded census information is generated at the request of industry. For example—the merchandise line statistics—

Mr. OLSEN. Very well taken. You don't do this for the fun of it.

Mr. HOLTON. No, sir.

Mr. OLSEN. You are doing it because you are asked to do it by the business community.

Mr. HOLTON. That is right. You can see the difficulty in the merchandise line statistics, for example. In the past, in 1954 and 1958, for example, for foodstores, we simply have a dollar sales total, and one of the things that businessmen concerned with food marketing are interested in is what is happening to the mixture of things sold through foodstores. We know many more hardware and soft goods and drug items, and so on, are sold through foodstores but we don't

have a very good count. We don't have any count really in the 1954 or 1958 census of the magnitude of these nonfood sales.

Now I happened to have looked at this rather carefully and the food industry itself has not been able to collect this information. There have been a few spot studies. But the trade journals that have published this information don't pretend to say this is typical of what has been happening, they don't say it is even an attempt at a statistical sample. So their figures are little more than illustrative. And the industry or the industries that are concerned about what kinds of goods are sold through foodstores and all other stores have pressed very hard to have these merchandise line data compiled. Now everyone recognizes that not every store has the same departments, of course, and keeps its books the same way. So these figures will have to be estimates. But the presumption is that the errors for the most part will be offsetting and at least you will have a rough idea of what the merchandise line sales are.

Mr. OLSEN. I will tell you, in the interest of listening to these other people, if you haven't anything specific to add, I am going to have to move to another witness.

Mr. HOLTON. If I may add one quick comment, on a matter that Mr. Holland was raising this morning, Mr. Chairman.

Mr. OLSEN. You sure may.

Mr. HOLTON. I think it is important for all of us concerned about census programs to recognize the conflict that we face on this question of the timing of the economic censuses. We can certainly appreciate the problems the accountants face when they have to fill out the census forms at the same time they have their taxload. On the other hand, we are under continuing pressure to get the census data out as quickly as possible. After all, the data we are collecting now relate to 1963 and we could advance the date, the deadline, to the 15th of May or the 31st of May, or the last day of October, if we wished, but these data are perishable, as far as the users are concerned. Consequently we have a real problem.

I might just quote from two letters which I found most interesting. One businessman wrote to the Census to say:

I do not contend the census should not be taken. In fact I see the definite need for it. However, I think additional time should be allotted in which to prepare the form. It is my belief that the due date should be the same as on income tax returns, since much of the same information is required.

Another letter reads:

May I suggest at this time that you recommend to the department of business census that if and when they are asking for business censuses, for heaven's sake they make a request of the business people and accountants after April 15. At least by that time they have filed their tax returns and much of the information requested in the census report form can be answered.

So here are two conflicting reactions from businessmen themselves. But we do face the conflict of timing here.

Mr. OLSEN. Yes. I think Mr. Wilson, my colleague, expressed it this morning with his impatience with Mr. Hafner, our witness, that the census does serve a purpose, but if you get it too late, it doesn't serve the purpose. Now, you know we haven't had any press here at all today and I think if we did anything at all today, we ought to have a press release that explains that away, that at least it was

developed at our hearings, that census information is perishable, and that if we are going to have census information on 1963, it must be available as early as possible in 1964. We would hope the business community would be patient and would be cooperative, because that is one of the reasons we have a Census Bureau.

Now, you surely have some publicity agents around here in your Department and if you don't, I wish you did, to put this information out today or tomorrow. If you don't want to do it any other way, quote me. I sincerely believe that there is an awful gap in communication between the Census Bureau and a lot of the good citizens. They won't feel nearly as bad—as a matter of fact they would feel very good about filling out these forms if they knew what a noble and good purpose it serves for enterprise in this country.

Mr. HOLTON. Thank you very much, Mr. Chairman. I will be happy to have a press release drafted quoting you and clear it with you by tomorrow noon.

Mr. OLSEN. Let's do it right away, something that is in plain language that somebody as unfamiliar with the subject as I am can understand this and get this kind of spirit of cooperation for business people.

Mr. HOLTON. Thank you very much, Mr. Chairman.

Mr. OLSEN. Thank you. I hope you don't feel we took too much of your time. I think this record is going to be very valuable. If for no other reason, it will stop people asking us questions on the floor.

Mr. OLSEN. The next witness is Mr. Roye L. Lowry, executive secretary of the Federal Statistics Users' Conference.

#### **STATEMENT OF ROYE L. LOWRY, EXECUTIVE SECRETARY OF THE FEDERAL STATISTICS USERS' CONFERENCE**

Mr. OLSEN. As I understand it, Mr. Lowry, the Federal Statistics Users' Conference is made up of a large number of private companies, labor organizations, professional associations, institutes, and other organizations, and the basic objective of the conference is to work toward a Federal statistical program of optimum usefulness at minimum cost. This objective is certainly compatible with the objectives of our hearings.

As a matter of fact, I want to say we haven't any other reason for these hearings than to justify the best use of census data for business. What is it President Coolidge said, "The business of this Government is business," and that is true. That is how we make jobs and make prosperity.

We welcome you, Mr. Lowry. We welcome you back, I should say, and we will be most interested in what you have to say. You may proceed as you will.

Mr. LOWRY. Thank you very much, Mr. Chairman. I not only appreciate the opportunity to be here today, but I am especially grateful for your kind introduction. It saved a couple of paragraphs of my statement.

Along with the periodic censuses of population and housing, agriculture, governments, the censuses of business, manufactures, and mining are really the basic foundation stones of the entire Federal statistics system

Mr. OLSEN. I am going to interrupt you right now. Do you know the reason I have a complaint against the Tariff Commission is because the census was able to give us the figures on the number of lead and zinc mines in America, year by year, and show the decline in the domestic production. We darn near don't have any left, anyway, but we wouldn't have any at all, if it weren't for this census information we could bring to the Tariff Commission.

Mr. LOWRY. Well, this foundation of the Federal statistical structure is currently being strengthened by the new census of transportation, which will, for the first time, provide information on commodity movements which can be tied into other statistical information relating to production and trade.

Without the economic censuses there could be no Industrial Production Index. Neither could there be any system of national economic accounts, nor would there be any basis for collecting current information on trade and industry from a sample of business establishments. In short, if the censuses did not exist, they would have to be invented.

They would have to be invented because there is a need for basic facts about the American economy which cannot be satisfied by any other means without exorbitant cost and duplication.

As you and your committee are well aware, the economic censuses provide extensive detail relating to product produced and marketed and to the geographic distribution of manufacturing, trade, and service establishments.

Mr. OLSEN. On that point you flatter us, because the committee doesn't. We change personnel on this committee too often. At the same time this is an advantage. As we change personnel, you are educating more Members of the Congress on the need for the census and I hope you don't tire of making this presentation, because we need it.

Mr. LOWRY. The detail is made possible through the conscientious reporting of the facts by over 2½ million respondents to questionnaires mailed out by the Census Bureau.

Here we have the elements of some of the most critical and controversial questions which intrude into discussions of all Federal statistics programs: adequacy of detail in statistical information, reporting burden on respondents, and confidentiality of responses.

Most users are not interested in "statistics" as such any more than most of us are interested in the dictionary. Rather users are interested in specific information helpful in dealing with specific problems, just as most of us are interested in finding out what we need to know about a particular word when we look it up in a dictionary. Just as each of us individually uses relatively little of the total store of information about words to be found in a dictionary, so an individual user or users in any given industry are likely to be interested in only a small part of the information which is published or otherwise made available from the economic censuses.

