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THE FEDERAL PAPERWORK JUNGLE

PART 5 OF 5—WASHINGTON, D.C.

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HEARINGS

BEFORE THE

SUBCOMMITTEE ON

BUSINESS AND GOVERNMENT STATISTICS

OF THE

COMMITTEE ON

OFFICE AND CIVIL SERVICE

HOUSE OF REPRESENTATIVES

EIGHTY-EIGHTH CONGRESS

SECOND SESSION

JUNE 19, 22, 23, AND 24, 1964

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HEARINGS

BEFORE THE

SUBCOMMITTEE ON

CENSUS AND GOVERNMENT STATISTICS

COMMITTEE ON POST OFFICE AND CIVIL SERVICE

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CONTENTS

Statement of—

Bahmer, Dr. Robert H., Acting Archivist of the United States, accompanied by Herbert E. Angel, Assistant Archivist, Office of Records Management; Everett O. Alldredge, Deputy Assistant Archivist, Office of Records Management; Chester L. Guthrie, Director, Agency Surveys Division, Office of Records Management; and Harold E. Harriman, Acting Director, Technical Assistance Division, Office of Records Management-----	Page 538
Bowman, Dr. Raymond T., Assistant Director for Statistical Standards, Bureau of the Budget, accompanied by Walter F. Ryan, Deputy Chief, Office of Statistical Standards-----	730
Cary, Hon. William L., Chairman, Securities and Exchange Commission, accompanied by Commissioner Hugh F. Owens; Allan F. Conwill, Director, Division of Corporate Regulation; Philip A. Loomis, Jr., General Counsel; Edmund H. Worthy, Director, Division of Corporation Finance; Ralph S. Saul, Director, Division of Trading and Markets; William E. Becker, Chief Management Analysts; Ernest L. Dessecker, Records and Service Officer; Frank J. Donaty, Comptroller; and Arthur Fleischer, Jr., executive assistant to the Chairman-----	659
Cederberg, Hon. Elford A., a Representative in Congress from the State of Michigan-----	635
Dees, Dr. Bowen C., Associate Director (Planning), National Science Foundation, accompanied by Dr. Milton Levine, Personnel; Edward M. McCormick, Head, Data Collection and Publication Unit; Kenneth P. Sanow, Head, Research and Development Studies Section; Dr. Theodore Suranyi-Unger, Staff Associate, Economic Growth; and Howard Tihila, Head, Office Services-----	601
Finley, Stuart, Falls Church, Va-----	725
Fuqua, Hon. Don, a Representative in Congress from the State of Florida-----	658
Goff, Abe McGregor, Chairman, Interstate Commerce Commission, accompanied by Bernard F. Schmid, Managing Director; Ernest Weiss, Assistant to Managing Director; and Matthew Paolo, Director, Bureau of Accounts-----	617
Heffelfinger, Ross A., Assistant Commissioner, Bureau of Public Debt, Department of the Treasury, accompanied by Roy L. Collins, Jr., Assistant Director, Sales Branch, U.S. Savings Bond Division-----	690
Lloyd, Dr. Lewis E., chief economist, Dow Chemical Co., representing the National Association of Manufacturers-----	636
MacCoy, E. M., manager, Federal Government Sales, Standard Register Co., Washington, D.C-----	595
McCormack, Hon. John W., Speaker of the House of Representatives-----	688
Nesti, Anthony J., chief statistician, National Electrical Manufacturers Association-----	521
Parmelee, Rexford C., Chief, Division of Statistics, accompanied by Forrest T. Moyer, Chief, Accident Analysis Branch, Bureau of Mines-----	671
Saunders, R] Duane, Director, Office of Debt Analysis, Office of the Secretary of the Treasury-----	696
Swidler, Hon. Joseph C., Chairman, Federal Power Commission, accompanied by Harry J. Trainor, Executive Director; Richard A. Solomon, General Counsel; and S. David Freeman, Assistant to the Chairman-----	697
Trelagan, Harry C., Administrator, Statistical Reporting Service, accompanied by Nathan M. Koffsky, Administrator, Economic Research Service; Melvin L. Koehn, Secretary, Crop Reporting Board, Statistical Reporting Service; Kenneth E. Ogren, Director, Marketing Economics Division, Economic Research Service; and J. Richard Grant, Reports Clearance Officer, Statistical Reporting Service-----	560

CONTENTS

Introduction 1

Chapter I 10

Chapter II 25

Chapter III 45

Chapter IV 65

Chapter V 85

Chapter VI 105

Chapter VII 125

Chapter VIII 145

Chapter IX 165

Chapter X 185

Chapter XI 205

Chapter XII 225

Chapter XIII 245

Chapter XIV 265

Chapter XV 285

Chapter XVI 305

Chapter XVII 325

Chapter XVIII 345

Chapter XIX 365

Chapter XX 385

Chapter XXI 405

Chapter XXII 425

Chapter XXIII 445

Chapter XXIV 465

Chapter XXV 485

Chapter XXVI 505

Chapter XXVII 525

Chapter XXVIII 545

Chapter XXIX 565

Chapter XXX 585

Chapter XXXI 605

Chapter XXXII 625

Chapter XXXIII 645

Chapter XXXIV 665

Chapter XXXV 685

Chapter XXXVI 705

Chapter XXXVII 725

Chapter XXXVIII 745

Chapter XXXIX 765

Chapter XL 785

Chapter XLI 805

Chapter XLII 825

Chapter XLIII 845

Chapter XLIV 865

Chapter XLV 885

Chapter XLVI 905

Chapter XLVII 925

Chapter XLVIII 945

Chapter XLIX 965

Chapter L 985

THE FEDERAL PAPERWORK JUNGLE

FRIDAY, JUNE 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 adjournment, at 10 a.m., room 215, Cannon Office Building, Hon. Arnold Olsen of Montana (subcommittee chairman) presiding.

Mr. OLSEN. The subcommittee will come to order.

Starting today and continuing Monday through Wednesday of next week, June 22, 23, and 24, the Subcommittee on Census and Government Statistics is conducting part 5, the concluding sessions, of its current hearings on Federal Government paperwork.

As you may recall, part 1 took place in Albany, N.Y., on May 1, last; part 2 in Chicago, Ill., on May 8; part 3 in Washington on May 19 and 20; and part 4 also in Washington from June 1 through June 3. For your information, the hearings records will be numbered in this fashion.

Thus far, we have heard upward to 50 witnesses, approximately half from business and related associations, and half from the Federal Government. The private witnesses have told us about individual paperwork problems created by the Federal Government which trouble them and need attention; they have made recommendations (seven in the case of one witness) to overcome this type of problem; others have raised good philosophical questions of the relationship between the Government and those it serves; they have pointed out areas in which they cannot get a satisfactory understanding in regard to paperwork problems; and have demonstrated some inadequacy of communications on the part of the Federal Government as to the purpose of information furnished by the public; and several other areas similar to that.

Finally, you will be glad to hear that the private witnesses have revealed areas in which little publicized but still significant progress in solving the paperwork dilemma is being made.

The public witnesses have been cooperative and helpful in defining the problem and in discussing it. We appreciate the appearance of all witnesses, including our colleagues in the Congress who have testified or submitted statements for the record.

The departments and agencies have done a good job of presentation and some have actually begun to reduce their reporting requirements. Unfortunately, however, increases have been more prevalent and will continue if we don't put a stop to them. Now, as you could be sure, we have been told that the whole thing is the fault of the Congress and the laws we pass. There is no doubt that this is partly

true, and we may be able to do something about it. The point we want to stress on the other hand is the need for the departments and agencies to establish a consciousness of the paperwork burden they are imposing on the public and to exercise ingenuity in order to reduce it. From some of the things we have seen, the amount of paperwork involved is not even taken into consideration when plans for a given program are formulated.

I think after plans for a program are formulated, there is a deliberate attempt to make paperwork. We found examples of it, especially in our hearings on June 3, where in one agency there was rather broad authority to determine health conditions in the Nation.

They very nearly started a new Census Bureau.

Before proceeding with the first witness this morning, I should like to place in the record at this time the following letters and other documents I have received:

Letter dated May 26, 1964, and enclosure, from Mr. Robert E. Webb, president, the Tri-State Foundry Co., Cincinnati, Ohio;

Letter dated June 1, 1964, from Mr. Frank S. Kelly, Jr., gas and oil producer, Shreveport, La.;

Letter dated June 4, 1964, from Mr. Charles E. Hastings, president, Hastings-Raydist, Inc., Hampton, Va.; and

Press release of the U.S. Department of Commerce, Bureau of the Census, dated June 12, 1964, entitled "Improvements Planned in Census Bureau, U.S. Export Statistics."

(The material referred to follows:)

THE TRI-STATE FOUNDRY CO.,
Cincinnati, Ohio, May 26, 1964.

HON. ARNOLD OLSEN,
House of Representatives,
Washington, D.C.

SIR: We read with interest a recent article in our local paper wherein you were to conduct a "safari into the paperwork jungle," which has been created and nourished by our Government.

We are a small gray iron foundry which has survived 11 competitive years in the jobbing business.

Our average employment is about 35 production employees and 5 nonproduction employees, which includes 1 female clerk and 1 female bookkeeper.

As you may note from the various forms listed on enclosed sheet that our two office employees may not be sufficient to perform all of these services in addition to their regular duties.

All of the following reports "not marked" statistics, we assume with some degree of reluctance as being necessary.

The "statistical" reports are in our opinion absolutely worthless. They are just time consuming and of no material help to us or our industry.

Thanks for your patience, and we trust your "safari" will prove profitable and enjoyable.

Sincerely,

ROBERT E. WEBB, *President.*

MONTHLY

*Federal Form M3-1: Bureau of Census, Industry Division—Manufacturers' shipments and orders.

*Federal Form M3-2: Bureau of Census, Industry Division—Manufacturers' inventories.

*Federal Form DL 1219: U.S. Department of Labor—Labor turnover.
Federal: Depository receipt.

*Statistics.