#### USES OF CENSUS INFORMATION

The questions which drive a businessman or an economic researcher from some other sector of the economy to look into census materials are not trivial. They are the kinds of questions whose answers are translated into decisions which mean more or fewer jobs, more or less

investment, higher or lower prices, greater or lesser efficiency and productivity, higher or lower profits, a larger or smaller tax take, a more rapid or a slower rate of economic growth. They are the kinds of questions which must be answered every day by thousands of people in order to make our free enterprise economy tick. Taken one at a time they frequently don't sound particularly impressive to someone not directly concerned. They include such questions as these which have come from members of FSUC within the past week.

Are there any shifts in the geographic distribution of the potential fleet and leasing business? (An auto manufacturer.)

What is the size of the potential market for specific container products? (Container manufacturer.)

How does the trend of economic development in our metropolitan area compare with developments occurring in other major metropolitan areas? (A chamber of commerce.)

What economic trends are taking place in the food store business, especially in grocery stores? (A food processor.)

Where should we locate new manufacturing facilities in order to most effectively compete in potential markets? (A building materials manufacturer.)

How many wholesalers do we have to reach in order to effectively cover the fertilizer market in a given State or multi-State area? (A chemical manufacturer.)

What part of their total market are advertisers likely to reach through our publications? (A publishing firm.)

Mr. OLSEN. That is for this radio man that was just here?

Mr. LOWRY. Yes; he could have asked the same question.

How many companies and establishments are there in the industries which are the principal customers for our products? Where are they located? (A paper manufacturer.)

What is the growth trend in our own industry? In the industries of our principal customers? (Supplier to construction industry.)

What is the likely potential demand for our products by geographic area over the next several years? (A chemical firm.)

What are the growth trends for different products, different industries, different areas? (A business magazine.)

What is the relative importance of capital expenditures for different industries, by local geographic areas? (An insurance company.)

Mr. OLSEN. About the insurance company, what is the relative importance of capital expenditures for different industries by local geographic areas? How much would that help Mr. Becker, who was selling insurance?

Mr. LOWRY. It wouldn't help him at all. This is the investment side of the insurance business. The insurance company uses these materials in evaluating different investment opportunities.

Mr. OLSEN. I wish we could find some specific reason why Mr. Becker should support the Census. And this is in all good faith, because he is a fine person.

Mr. LOWRY. I know that insurance companies also do considerable market research in attempting to find out what are the potentials for sale of insurance by areas.

Mr. OLSEN. You know what I was going to offer to him—

Mr. LOWRY. And I think they really do a great deal of market research for people like Mr. Becker's insurance agency. In carrying out the market research aimed at finding the potential for selling insurance the insurance companies are extensive users of census materials.

Mr. OLSEN. I was going to offer this: That an insurance company or insurance companies would know how many general agents to have, and how many subagents they would have under the general agent, by statistics from the Bureau of the Census.

Mr. LOWRY. That is right.

Mr. OLSEN. And without gathering that information, they are powerless to make the determination, except by rumor or guess. Somebody said rumor, I believe.

Mr. LOWRY. Well, this is exactly so, Mr. Chairman. And we have responses from two insurance companies here indicating their use of census materials to help describe market potentials.

Mr. OLSEN. We have to get every little bit of practical information in this record that we can.

Mr. LOWRY. What are the relative trends in productivity for different industries? (A labor union.)

What is taking place in the metropolitan areas we serve as regards capital spending by industry, relationship of production workers to total employment, relationship of wages to total employment costs, local business growth and expansion? (A bank.)

What are the regional trends in levels of output, by industry? (An economic research organization.)

What demands for transportation facilities are indicated by trends in regional industrial development, in the distributive trades, and in sources of supply? (A transportation organization.)

What changes are taking place in the patterns of consumer spending and retail distribution and what are the implications of these changes for our company plans and policies. (A large retailer.)

What are the prospects for business development over the next few years in the light of developments which have taken place in the recent past? (A business publication.)

What are realistic sales goals for our client in the light of the size of the total market and the size, location, and number of other firms or establishments in our client's industry. (A management consultant.)

What are the production capabilities of American industries? (An economic research organization.)

These individual, very particular questions are the kind that must be answered before businessmen make the decisions which result in production plans, capital appropriations for plant expansion, and marketing plans, which, when implemented, mean jobs and economic progress.

Mr. OLSEN. I might say the last three examples you gave are business organizations that give information to their trade organizations and don't always give credit to the Bureau of the Census.

Mr. LOWRY. Businessmen look to census materials for basic information helpful in making these important decisions.

I don't want to give the impression that business and other users find all of the information they seek in census materials, nor do I want

to give the impression they rely on the Government as a crutch. They don't. They spend millions of dollars of their own each year in economic and marketing research more particularly addressed to their own particular needs and purposes. The census materials are important because they provide a benchmark, a common reference point from which users may start in the search for information most directly relevant to particular needs. Without this benchmark information of the censuses and the summary data provided by the current statistical programs of the Bureau of the Census, business and other users would face impossible tasks just trying to organize a body of reliable basic information from which to launch more particular studies.

Mr. OLSEN. Without the benchmark they wouldn't even be walking on one leg.

Mr. LOWRY. They wouldn't know where to start.

Mr. OLSEN. Nor where they were going.

Mr. LOWRY. Right.

Mr. OLSEN. Go ahead.

#### BURDEN ON RESPONDENTS

Mr. LOWRY. Business is not only a user, it is also a supplier of the data which go into a census. Filling out census forms always involves an expense. It involves a certain amount of trouble. It involves estimates when data are not easily available from records. It intrudes into the regular flow of work and is at least a nuisance to every respondent. Moreover, the people who fill out the questionnaires are not always the same people who use census information. In addition, the questions asked do not always appear relevant to the informational needs of the respondent. Adding this all together, it means that, at best, a census questionnaire is not the most popular piece of paper to be processed through any respondent organization.

It is to the credit of the Census Bureau, the Bureau of the Budget, and the Advisory Council on Federal Reports that continuing efforts are being made to reduce the burden on respondents while improving the effectiveness of these statistical inquiries. The use of Internal Revenue Service tax return information as a source of census data has freed about a million businessmen from the task of filling in census forms. The increasing use of electronic computers would seem to offer new opportunities to make easier the task of completing census questionnaires.

Mr. OLSEN. Do you suppose this committee is helping any in cutting down paperwork?

Mr. LOWRY. I don't know. Business generates its own paperwork rather fast.

Mr. OLSEN. I meant our inquiry, will it help cut down paperwork? The fact that we bring out this discussion, will that prod the departments to coordinate better and require less burden on the public in the way of paperwork?

Mr. LOWRY. I think, Mr. Chairman, that probably the net result will be to work in a somewhat different fashion and that is, to encourage the fullest use of all those questionnaires which are already sent out.

Mr. OLSEN. I am going to get more direct now. I am digging for a compliment for this committee. Are these hearings helping at all to diminish the paperwork, plus getting understanding among people that have to do it that it is necessary? Are we helping any at all with these hearings?

Mr. LOWRY. Yes, I think you are, because I think you are causing a lot of people to slow down at least in thinking about new problems. Maybe what you are doing is holding the line.

Mr. OLSEN. Are we kind of slowing down the demands for information?