QUARTERLY

- Federal Form No. 941 : Employers Federal tax return.
 State Form UCO-2E : Ohio Unemployment return.
 City : City income tax withheld.
 *Federal Form BLS 1417 : Department of Labor—Work injuries report.

SEMIANNUALLY

- State Form A-31-135M : Workmen compensation report.
 State : Ohio sales tax return.

ANNUALLY

- Form 1120 : Federal income tax return.
 State Form 1-DWRF : Workmen relief fund.
 Federal Form 940 : Federal unemployment compensation.
 City : City income tax return.
 County Form No. 930 : Personal property tax return.
 Federal Form 938A : Security valuation statement.
 Federal Forms 1096 and 1099 : Salaries, fees, dividends, and commission paid other than on payroll.
 Federal Form W-2 : Gross earnings of all employees, etc.
 Federal Form W-3 : Total income tax withheld each quarter.
 *State Form 1124 : State industrial relations.
 *Federal Form MA-100 : Manufacturers' census report.

SHREVEPORT, LA., June 1, 1964.

Representative OLSEN,
 Chairman, Committee on Government Statistics,
 House Office Building, Washington, D.C.

DEAR CONGRESSMAN OLSEN: As a director of the Independent Natural Gas Association whose offices are in the World Center Building, Washington, D.C., I want to compliment you and your committee on investigating the so-called paperwork jungle which has been developing for the past 30 years in Washington.

As an oil and gas operator I can certify to the terrific amount of paperwork and legal expense which is being caused our industry by a number of asinine rules and regulations perpetuated by the Federal Power Commission and other governmental agencies.

Frankly, the industry is at a loss as to what information the Commission needs in most cases. I have been in their offices in the past and have seen tremendous reports filed by companies which were uncalled for. However, the Commission did not take the trouble to call the companies and advise them that they did not need this material. They merely included it in their files so they would have something else to look at down the road.

As you know, all of these expenses for preparing the reports are included in the cost of doing business, so that the dear consumers in the North and East whom the Federal Power Commission is dedicated to protect, are the ones who are paying most of these costs.

Keep up the good work.

I am having to leave and office and am asking my Secretary to sign this letter for me.

Sincerely,

F. S. KELLY, Jr.

HASTINGS-RAYDIST, INC.,
 Hampton, Va., June 4, 1964.

HON. ARNOLD OLSEN,
 House Office Building,
 Washington, D.C.

DEAR REPRESENTATIVE OLSEN: I read with considerable interest your recent article entitled "Paperwork Jungle," and I feel that you and your subcommittee should be highly commended in your efforts to reduce the amount of paperwork generated by Federal agencies. It is my hope that it will be possible for you to effect additional Federal legislation, or preferably modification of present legislation, to help relieve this situation.

*Statistics.

All too often, reports by Federal agencies have emphasized how little it costs to obtain information, disregarding entirely the cost to the companies involved in obtaining this information. I was amazed recently to find that in 1963 the Renegotiation Board recovered only \$10 million. The recordkeeping resulting from the peculiarities of the renegotiation law is so costly to American industry that I am certain the amount that the U.S. Government could have collected in taxes because of the savings and increased profits of these corporations would far exceed the amount recovered.

We are a small company that is not subject to renegotiation since we have not yet done \$1 million worth of renegotiable business a year; however, we did \$800,000 worth last year and had to keep records to ascertain whether we were subject to renegotiation. We have estimated one-half of a man-year of time was involved in maintaining such records, and we are a company of only 75 employees. Has there been an estimate made of the cost to American industry to keep these records for renegotiable purposes? I think if such could be determined it might be very interesting and enlightening.

May I urge you to keep up the good work. I know of no other area where so much in savings to American industry, and ultimately the taxpayer, can be accomplished as in this field that your committee is tackling.

Sincerely yours,

CHARLES E. HASTINGS, *President.*

DEPARTMENT OF COMMERCE,
Washington, D.C., June 12, 1964.

IMPROVEMENTS PLANNED IN CENSUS BUREAU'S U.S. EXPORT STATISTICS

Under a plan proposed by the U.S. Department of Commerce it will be easier to relate export statistics to statistics on domestic production and to trade data of other countries.

The plan was developed by the Department's Bureau of the Census with the cooperation of the Bureau of the Budget and the Federal Committee on Foreign Trade Statistics. It is the second major step in relating U.S. foreign trade statistics to data on domestic output and to data of other trading nations. The first step was a similar plan applied to imports effective February 1964.

Beginning with statistics for January 1965, export data will be collected in terms of a commodity classification that will permit publication of data in terms of (1) the standard international trade classification (SITC) as modified for U.S. needs, and (2) U.S. production classifications based on the standard industrial classification (SIC). The former will be published monthly and annually and the latter only annually.

The arrangement of the proposed commodity classification will follow the SITC and will be released in Public Bulletin B-8 for review by exporters and users of the statistics. Public Bulletin B-8 will be mailed to all schedule B subscribers. In addition, a limited number of copies will be available for other interested persons on request from the Bureau of the Census.