Mr. LOWRY. No, but I think you are making people think about how to use more effectively that which is already collected. I think that is the real effective purpose you are serving.

Mr. OLSEN. At the same time are we making the agencies more conscious of the fact that their inquiry must be justified?

Mr. LOWRY. I think that is true.

Mr. OLSEN. Now that was pretty hard, that was a pretty hard compliment to come by. I can remember a little history of this committee, that by our inquiry we prevailed upon the Interstate Commerce Commission to reduce the workload they placed upon transportation by I think 500,000 returns. That is the compliment I was looking for.

Mr. LOWRY. I think if this committee would continue to do some work with the Interstate Commerce Commission and the Bureau of the Census, and with the transportation industry—

Mr. OLSEN. And Internal Revenue Service.

Mr. LOWRY. Particularly as regards transportation, you could do further good service to this economy by assuring we had a consistent classification system by which these carriers report, so they can gear it into their own operations and use it for their own internal accounting purposes, as well as for statistical reporting to the Government. It would make it easier to report and reduce a lot of the trouble.

Mr. OLSEN. You say easier to report. That is the thought that occurs to me. If it were easier for a trucker to report the statistics from his records and his original bookkeeping would reveal the statistics that are needed, we would be doing a service. But of course you would be doing it ahead of us, all of you people, if out of these hearings we get more cooperation, more communication.

Mr. LOWRY. I think this is really an area where substantial progress has been made in the past year, but there are still fruitful opportunities for further improvement.

Mr. OLSEN. We will give the poor Congressmen on this committee a pat on the back. There is only one sitting here now.

Mr. LOWRY. I am saying you have done a fine job, but push them a little harder on this.

Mr. OLSEN. Thank you very much. Go ahead.

#### CONFIDENTIALITY

Mr. LOWRY. Businessmen do not normally release to their competitors the kind of information requested of them in census questionnaires. The confidentiality of census returns is something to be jealously guarded as a basic prerequisite for the continuation of a statistical system which provides reliable information for public use. This

committee's work in clarifying the law in this respect was an important contribution to assuring the preservation of this essential feature of the whole census program.

Mr. OLSEN. Fine. Thank you very much.

#### OBSTACLES TO MORE EFFECTIVE USE OF CENSUS DATA

Mr. LOWRY. The greatest obstacles to more effective use of census materials are (1) the difficulties encountered in trying to apply generalized census data to particular, individual uses and (2) the timeliness of the release of census materials.

Users encounter many and varied difficulties in trying to bring census information to bear upon practical business problems. A particular difficulty often encountered traces back to the standard industrial classification system used in organizing census data. Raw information collected from respondents is frequently summarized by the Census Bureau at a level of classification in which information relating to different kinds of products are mingled together. In such instances, the business user who tries to use the census data as a basis for comparing himself with the total universe of his competitors sometimes feels more frustrated than informed.

Many users of the Census of Business and other census trade statistics have been particularly disturbed by the presentation of the census information by types of outlets through which sales are made. The description of the type of outlet is becoming less and less reliable as an indicator of the type of merchandise sold, and this is especially true when disclosure or other considerations require that the statistics be presented in a summary form which combines different kinds of stores.

Through a variety of ways, the Census Bureau has made efforts to provide more pertinent information to the individual user. An attempt to provide retail trade information by merchandise line is a part of the 1963 Census of Business. The results of this work are being anxiously awaited by many users. Through the sale of cards and tapes and of special tabulations, Census has given needed additional flexibility to its information. And business purchases about a million dollars a year worth of such special tabulations. These fruits of census efforts are all appreciated, but there is still much to be done to realize the full potential of the vast storehouse of census data. There are many who feel that the new age of computerization offers tremendous new possibilities of providing individual business and other users with data more closely tailored to their particular needs without sacrifice of public purpose or compromising confidentiality.

The timeliness of the release of census materials has been a constant source of user complaint. Some modification of user views seems to be in the making. In part, this change seems to be due to a greater use of more current materials and in part, it is due to improvements in timeliness which have been made.

Mr. OLSEN. We sure have to convince these accountants about timeliness, don't we?

Mr. LOWRY. The people who supply the information always find it difficult and the people who use the information always find it gets there too late.

Mr. OLSEN. You know it is too bad, and I suppose we will correct it, that the information developed from the books that these accountants look after, doesn't more readily reveal the information the census wants. I think that some communication and cooperation is necessary from the accountants as well as from the census, so the bookkeeping would reveal the information quicker and easier.

Mr. LOWRY. You know, Mr. Chairman, this is one of the features of the work of the Bureau of the Budget and the Advisory Council on Federal Reports, to try to adjust the questions to the bookkeeping so that these inquiries become a little easier to handle.

There are more users who are generally satisfied with the timeliness of census materials today than there were a few years ago. Among those who are "generally dissatisfied," there are fewer who feel that the delays now being experienced "seriously impair" the value of the information used. This is gratifying progress, but the Census Bureau cannot yet check off timeliness as another problem solved. Users have been sold on the idea that the use of computers means earlier availability of data, and they expect to see still further improvements in this direction.

Users of census information are grateful to you for the strong support which this committee and the Congress have given to the 1963 Census of Business, Manufactures, Mining, and Transportation. The Federal Statistics Users' Conference hopes that you will continue to support these censuses as fully as you have in the past in order that they may be carried through to completion as expeditiously as possible.

#### NATIONAL HOUSING INVENTORY

Mr. LOWRY. I would like to use this opportunity to bring to your attention one other census program which is having rather hard sledding at the moment. I refer to the national housing inventory. The national housing inventory is the proposed 1965 benchmark which would describe the total impact on the Nation's stock of housing of all the changes which have taken place since 1960. It would include all the additions to the stock of housing, both as a result of new construction and as a result of conversion from other purposes. It would include all of the subtractions resulting from demolition of housing or its conversion to other purposes. It would also provide basic information about changes in housing quality since 1960. Without this basic information, both public and private decisions relating to housing will be relying on evermore outdated information—and this in a decade which is seeing dynamic changes in the housing supply as a result of urban renewal, highway construction in urban areas, and a continuing growth in new additions to the stock of available housing. I mention the national housing inventory because it has not enjoyed the same congressional support as have the other benchmark programs. In fact, Congress declined to make an appropriation for planning the national housing inventory last year, and its fate hangs upon congressional approval of a budget estimate in this session. The national housing inventory is as important in its area as the censuses of business, manufactures, mining, and transportation are in theirs. It, no less than the economic censuses, deserves your full support.

Mr. OLSEN. Now, right on that note, I have some questions I want to ask. I am going to do an article about housing, myself, and I am going to get some magazine to print it. But you know, I would like to know the retirement pay averages—this is important to the Census Bureau, if they can help me, or the Labor Department—the retirement pay averages for miners, coal and hard rock miners. The retirement pay averages for policemen, firemen, carpenters, department store clerks, and bank tellers. The reason I want the information is I am very greatly interested in the retirement housing that has been provided, for instance, by the Carpenters Union and by the National Association of Letter Carriers, and the success of this housing. I am going to give publicity to the fact that under some FHA loans this cooperative housing can be made available in the community where the old retired person is or where all of these retired persons are.

I am going to ask for special information on retired miners in Butte, Mont., and Anaconda, Mont. I want it as examples. If I can get this out of the Census Bureau or the Labor Department, fine, but I am asking you if you can help me get it.

Now, the other thing is I would like to know how many people are living on pensions; that is, the percentage who are above \$3,000 a year in pensions and the percentage of people below \$3,000 a year in pensions.