Recommendations for changes in this proposed classification should be submitted to the Foreign Trade Division, Bureau of the Census, Washington, D.C., 20233, or to the Budget Bureau's Advisory Council on Federal Reports, 1001 Connecticut Avenue NW., Washington, D.C., 20036, no later than July 31, 1964. This time schedule must be adhered to if this program is to be made effective with the January 1965 statistics.

Mr. OLSEN. We are ready now for our first witness who is Mr. Anthony J. Nesti, chief statistician, National Electrical Manufacturers Association, New York, N.Y.

Mr. Nesti, we appreciate your coming down from New York to appear before us, and welcome. Please proceed as you wish.

We know you are taking valuable time to come here and we want you to know we appreciate it.

You may proceed as you wish.

STATEMENT OF ANTHONY J. NESTI, CHIEF STATISTICIAN,
NATIONAL ELECTRICAL MANUFACTURERS ASSOCIATION

Mr. NESTI. Thank you, Mr. Chairman.

As you have indicated, my name is Anthony J. Nesti, chief statistician of the National Electrical Manufacturers Association. NEMA is the principal association in the electrical manufacturing industry, which industry accounted for approximately \$28 billion worth of shipments for the year 1963. Our association includes among its membership 463 manufacturers of various types of electrical apparatus and appliances.

These manufacturers account for approximately 85 percent of the total industry volume of business.

The range of our association's interest, productwise, is quite wide, running from various types of electric houseware and major appliance items through lighting equipment, communication equipment, industrial equipment, building equipment, insulating materials, generation, transmission, and distribution equipment, wire, cable, and so forth. This diversion in electrical products accounts for the association's widespread interest in all areas of Federal Government activity in the statistical and classification field.

With respect to the overall problem of the burden of Federal Government questionnaires, you will recall, Mr. Chairman, that I wrote to you on February 11, 1964, and submitted my comments. These you were kind enough to include in the record of the hearings before the committee held on February 18 and 19, 1964.

The reason I am here today, Mr. Chairman, is to discuss the burden imposed upon the American business community by the standard international trade classification. I make my remarks not only from a background of experience connected with my work with NEMA and the electrical manufacturing industry, but also from the background of experience gained through many years of service on industry-Government panels having to do with Federal statistical measures and industry and product classifications. A partial list of these industry-Government panel affiliations is attached as exhibit A. Throughout this experience, I have strongly supported the basic Federal statistical programs and I have found such basic Federal statistical measures extremely helpful.

What I would like to establish, in sequence, are the following points:

(1) The standard international trade classification itself was not submitted to U.S. manufacturing industry review before its adoption by the United Nations.

(2) The implementation of the standard international trade classification in the area of U.S. measures of imports and exports of manufactured commodities was carried out by means of some arbitrary decisions without consulting the affected industries or manufacturers in this country.

(3) Such implementation has placed an unfair burden of time and money upon the American business community.

In my remarks, I will be referring to various industry and commodity classifications. Allow me to briefly list and define them at this point:

(1) SIC—the standard industrial classification.

This classification is the responsibility of the Bureau of the Budget.

This is the standard U.S. system for classifying manufacturing and other establishments according to activity engaged in and products manufactured. The scope of this system covers the entire field of economic activities, such as agriculture, forestry, fisheries, mining, manufacturing, transportation, retail trade, finance, and so forth.

(2) Schedule A—Statistical classification of commodities imported into the United States.

This was the classification used until recently by the Foreign Trade Division of the Bureau of the Census in compiling and releasing data on imports of commodities into this country.

(3) Schedule B—Statistical classification of domestic and foreign commodities exported from the United States. This is the classification used by the Foreign Trade Division of the Bureau of the Census in compiling and releasing data on commodities exported from this country.

(4) TSUSA—Tariff Schedules of the United States, Annotated.

This classification is the responsibility of the U.S. Tariff Commission.

These schedules include the legal text of the new tariff schedules resulting from the Tariff Classification Act of 1962, and include the annotations which list the statistical information which must be supplied on customs entry and withdrawal forms for the purpose of providing the statistical information on U.S. imports.

(5) Census of manufactures' census classifications. This is the classification of industries and commodities utilized by the Bureau of the Census in making its quinquennial census of manufactures and its annual survey of manufactures.

(6) SITC—Standard international trade classification.

According to the Statistical Office of the United Nations, this classification was designed to provide a standard grouping of commodities for the purpose of economic analysis and to facilitate the international comparison of commodity trade data.

Now as to the first point I would like to develop—namely, that the standard international trade classification itself was not submitted to U.S. manufacturing industry review before its adoption by the United Nations.

In fact, the manual itself in its preface simply refers to a review by "governments" and by certain unnamed "experts."

It is the only classification that I know of, that affects our country's manufacturers, where such manufacturers have not had a direct voice in its development. This situation is most difficult to comprehend since historically it has been the policy of various Federal agencies to pursue an industry review program in developing Federal classifications.

You might say that the SITC, technically, is not a U.S. Federal classification. You might say it is an international instrument of the United Nations. However, the way it is being applied, it does affect our own Federal agencies and our own Federal classifications.

Here are some examples:

(1) The first few pages in the manual setting forth the standard industrial classification—the principal U.S. classification of indus-

tries—describes the extensive and painstaking efforts of members of various industries in assisting in the development of the classification. (See exhibit B, p. 533.)

While I will not read through the exhibit, Mr. Chairman, let me give you some general idea of the extensive review process that was conducted in this case. The Office of Statistical Standards was involved and the Advisory Council on Federal Reports, and under the Advisory Council, a coordinating committee composed of 9 industry people and 26 separate and distinct committees, each staffed by a sizable number of industry representatives. Aside from this direct industry review, the classification, before adoption, was submitted for review to the American Marketing Association, Dunn & Bradstreet, McGraw-Hill Publishing Co., and the National Bureau of Economic Research, as well as trade unions, trade associations, and Federal and State agencies.

(2) The files of the Bureau of the Census will provide a very sizable record of the specific part played by individual manufacturers and industries in the classification of industries and products in the quinquennial census of manufactures and in the annual survey of manufactures.

I personally have worked with the Bureau on these classifications for 25 years. Multiply me by thousands of other industry people and you have some idea of how much industry participation there has been in this field of classification.

(3) Again, the records of the Bureau of the Budget and of the Bureau of the Census—more specifically, those of the Foreign Trade Division of the Bureau—will provide an extensive picture of the participation on the part of individual manufacturerers and industries in the development of the classification of commodities for exports. (See schedule B.)

(4) Industry also put in a great deal of effort over the past 10 years in attempts to improve the existing import commodity classifications—both with respect to what was known as schedule A of the Foreign Trade Division and with respect to the tariff paragraphs of the U.S. Tariff Commission. Our own industry's abortive attempts at improving Government measures of imports of electrical commodities are listed in exhibit C. Unfortunately, few of these attempts were successful and, consequently, the present commodity import categories are very unsatisfactory.

Correspondence with the agencies are a matter of record and show the futility of these efforts. John Marshall, executive vice president of the National Association of Dairy Equipment Manufacturers, has already testified before this committee indicating his industry's frustrations in trying to make similar improvements.

At least, however, industry was given an opportunity to prepare and submit recommendations.

The contrast in the approaches used in developing the latter classifications versus the approach used in developing the standard international trade classification is quite obvious. While at this point of time the reasons for excluding American industry participation in the development of the Standard International Trade Classification might have only historical value, nevertheless, such reasons might—if they

could be made known—help to explain the situation to our industry members. At any rate, I feel that, because of the exclusion of industry thinking, the classification contains many inconsistencies with respect to the way industries are actually set up, and the way products are actually identified, in this country. As a result, the Standard International Trade classification places an extra burden on all manufacturers in this country who are involved in international trade. There is not time in my remarks to review the many examples of this situation. Accordingly, I have included a few examples in exhibit D attached to this statement.

Let me just briefly indicate the kind of thing I am talking about.

For example, four-digit SIC classifications—there are major industry classifications—have been combined into one single four-digit SITC (standard international trade classification) code, even though the industries and products involved are not similar.

In another case, five such standard industrial classifications—four-digit codes, major industry categories—have been combined into one hodgepodge four-digit SITC classification; more specifically, transformers, motors, and generators, electrical equipment not elsewhere classified, steam engines, and electronic components were all put into this one classification.

Mr. OLSEN. Let me interrupt you there.

They have the same four-digit classification, the same number?

Mr. NESTL. No. The numbers are all different.

In the year 1964, this “modern” SITC, Standard International Trade Classification, refers to industrial lighting fixtures—I am sure many of us here know what they look like—factory lamps. In fact, the lamp nomenclature is used throughout.

I would like now to proceed to the second point of the problem I am discussing; namely, the implementation of the Standard International Trade Classification, in the area of U.S. measures of imports and exports of manufactured commodities, was carried out by means of some arbitrary decisions without consulting the affected industries or manufacturers in this country. In recent months, we on the industry side have been asking questions as to who set the policy for this conversion of U.S. international trade data to the Standard International Trade Classifications: We have not been able to get the answer to this question.

Our last attempt was in the form of a visit on May 14 of four industry representatives with three top level representatives of the Department of Commerce. We were promised an answer but to date we have not received such answer. The only information in this regard that we have is the following with respect to the import data (taken from the official announcement):

The conversion of the U.S. import commodity classifications in the tariff schedules of the United States, annotated into a classification system (schedule A, revised) based on the Standard International Trade Classification, revised, was prepared by the staff of the Foreign Trade Division under the supervision of the Bureau of the Census Committee on Recasting U.S. Import Commodity classification.

With respect to the export data, the only information as to the basis for the change is the following (taken from the Bureau of the Census June 12 press release) :

The plan was developed by the Department's Bureau of the Census with the cooperation of the Bureau of the Budget and the Federal Committee on Foreign Trade Statistics.

Mr. OLSEN. In this regard, let me say that the entire press release of June 12 has already been placed in the record.

Mr. NESTI. Thank you.