I think that this particular note that you close on is the important new frontier for statistics and it is hand in glove with the administration program of a war on poverty. National housing is really very important and you will have my cooperation and I know the cooperation of this committee to get appropriations to search out every statistic that will help support an aggressive program. I don't know what kind of a program, but some aggressive program on housing American people.

Mr. Corcoran prodded me here. You know, he is the most valuable guy in the world to have at your elbow; he says my mid-decade census bill would include a census of housing. Well I am sure happy about your presentation, Mr. Lowry, as I am about all of them.

I want to thank you for this very splendid contribution to our hearings.

Mr. LOWRY. Thank you very much, Mr. Chairman.

Mr. OLSEN. Our next witness is Mr. Brandis.

**STATEMENT OF R. BUFORD BRANDIS, CHIEF ECONOMIST; ACCOMPANIED BY ROBERT B. ANDERSON, AMERICAN TEXTILE MANUFACTURERS INSTITUTE, INC., WASHINGTON, D.C.**

Mr. OLSEN. You are not tired of waiting, are you, Mr. Brandis?

Mr. BRANDIS. Mr. Chairman, it has been very edifying and I have enjoyed waiting. I am sorry I was not here this morning, but the weather in New York was a little uncertain, so I took the train.

Mr. OLSEN. I must compliment you for your interest in coming that distance. We are glad to have you.

For the record, Mr. Buford Brandis is chief economist of the American Textile Manufacturers Institute, it is good to have you here and to have your institute represented. I am sure you are going to give us a valuable contribution.

Mr. BRANDIS. I am accompanied by Mr. Robert B. Anderson, economist in our Washington office, who is the editor of our publication, *Textile Hi-Lights*, to which we will refer in our testimony.

Mr. OLSEN. We welcome Mr. Anderson as well. Thank you. Proceed as you will.

Mr. BRANDIS. All right, sir.

The institute is the central trade association for manufacturers of textiles made from cotton, manmade fibers, and silk. The institute membership represents approximately 85 percent of the textile spinning and weaving industry of this country, with member mills located from Maine to Texas.

The American textile industry ranks among the major manufacturing industries in the United States, with some 880,000 employees in more than 7,500 plants in 42 States. Textile sales of \$13 billion annually amount to about 4 percent of total manufacturing industry sales.

We of the textile industry feel that the 1963 census of manufactures, for which data collection is now underway, will provide our industry with important statistical benchmarks, and are essential to us. For one thing, they are essential in identifying the size of the industry we represent before congressional committees, and are important to us in identifying the nature of the industry itself. So we, of course, support wholeheartedly the need for the economic censuses on a regular basis.

Mr. OLSEN. You are talking about every 5 years now?

Mr. BRANDIS. Yes; the presently scheduled basis as a minimum.

We are all aware of the increasingly important role that economic research plays in the process of management decisionmaking. The need for timely and meaningful statistical data has thus become apparent in recent years, not only in the textile industry, of course, but that is the particular place where I personally see it. The Federal Government has played a vital part in meeting this need. I wish to give an example, Mr. Chairman, of a specific program which has been worked out over the last several years in cooperation with the Bureau of the Census, which is of direct and continuing use to the textile industry.

In 1958 the Pastore Textile Subcommittee of the Senate Committee on Commerce was hearing testimony on the problems of the domestic textile industry. At that time I was privileged to appear as one of the industry witnesses and discuss the role of the Federal Government in providing textile industry statistics. I urged that the Federal Government play a greater role in providing textile industry statistics.

At that time, the statistical picture of what happens to products of the textile industry beyond the gray goods stage of manufacturing was inadequate. This is a very diversified industry, corporatewise, and we have a tremendous chain of distribution between the stage of the cloth as it comes from the loom, the finishing of the cloth in other

plants, its transfer to the apparel industries, through the department stores and other retail outlets to the final consumer. The resulting cyclical fluctuations have plagued the industry over many, many years and one of the problems has always been, so far as economists in the industry are concerned, to try to identify the inventory position at any particular moment in time.

We have an economic policy committee which is composed of top management people and on a number of occasions, prior to 1958, this committee had been concerned with this particular problem and they felt very definitely that some plan could be worked out between Census Bureau programs and the institute's own statistical programs, which would put together a more complete statistical picture of the flow of inventory through the production and distribution pipeline.

As a matter of fact, Mr. Conklin, Mr. Grieves, and other members of the Census staff have met with this institute from time to time, in the development of this program.

The Senate subcommittee recognized the need for improvement in collection and publication of textile statistical data and recommended that a program for the collection and analysis of such data be instituted within the Department of Commerce. Congress appropriated the funds necessary to make an improved textile statistical program a reality. I want to give one example of that.

Mr. OLSEN. I don't want you to hurry. I like these examples, give them to us.

Mr. BRANDIS. All right, sir. I wish to go back just a sentence to say that after these programs were planned in the latter part of the 1950's, we continued to work very closely with the Bureau of Census in getting the programs underway—over a period of 2 or 3 years. And in early 1960 a monthly census report, M-22-A, providing valuable data on textile production, inventories, and unfilled orders through the textile distribution pipeline, saw the light of day. This report is still being expanded and improved, as information becomes increasingly available on other parts of the distribution pipeline, particularly in the apparel industries, but it is already a source of very valuable information for textile management decisions.

Passing quickly from that point to the Bureau of Census data in general which is of use in textile market and economic analysis, and not to be exclusive of other data, but simply by way of a specific example in compliance with your request, Mr. Chairman, here is the winter 1964 issue of our Textile Hi-lights publication, which we would be glad to supply for the record. This is a publication of some 30 statistical and chart pages, of which in this particular issue some 14 pages are Census Bureau data.

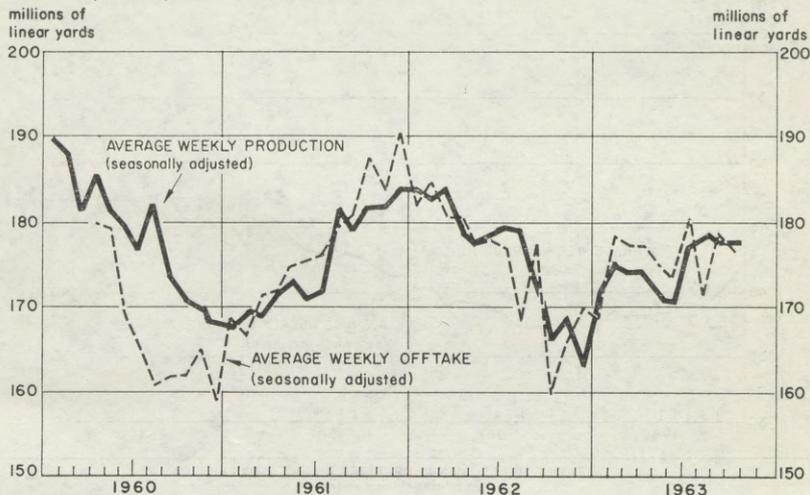
Mr. OLSEN. I would like to have that placed in the file and I think it would be appropriate that the subcommittee staff would select from that particular exhibit what we might put in the printed hearings. I trust that you would agree the subcommittee staff could pick the appropriate items that should go into the record itself and the rest will go into the file.

Mr. BRANDIS. All right.