It would seem to me that, since the various standard classifications of our Federal Government are the responsibility of the Office of Statistical Standards of the Bureau of the Budget, any changes affecting the Federal statistical programs under such classifications would also be the responsibility of that agency. I understand that representatives of the Office of Statistical Standards are to appear before this committee later in the current session. Perhaps there would be an opportunity to explore this matter with them.

Now to the last point I would like to touch upon; namely, that the implementation of the Standard International Trade Classification in our own country's measures of exports and imports of commodities has placed an unfair burden of time and money upon the American business community. Normally, the approach to the problem of burden considers a survey and a questionnaire. However, burden is not limited to this area. It can develop from the inaccuracies of data compiled from the survey and questionnaire; it can develop from the delay in making summary figures available; and it can develop from the specific form and manner in which the summary data are made available. My comments today in regard to the implementation of the SITC by the Bureau of the Census have to do with the latter.

We have been advised by the Bureau of the Census that beginning with the month of February 1964, all U.S. data on commodities imported into this country are to be printed along the lines of the Standard International Trade Classification. This new printing program, known as schedule A, revised, represents a reduction in the printed data classifications from roughly 10,000 commodities to some 2,000 commodities. It is true that the further detail which our manufacturers formerly received in the printed documents will be available by copying from the central records in some 10 centrally located governmental offices in as many different cities, or from special tabulations purchased from the Government.

In this regard, Mr. Chairman, I note in some of the Census Bureau's publicity releases that such records will be available in a large number of areas throughout the country. This is not true. The official notice and document indicate only 10 cities, and 10 cities in these United States are not a broad distribution of centrally located records.

However, to those people in the industry who must work constantly with such information, this change in the printing publication of our own import data imposes another severe burden both financial and timewise. Some specific examples of this situation are contained in exhibit E.

I might mention that on the surface this seems like a smooth, orderly process of making additional detail available. All interested industry people are going to have to avail themselves of the extra printing service and by these additional printings, because they are not close to these 10 centers. That means tens of thousands of requests coming down here every month and this means an imposition of time, let alone expense.

I might also mention we had a sad experience along these same lines some 4, 5, or 6 years ago when for 6 months some detail was discontinued by the Foreign Trade Division and manufacturers had to purchase the detail. It just did not work and they had to throw that plan out.

We could stop here and say that we are talking about a substantial disruption in the commercial intelligence available to our manufacturers because of the SITC. But the story is not complete. As I am delivering these remarks, U.S. manufacturers are being exposed to the latest intrusion of the SITC on American industry and commodity classifications. On June 12, the Bureau of the Census made the following announcement with respect to the gathering and printing of U.S. export data:

Under a plan proposed by the U.S. Department of Commerce—

It is hardly a proposal since half of this plan has already been put into effect—

it will be easier to relate export statistics to statistics on domestic production and to trade data of other countries.

The plan was developed by the Department's Bureau of the Census with the cooperation of the Bureau of the Budget and the Federal Committee on Foreign Trade Statistics. It is the second major step in relating U.S. foreign trade statistics to data on domestic output and to data of other trading nations. The first step was a similar plan applied to imports effective February 1964.

Beginning with statistics for January 1965, export data will be collected in terms of a commodity classification that will permit publication of data in terms of (1) the Standard International Trade Classification (SITC) as modified for U.S. needs, and (2) U.S. production classifications based on the Standard Industrial Classification (SIC). The former will be published monthly and annually and the latter only annually.

The arrangement of the proposed commodity classification will follow the SITC and will be released in Public Bulletin B-8 for review by exporters and users of the statistics. Public Bulletin B-8 will be mailed to all schedule B subscribers. In addition, a limited number of copies will be available for other interested persons on request from the Bureau of the Census.

We understand copies of this bulletin will not be available until the end of June.

Recommendations for changes in this proposed classification should be submitted to the Foreign Trade Division, Bureau of the Census, Washington, D.C., 20233, or to the Budget Bureau's Advisory Council on Federal Reports, 1001 Connecticut Avenue NW., Washington, D.C., 20036, no later than July 31, 1964. This time schedule must be adhered to if this program is to be made effective with the January 1965 statistics.

What kind of recommendations do they expect to get if the plan as such is set? Are these just minor recommendations as to sublistings or what? Under the time schedule, these recommendations are to be in by no later than July 31, 1964.

This statement seems to say (1) that like in the printing of import data, the SITC is to be the frame of reference for the printing of export data; (2) there will be much less information available month-

ly in printed form than has heretofore been the case; and (3) that interested parties are given less than 1 month to absorb the plan and make recommendations.

Just what effect this new program will have on printed information is not known at this time. What we do know is that industry members have spent many years fighting for, and I stress, fighting for, such improvement as we were able to obtain, as reflected in what, for a long time, was known as schedule B, Statistical Classification of Domestic and Foreign Commodities Exported from the United States. Now, without warning, the benefits of these gains are to be wiped out. Again, I say that this adds a further burden on the shoulders of U.S. manufacturers who are actively engaged in the export market. Obtaining the commercial intelligence they need for their export activities is going to require more effort and more expense on their part and also a new evaluation of the effect of the new types of measures and classifications on other international trade problems.

In conclusion, allow me to point to the efforts being made by the Department of Commerce, and by other agencies of the Federal Government, to encourage U.S. manufacturers to become more active in the export markets. Allow me also to point to the difficulties encountered by many sectors of our American manufacturing community in facing up to the challenge of growing competition from imports. The arbitrary adoption of the Standard International Trade Classification as a framework for reporting on measures of U.S. exports and imports works against both of these endeavors.

While we would all like to enjoy the luxury of a common language for world trade—the Standard International Trade Classification, in my opinion, is far from the answer. I do not believe that, at this point in time, one single classification can serve the needs of all countries or of all interests. If this should be true—as far as our own country's exports and imports are concerned—then should not the decision be to first satisfy the American interests and then, with whatever supplementary work or costs are involved, satisfy other interests? At any rate, should not the decision with respect to the imposition of the Standard International Trade Classification framework on American measures of imports and exports be made—not on an arbitrary basis—but on the basis of exhaustive review processes with American industry—the machinery for which is available in the Office of Statistical Standards and the Advisory Council on Federal Reports?

I am grateful for the opportunity to appear before a committee of the Congress to discuss this particular "burden" area. I hope that, through your efforts, some remedial measures might be generated to circumvent the problems I have described. Thank you, gentlemen, for your attention and for your patience in listening to my story.

Mr. OLSEN. Thank you very much, Mr. Nesti. We really appreciate your coming to the committee with your problems.

These are the kinds of problems we are interested in and want to do something about.

However, I want to obtain for the record more specifically what you are opposed to. To do that, I wonder if you could not tell us what classifications you would propose rather than the Standard International Trade Classification?

Mr. NESTI. I would be glad to explain that, Mr. Chairman.

In the record of our industry recommendations, that approach is given. We were all told that the reference in the United States for all measures is the Standard Industrial Classification and that is why American industry worked hard on that and got it into pretty good shape. The plan then was that the census of manufactures data relating to industry and products would coincide with those standard industrial classifications, except that the census categories would go down to more product detail.

Mr. OLSEN. Let me interrupt you there. You do not mind where the Census Bureau goes down to more product detail as long as it is within the framework of your own SIC classification?

Mr. NESTI. Yes, sir.

The next step is, where we do not sell it in this country, you might export it, but again the consistency should be the same. There should be a consistency going to the export classifications from the census classification and from the SIC. It is a natural development and if you are concerned about who is competing with you on motors, insulators, and so forth, obviously the import data should be related to the same framework. This makes it easy for any American manufacturer to know what is happening in his business.

Mr. OLSEN. You people feel that this new Standard International Trade Classification is a kind of revolution that is out of step with the process you have become familiar with?

Mr. NESTI. I could not have stated it better, Mr. Chairman. In fact, we were surprised to see this changeover because we were working on improving import classifications.

Mr. OLSEN. You want import classifications to be the same familiar terms as you have developed in your Standard Industrial Classification?

Mr. NESTI. That is right.

Mr. Chairman, I might add that after all we in industry know that when there is a competitor in Japan or in West Germany, or in Great Britain, on our products, they have no problems in knowing what they are talking about. They know when they are talking about a motor or a transformer, or a controller, because they bid on it. They compete with us on it and they ship it here.

Mr. OLSEN. They have had no problem with your Standard Industrial Classification?

Mr. NESTI. You say "they"? You mean foreign?

Mr. OLSEN. Your competitors.

Mr. NESTI. That I do not know. I cannot answer.

Mr. OLSEN. In any event, they have been able to compete?

Mr. NESTI. They sure have.

Mr. OLSEN. I take it you know of other trade groups such as the oil, chemicals, and machinery groups, who have similar opinions to yours about this new classification?

Mr. NESTI. I do not want to name names or organizations but I do have actual material on record which—if they could be encouraged to submit it, and perhaps this could be done by letter—would indicate the same problems we are facing in our own industry in this area.

Mr. OLSEN. I think we will do that. We will solicit these other trade groups.

You can furnish some addresses to our counsel and we will write.

Mr. NESTI. I will be very happy to.

(The correspondence subsequently received follows:)

NEW YORK, N.Y., July 2, 1964.

HON. ARNOLD OLSEN,
*Chairman, Subcommittee on Census and Government Statistics,
Longworth House Office Building,
Washington, D.C.:*

Wish to respectfully urge careful attention of your committee to and to record support for the position taken by the National Electrical Manufacturers Association in the statement before you on June 19 by A. J. Nesti in respect to the disruptions, distortions, and loss of essential published detail which either have taken place or are contemplated as to statistics on U.S. imports and exports. Despite laudable purpose, especially objectionable is classifying data on the basis of the Standard International Trade Classification; believe you will find this document essentially represents least common denominator of various individual country classifications and thus is inferior to all or nearly all of them. In our own case data on three-digit SITC basis would be meaningless and on four-digit basis almost meaningless. New imports schedule A provides substantially less detail than previously whereby its value and usefulness is materially reduced.