(The exhibits follow:)

## WEAVING MILLS: COTTON CLOTH DATA

Average weekly production, seasonally adjusted, at 177 million yards in October, was unchanged from the previous month. Average weekly offtake declined from 178 million yards in September to 176 million in October.



WEAVING MILLS: COTTON GREY GOODS DATA (In millions of linear yards)							
Year or Month	Production	Offtake <sup>1</sup>	Inventories (end of period)		New Orders <sup>2</sup> (average weekly)	Unfilled Orders (end of period)	Looms Operating
	(average weekly)		Mill owned	Billed & held for others			
ANNUAL DATA							
1960	179	165	997	248	136	1,533	326,026
1961	175	177	908	293	185	1,960	323,421
1962	176	175	996	308	170	1,738	294,309
MONTHLY DATA							
1962:							
Jan (5 wks)	183	185	926	266	169	1,905	322,364
Feb (4 wks)	185	189	922	255	258	2,191	317,078
Mar (4 wks)	191	194	914	248	181	2,146	314,454
Apr (5 wks)	181	186	901	241	157	2,009	308,538
May (4 wks)	185	181	929	229	165	1,959	308,538
Jun (4 wks)	186	178	952	237	144	1,815	307,824
Jul (5 wks)	144	145	951	230	126	1,727	304,756
Aug (4 wks)	180	171	989	229	153	1,654	303,905
Sep (4 wks)	174	178	973	228	170	1,625	300,845
Oct (5 wks)	171	169	982	229	181	1,684	296,960
Nov (4 wks)	172	165	1,002	237	180	1,734	295,545
Dec (4 wks)	159	157	996	248	168	1,738	294,309
1963:							
Jan (5 wks)	171	172	1,004	236	153	1,658	298,439
Feb (4 wks)	178	183	990	232	182	1,661	298,686
Mar (4 wks)	181	191	969	210	198	1,709	297,092
Apr (5 wks)	176	182	954	199	163	1,629	297,743
May (4 wks)	178	178	960	194	179	1,638	299,702
Jun (4 wks)	177	175	963	197	184	1,672	297,273
Jul (5 wks)	142	148	941	193	165	1,760	297,101
Aug (4 wks)	180	174	970	189	183	1,799	306,173
Sep (4 wks)	180	178	962	202	194	1,849	303,850
Oct (5 wks)	183	186	948	202	221	2,023	303,560
Nov							
Dec							

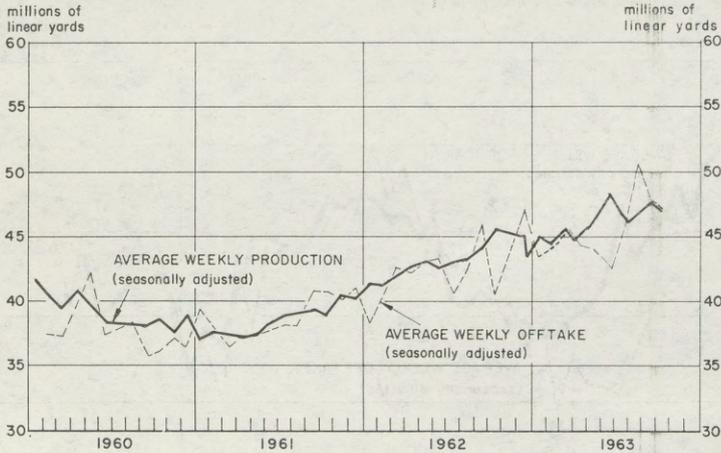
<sup>1</sup> Average weekly offtake is compiled by totaling average weekly production, the average weekly change in the inventory level from the previous month and the average weekly change in billed and held goods from the previous month. Decreases in inventories increase offtake and vice versa.

<sup>2</sup> Computed by ATMI from Bureau of Census Data.

SOURCE: Bureau of Census, U.S. Department of Commerce.

## WEAVING MILLS: MAN-MADE FIBER FABRICS DATA

Seasonally adjusted average weekly cloth production declined from 48 million yards in September to 47 million yards in October. Average weekly offtake, seasonally adjusted, fell from 48 million yards to 47 million.



WEAVING MILLS: MAN-MADE FIBER FABRICS DATA <sup>1</sup>							
(In millions of linear yards)							
Year or Month	Production	Offtake <sup>1</sup>	Inventories (end of period)		New Orders <sup>2</sup>	Unfilled Orders	Looms Operating
	(average weekly)		Mill owned	Billed and held for orders	(average weekly)	(end of period)	
ANNUAL DATA							
1960	49	35	144	118	36	409	73,171
1961	39	39	142	103	42	569	74,374
1962	43	43	174	109	43	603	77,526
MONTHLY DATA							
1962:							
Jan (5 wks)	41	39	152	105	35	548	74,619
Feb (4 wks)	43	42	162	97	50	587	71,052
Mar (4 wks)	44	46	160	91	46	592	73,889
Apr (5 wks)	42	41	158	97	49	625	73,979
May (4 wks)	44	43	170	91	51	665	73,921
Jun (4 wks)	44	45	171	86	48	679	74,133
Jul (5 wks)	35	32	168	102	32	664	74,891
Aug (4 wks)	44	41	182	101	35	638	76,524
Sep (4 wks)	46	49	171	100	45	623	77,446
Oct (5 wks)	46	44	170	114	45	616	79,677
Nov (4 wks)	46	45	181	107	44	618	78,037
Dec (4 wks)	43	44	174	109	41	603	77,526
1963:							
Jan (5 wks)	45	44	174	114	44	601	77,195
Feb (4 wks)	46	46	185	105	49	622	77,171
Mar (4 wks)	48	48	186	102	51	634	76,957
Apr (5 wks)	44	43	186	106	41	617	76,906
May (4 wks)	47	44	211	96	45	632	78,337
Jun (4 wks)	49	44	221	104	47	637	78,681
Jul (5 wks)	37	36	212	121	47	675	79,234
Aug (4 wks)	48	50	215	109	55	706	80,556
Sep (4 wks)	50	50	215	103	47	696	80,578
Oct (5 wks)	48	51	186	118	75	802	81,015
Nov							
Dec							

<sup>1</sup>Exclude pile upholstery, drapery, tapestry, tie, blanketing, and twisted paper yarn fabrics.

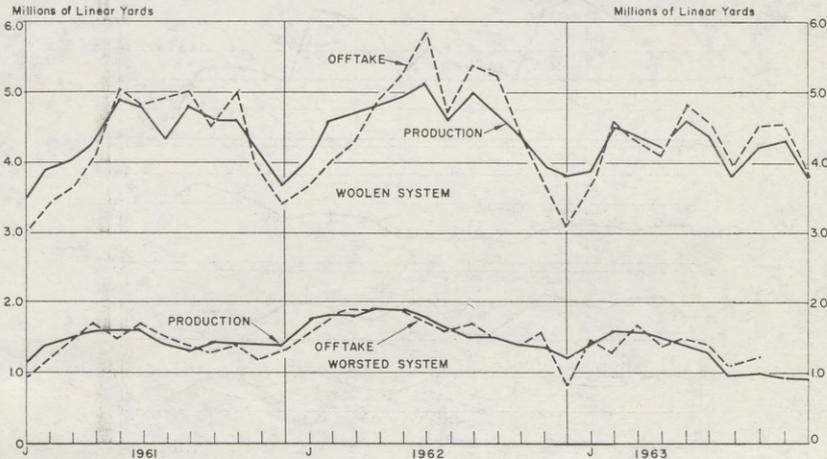
<sup>2</sup>Average weekly offtake is compiled by totaling average weekly production, the average weekly change in the inventory level from the previous month and the average weekly change in billed and held goods from the previous month. Decreases in inventories increase offtake and vice versa.

<sup>3</sup>Computed by ATMI from Bureau of Census data. Source: Bureau of Census, U.S. Department of Commerce.

## WEAVING MILLS: WOOL APPAREL FABRICS DATA

Fabrics Containing 50% or More Wool by Weight

On the woolen system average weekly production declined from 4.2 million yards in September to 3.8 million yards in October while offtake fell from 4.5 million to 3.8 million yards. Production on the worsted system averaged 0.9 million yards weekly, down from 1.0 million yards the month before.



Year Month	Looms Operating (end of Period)	Gray				Finished (end of Period)		
		Production	Offtake, <sup>2</sup>	Inventories (end of Period)		Inventories		Utilized Orders
				(average weekly)	Mill owned	Mill owned	Billed and Held for others	
1962								
Oct (5 wks)	5,692	4,402	4,438	15,322	699	10,857	2,892	25,395
Nov (4 wks)	5,466	3,977	3,653	16,826	490	11,213	3,039	27,493
Dec (4 wks)	5,465	3,756	3,130	18,701	919	13,081	3,415	34,653
1963								
Jan (5 wks)	5,532	3,925	3,022	20,650	783	15,094	5,605	39,296
Feb (4 wks)	5,661	4,451	4,583	20,131	679	16,098	5,788	42,792
Mar (4 wks)	5,714	4,437	4,339	20,571	628	17,690	7,345	46,947
Apr (5 wks)	5,512	4,199	4,143	21,001	478	17,374	7,975	45,073
May (4 wks)	5,734	4,615	4,941	20,107	470	17,042	7,554	43,234
Jun (4 wks)	5,757	4,419	4,551	19,587	463	15,786	7,190	40,563
Jul (5 wks)	5,735	3,757	3,987	18,882	317	15,108	5,231	37,566
Aug (4 wks)	5,204	4,114	4,458	17,327	198	15,282	4,429	30,980
Sep (4 wks)	5,032	4,175	4,531	15,968	192	13,658	3,262	27,582
Oct (5 wks)	4,874	3,757	3,840	15,489	194	12,558	3,152	24,284
Nov								
Dec								

Year Month	Looms Operating (end of Period)	Gray				Finished (end of Period)		
		Production	Offtake, <sup>2</sup>	Inventories (end of Period)		Inventories		Utilized Orders
				(average weekly)	Mill owned	Mill owned	Billed and Held for others	
1962								
Oct (5 wks)	2,955	1,419	1,399	5,200	201	3,581	390	31,409
Nov (4 wks)	2,778	1,391	1,605	4,204	259	3,140	229	30,484
Dec (4 wks)	2,655	1,200	777	6,060	175	4,227	223	39,522
1963								
Jan (5 wks)	3,102	1,387	1,511	5,475	142	4,150	342	39,207
Feb (4 wks)	3,340	1,584	1,259	6,795	124	5,120	342	29,450
Mar (4 wks)	3,348	1,570	1,667	6,408	128	5,006	447	28,700
Apr (5 wks)	3,316	1,481	1,353	7,070	102	5,034	462	21,645
May (5 wks)	2,909	1,396	1,462	6,426	82	5,213	477	21,002
Jun (4 wks)	2,821	1,291	1,439	6,236	82	4,387	435	17,527
Jul (5 wks)	2,577	949	1,132	5,351	54	3,958	350	15,650
Aug (4 wks)	2,512	1,031	1,153	4,476	51	4,668	225	13,641
Sep (4 wks)	2,492	980	NA	4,920	(D)	3,982	(D)	14,344
Oct (5 wks)	2,366	882	NA	4,559	(D)	4,159	(D)	15,328
Nov								
Dec								

<sup>1</sup>Fabrics containing 50% or more wool by weight.

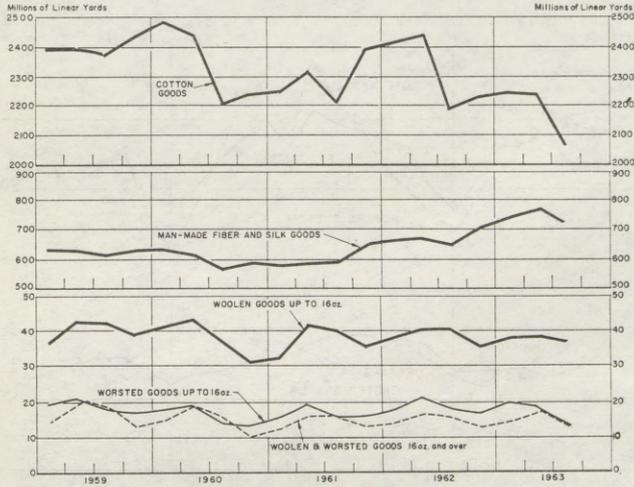
<sup>2</sup>Average weekly offtake is compiled by totaling average weekly production, the average weekly change in the inventory (gray) level from the previous month and the average weekly change in billed and held goods (gray) from the previous month. Decreases in inventories increase offtake and vice versa.

NA - Not Available. D - Withheld by Census to avoid disclosing figures for individual companies.

Source: Bureau of Census, U.S. Department of Commerce.

## BROAD WOVEN GOODS PRODUCTION

Third quarter production of cotton broad woven goods and wool apparel fabric was off 5 per cent and 13 per cent, respectively, from a year earlier. Man-made fiber and silk goods output was increased by 9 per cent.



BROAD WOVEN GOODS PRODUCTION (in millions of linear yards)											
Year or Quarter	Total Broad Woven Goods	Cotton Broad Woven Goods	Man-Made Fiber & Silk Broad Woven Goods				Year or Quarter	Wool Broad Woven Apparel Goods <sup>1</sup>			
			Total Man-Made Fiber & Silk	Rayon & Acetate	Non-Cellulosic & Other Fibers	Silk and Part-Silk		Total Wool Apparel Cloth	Woolen Cloths (up to 16 oz.)	Worsted Cloths (up to 16 oz.)	Cloths 16 oz. and over
ANNUAL PRODUCTION											
1953	12,944	10,203	2,405	1,903	464	38	1953	271	126	90	55
1954	12,518	9,891	2,343	1,731	570	42	1954	261	136	78	47
1955	13,119	10,174	2,627	1,928	656	43	1955	293	162	78	53
1956	12,931	10,317	2,290	1,626	622	41	1956	302	162	85	55
1957	12,114	9,534	2,289	1,464	783	28	1957	278	157	65	56
1958	11,628	8,974	2,383	1,654	694	21	1958	257	141	58	58
1959	12,413	9,603	2,499	1,619	837	29	1959	302	160	75	67
1960	12,056	9,366	2,404	1,434	928	27	1960	277	154	64	59
1961 R	11,863	9,168	2,408	1,465	908	23	1961	276	150	69	57
1962 R	12,321	9,256	2,755	1,588	1,131	24	1962	293	156	69	62
RECENT QUARTERLY PRODUCTION											
1962:R							1962:				
1st Q	3,177	2,421	679	399	271	6	1st Q	72	39	18	14
2nd Q	3,169	2,433	679	394	276	6	2nd Q	80	41	21	18
3rd Q	2,927	2,178	671	390	273	6	3rd Q	75	40	18	16
4th Q	3,021	2,225	726	405	311	6	4th Q	66	36	17	13
1963:							1963:				
1st Q	3,073	2,252	744	414	321	5	1st Q	72	38	20	14
2nd Q	R3,078	2,242	762	430	324	4	2nd Q	74	38	19	17
3rd Q	P2,866	2,072	729	415	306	2	3rd Q	65	37	14	14
4th Q							4th Q				

<sup>1</sup> Apparel cloths wholly or chiefly by weight of wool, reprocessed wool or reused wool except on Government orders.

R - Revised.

P - Preliminary.

Source: Bureau of the Census, U.S. Department of Commerce.

Mr. OLSEN. Can I take you back to the previous paragraph, where you say the statistical data provided in this report, which is supplied in part by ATMI, is now the source of valuable information for our textile management. I wonder if for the record you would tell us why the industry couldn't do that all by itself?

Mr. BRANDIS. Well, there are two basic reasons, Mr. Chairman. In the first place, whereas we represent some 85 percent of the industry's capacity, as I mentioned earlier, that is not 100 percent and it is very important, as was mentioned by Mr. Lowry and other witnesses earlier, that you have a complete benchmark from time to time, but in connection with this monthly report, there is no single—that comment would be applicable primarily to the census of manufacturers benchmark—but in particular reference to this monthly report, M-22-A, we are talking about measuring the flow of inventory through a pipeline, which includes the yarn manufacturers, the cloth manufacturers, the finishers of that cloth, the apparel manufacturers, and then the distribution network through which it goes into consumer hands. There is no single trade organization that represents, in the textile industry, this whole span of production and distribution.

Mr. OLSEN. Is there also a peculiar trust in the Census Bureau that invites very candid reports from the industry that the trade organization can't quite obtain?

Mr. BRANDIS. We are fortunate in our organization in that we have a statistical program going back to 1928 which, as this testimony refers to somewhat later, is fed into, folded into the Census totals, to avoid duplication of reporting. But certainly there is within the textile industry a complete confidence in the Bureau of the Census. And certainly I am sure that the Census can get from our members, in some cases, information which they wouldn't give to the institute, probably.

Mr. OLSEN. I think that is valuable. If you were here this morning, Mr. Johansen and Mr. Watson and myself were inquiring whether or not the trade associations couldn't do this themselves. Now we knew the answer, but we wanted the answer for the record because there is real resistance to taxpayers paying for something that can be done by the industry or by the trade associations.

Mr. BRANDIS. Surely. And I think, of course, budgetary matters are important to trade associations as they are to the Government. Anybody collecting statistical data knows how expensive it is, if it is correctly done. There is one other aspect, of course, which we should not overlook and that is the importance of public policy use of such statistical data. The Government has to make policy decisions on a number of matters in the textile industry from time to time and it would certainly, I suppose, be much more proper for this to be based on Government-collected data, or at least on Government-reviewed data, because the institute's data, plus the data of other trade associations involved, which is folded into this census report to which I referred, of course have been checked for validity and reliability by Census before they use it. So that in effect you have got a public report which partly is collected in the first instance by the trade associations, a few of them, three or four, including ours, and other parts of it by the Census Bureau directly. So that I think the two basic answers to your question are, Mr. Chairman, one, the

question of complete coverage, and secondly, the question of public reliability for policy questions.

Mr. OLSEN. Thank you. Please go ahead.

Mr. BRANDIS. As a matter of fact, we consider this data in the M22-A, or woven fabrics report of census, so significant that we make a special analysis of it each month for our membership and Mr. Anderson has the primary responsibility for that. Quite a number of the companies, as is true of companies in other industries, do a great deal of market research and sales planning in their own company operations, where they use Census data and reports as a basis of their own operations and market research divisions.

It is true, as has been brought out before, that timeliness is awfully important in any statistical program. I can testify, as most people can who have been operating any trade association statistical program, I am sure, that you can sometimes get calls from the comptroller's office of a member company, complaining about the terrible burden of paperwork in connection with some report—it may be an institute report or a census report or some other Government report—but you may get the next day a call from the market research director or the vice president for sales, complaining this report is not detailed enough.

Mr. OLSEN. Not enough information?

Mr. BRANDIS. Not enough information. And these are the sorts of things that statisticians simply have to live with with a sense of humor and sometimes a strong stomach. But in any event, you do have a problem of timeliness. This is true in anything, it doesn't matter whether it is collected by a statistical organization in an institute like ours, or in a Government bureau, you always have the problem of timeliness. Whenever it comes out, you wanted it earlier. And if you were supplying the data, you wanted a longer period of time to fill out the report. So there has always got to be a compromise there, Mr. Chairman, which is not going to satisfy anybody.

Mr. OLSEN. You ought to be talking to these accountants, as well as me.

Mr. BRANDIS. To coin a phrase, Mr. Chairman, some of my best friends are accountants, but I don't like to talk with them on these problems, because I want them to remain my friends.

Mr. OLSEN. I like them too, but you know, I think we pretty nearly made their profession for them, between the income tax and the rest of the reports.

Mr. BRANDIS. There is a great shortage of accountants.

Mr. OLSEN. We have to work together, they have to live and so do the rest of the Americans. But it is sure a good thing we have got them.

Mr. BRANDIS. Oh, by all means; yes, sir.

A little over a year ago, the Census Bureau started to report sales of retail stores on a weekly basis. We think this will become more valuable as time goes on and it is a step in the right direction also. I think wherever we can speed up, without too much additional cost, the frequency of reports of major value, of course it improves their usefulness. In our own operation we try to go to weekly reports as frequently as we can, but we find quite a number of our own reports that are not really worth putting out every week, so you can't lay a rule of thumb that every report should be made every week and I don't mean to say that some reports should not be daily.

We always try to cooperate with the Census on statistical programs affecting the industry, where reporting is a matter that should be explained and encouraged in a way that will make the resulting publication of data more accurate. We had a specific example of this most recently when the synthetic fabrics system of classification was changed for production reporting, effective in the current year to modernize and take into account the great number of additional fibers and blends of different fibers, which are now being produced in the industry. And Census has put such a program into effect, with which we are very pleased.

I want to read as an example of the sort of thing we try to do to encourage the member companies to be consistently careful in filling out their reports for Census, a letter from our president—we have an industry president each year, the current president is Mr. Robert Stevens of the Stevens Co., and incidentally, Mr. Chairman, he also has a cattle ranch at Twodot, Mont.

Mr. OLSEN. I see his mailbox every now and then when I pass his place.

Mr. BRANDIS. This is a letter he wrote last week to our member companies:

GENTLEMEN: For several years the textile industry's need for more accurate data on manmade fiber fabric production has been apparent. More recently the step-up in fiber blends has made the need more urgent.

In the year just past the ATMI Technical Consultant Group to the Economic Policy Committee and the U.S. Census Bureau worked out a comprehensive revision of the manmade fiber fabric classifications used in the M22-T quarterly and the M22-A monthly production reports. The revised classification went into effect January 1 and will more adequately reflect current industry output. Following past practice, ATMI statistical data will be aligned as closely as possible to the new census data.

Mr. Maxwell Conklin, Chief of the Industry Division, Bureau of the Census, has already notified each reporting company of this significant classification revision, and has urged the industry's careful cooperation in making the initial reports.

My purpose in writing you is to suggest that someone in each reporting unit be alerted to these changes so that accurate reporting on the new basis will be obtained, thus making possible industrywide improvement in production data.

Mr. OLSEN. We are glad to have that testimony.

Mr. BRANDIS. If the statistical programs of the Census Bureau are to be of value, it is not only important that the classifications reflect current industry usage, but it is equally as important that the time and paperwork involved in reporting to the census be kept at a minimum consistent with the data developed. And we feel that one of the services which the institute can render to the industry on the one hand and census on the other, is explaining one to the other, and the other to the former, as we try to do in this letter which I just read. We think this kind of cooperation has been useful from the standpoint of the quality of statistical data which the census creates on the textile industry.

In conclusion, we feel that Government statistics, provided in this particular instance by the Census Bureau, are helpful both to management in the industry and to policymakers in Government and we believe that a good bit of this is a result of mutual cooperation and understanding which we have always been extended by the Bureau of Census, in discussing textile statistical needs.

Mr. OLSEN. Now this is a tough one and it is a long question, but have you any ideas on, in what manner, how the Bureau of the Census can make its statistics still more useful to your institute and to your industry?

Mr. BRANDIS. Yes, sir. These get into rather technical questions of fabric classification, and so on, which I frankly don't have with me at the moment, but we have continued to make suggestions to census on specific reports. The most recent one was this synthetic classification revision, which is now in effect. And in a series of recommendations which we may have still pending, I can't recall at the moment anything of imminent importance. Perhaps Mr. Anderson can.

Mr. ANDERSON. No; I can't.

Mr. BRANDIS. I wouldn't let the record show, Mr. Chairman, though, that the census is doing everything for the textile industry statistically that we would like them to do. We intend to continue to consult with them, urge them, ask for more information, offer to help them get it and when they tell us they would love to do it, and it is valid, but unfortunately there are 18 other industries that need other data, we are going to say, well, as I am sure they do, why don't you just not worry with those other 18 industries this year, see. But this is all part of statisticianship, you know.

Mr. OLSEN. They are responding, though, to your urgencies, are they not?

Mr. BRANDIS. Yes, sir. I would say within the limitations of their budget, and the situation that they face, because they have to spread the budget over a lot of industries besides the textile industry, though I can't understand why, you know. Within those limitations they very definitely are doing a fine job.

Mr. OLSEN. You are saying that with a little tongue in cheek though? You do understand they have to serve everybody.

Mr. BRANDIS. Yes, sir, I understand that. I may not appreciate it, but I understand it.

Mr. OLSEN. All right.

To your knowledge, do the tradesmen in your industry complain about the burden of the reporting to the Census Bureau?

Mr. BRANDIS. We get complaints from time to time. I would have to say, though, that I am rather surprised about it, I hope it is a result of a long process of familiarization, but we have had less complaints this time about the Census of Manufactures report forms than before. And the forms have been out now for a little while, so perhaps this is indicative.

Mr. OLSEN. I must compliment you then. I think your trade association is doing a good job of communication to your members and you should be complimented. You made a grand statement here in support of the program of the Census and I think that you are doing the right thing with your membership, when you find this situation of less complaints. And I would hope that you will continue aggressively to contact the Census Bureau, so they do gather the statistics you need and that the Census Bureau is responsive to your industry.

Mr. BRANDIS. We intend to keep in touch with them, Mr. Chairman.

Mr. OLSEN. I think that is the thing to do. I think this Government is only what we make it, and that is your job, in your industry, and for your people, as well as for the rest of us.

Mr. BRANDIS. That is right.

Mr. OLSEN. Thank you very much, Mr. Brandis. We are very happy to have you here and your colleague. And I must say yours is a very substantial contribution to our hearings, because you have supplied some of the answers that troubled us this morning, about which I was probing with the Census Bureau.

Mr. BRANDIS. Well, I had the benefit, Mr. Chairman, of your questions. I was not here this morning. The answers weren't here, but they were supplied to me by Mr. Anderson.

Mr. OLSEN. I see Mr. Goldfield from the Census Bureau had something to say.

Mr. GOLDFIELD. Yes. Mr. Chairman, before we close, I would like to read a paragraph from an earlier report of this subcommittee that amplifies the point you made several times during the course of these hearings, and that is the question of when the Census Bureau should collect and disseminate data rather than a trade association or some other private organization.

This excerpt is from the report entitled "Preliminary Report on Business Reporting Requirements of the Federal Government," published by this subcommittee, December 6, 1959, page 10:

Business concerns will report data to a Government agency, under a guarantee of confidentiality, that they would not reveal to any other business firm—not even a private survey organization. The Government can, when public interest demands it, require the furnishing of information, and thus get complete totals, when a trade association could not obtain complete reporting from its members, let alone nonmembers. An agency like the Bureau of the Census has the facilities for handling large-scale data collection and processing operations which cannot be matched by any private group. When a census is taken under standard conditions by one large central organization and published for all to use, the cost per consumer is far less than if each business research staff were to accumulate and process information for itself, and the results are far superior in completeness, comparability, and usefulness.

Mr. OLSEN. At this time, without objection, I will insert a letter received from R. L. Polk & Co., publishers, Detroit, Mich., and signed by H. H. Geddes, vice president and research director.

(The letter follows:)

R. L. POLK & Co.,  
PUBLISHERS,  
Detroit, Mich.

HON. ARNOLD OLSEN,  
*Chairman, House Subcommittee on Census and Government Statistics,  
House Committee on Post Office and Civil Service,  
The Capitol, Washington, D.C.*

DEAR MR. OLSEN: The Federal Statistics Users' Conference has asked its members to offer you any comments on the congressional hearings on various censuses. There were three specific questions:

1. Does business (or any other nongovernmental organization) use the censuses? If so, for what purposes? This company makes a great deal of use of the census. Our use would be paralleled to some extent, and for much the same purposes, by several thousand advertising agencies.

We all need, from time to time, a terrific assortment of types of information. I suppose the most used material is the basic material—the numbers of people by sex, age, income, etc., and the descriptions of their housing. We don't make as much use of the Censuses of Business and Manufacturing as we do the basic data, but our references to that material are sufficiently frequent to be important in our operations.

We expect to use the Census of Transportation because of our close relations with the truck industry. I have actually had a good deal of contact with Dr. Church on this subject, so we feel the study will become a very valuable contribution to the knowledge of truck operations.

The second question concerns the timing of census operations. It is always desirable to produce survey data as quickly as possible. For the most part, the timing of census data is not too important for us. We know the counts change, but for most census material a reasonable elapse of time would not affect the validity of a decision based upon a given set of census figures.

3. Are the censuses an unwarranted paperwork burden? Not in my opinion. I think a small business with a very limited accounting department might at times be considerably inconvenienced, and I suppose there is a limit to the amount which could be "warranted."

4. What progress can be reported on the Census of Transportation. This obviously will be asked of the Census Bureau.

My own conviction is that the chief shortcoming in census operations is that they don't have a very wide program of educating the business community on making more use of the vast amount of material which is available. I have possibly mentioned this idea of mine to you in the past, because I pass up very few opportunities of saying so.

Best regards.

Very truly yours,

R. L. POLK & Co.,  
H. H. GEDDES,

*Vice President and Research Director.*

Mr. OLSEN. If there is nothing further to add, thank you very much. Before adjourning, I want to thank everybody for being so patient and educating this fellow, at least. Thank you very much.  
(Whereupon, at 4:20 p.m., the subcommittee adjourned.)

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