WILLIAM C. BABBITT,
*Managing Director, National Association of Photographic Manufacturers,
Inc.*

NATIONAL LUMBER MANUFACTURERS ASSOCIATION,
Washington, D.C., July 2, 1964.

HON. ARNOLD OLSEN,
Chairman, Subcommittee on Census and Government Statistics, House of Representatives, Washington, D.C.

DEAR CONGRESSMAN OLSEN: The Bureau of the Census has published a new so-called Standard International Trade Classification designed to provide a standard grouping of commodities for foreign trade statistical purposes. As nearly as we can learn, this new system, which would supersede the present statistical classifications which are well known to and long used by industry as the basis for statistical and economic data, would disrupt many statistical series of long standing and deny business valuable information it urgently needs.

Mr. A. J. Nesti, chief statistician of the National Electrical Manufacturers Association, testified before your committee several weeks ago and expressed very well our appraisal of and objections to the proposed system. I hope that your committee will urge the Bureau of the Census to withhold inauguration of the new statistical classification until such time as there has been adequate opportunity for thorough analysis of the consequences of its adoption and consideration of improvements which would make possible the retention of important statistical series which have been of great value to American business and industry.

Sincerely,

HENRY BAHR,
Vice President and General Manager.

OPTICAL MANUFACTURERS ASSOCIATION,
New York, N.Y., June 30, 1964.

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

DEAR SIR: I have read with considerable interest a copy of the statement by Mr. Anthony J. Nesti, chief statistician of the National Electrical Manufacturers Association, before the Subcommittee on Census and Government Statistics on June 19, 1964.

This association has objected on a number of occasions to changes in import and export categories that make it difficult, if not impossible, to make accurate comparisons with domestic production or with Government statistics of prior years. For this reason we concur wholeheartedly with Mr. Nesti's statement.

Sincerely yours,

CHARLES F. ODDY,
Secretary-Treasurer.

MANUFACTURERS SURGICAL TRADE ASSOCIATION,

New York, N.Y., June 30, 1964.

HON. ARNOLD OLSEN,
*Chairman, Subcommittee on Census and Government Statistics,
 House of Representatives, Washington, D.C.*

DEAR CONGRESSMAN OLSEN: This will refer to the record being made by your Committee on Census and Government Statistics in connection with the Government's new reporting system particularly for imports.

First, will you please accept our complete and unqualified endorsement of the testimony given your committee on June 19, 1964, by Mr. Anthony J. Nesti, chief statistician of the National Electrical Manufacturers Association.

Second, we should like to add to the record made by Mr. Nesti that so far as the vital industry represented by this association is concerned the SITC import data it is proposed to publish will not be worth the paper on which the data are printed. The classification is so broad and inclusive that for all practical purposes the data will be meaningless.

Third and last, Mr. Olsen, we would like to bring to your attention an import statistics reference Mr. Nesti did not cover. In the case of relatively small, high-value surgical instruments the Government's published data cover only formal-entry imports. We estimate that for every \$1 of such formal-entry imports there are at least \$2 of informal-entry imports as to which no import data are available. So on this score, too, the published data are so incomplete as to be practically worthless.

ARTHUR L. FAUBEL,
Executive Director.

NATIONAL ASSOCIATION OF DAIRY EQUIPMENT MANUFACTURERS,

Washington, D.C., June 29, 1964.

HON. ARNOLD OLSEN,
*Chairman, Subcommittee on Census and Government Statistics,
 Washington, D.C.*

DEAR SIR: This is with further reference to the hearings regarding the "Paper Work Burden" which your committee concluded on June 24.

This letter is prompted by the question propounded to Anthony J. Nesti during the course of his testimony June 19 with special attention to the burden imposed on the American business community by the Standard International Classification (SITC) which has recently been adopted by our Bureau of the Census with the apparent cooperation of the Bureau of the Budget and the Federal Committee on Foreign Trade Statistics.

At the time of my appearance before your committee on June 1, 1964, I stated that the great majority of our members are classified as small businesses by the Department of Commerce.

A number of our members are interested and involved in international trade. For several years we have been endeavoring to secure reasonably accurate and complete import dollar figures on "industrial dairy plant processing and packaging machinery and equipment." To date, we have been unable to get any reply from responsible Government officials and, of course, no action has been taken to collect the necessary import statistics. The adoption of the SITC classification relating to imports effective February 1964 insofar as such statistics will be printed by the Department of Commerce, in our opinion, closes the door for any hope on our part of ever being able to secure these vitally needed import figures concerning our industry.

We are further amazed to learn that now that the above referred to bureaus of Government having ignored all users of import statistics in making this uncalled for change in SITC announced on June 12 that it has taken the second major step related to U.S. foreign trade statistics and that beginning with statistics for January 1965, export data will be collected in terms of the SITC commodity classification.

It is noted that business has been notified on June 12 of this radical change in our export statistics and we have been given until July 31, 1964, to recommend changes in this proposed (SITC) classification of exports. However, as of today, we have yet not received a copy of the proposed (SITC) classification for exports.

Our export data as I have testified on June 1 has been for many years available monthly in reasonably good and adequate form. Apparently we are going

to lose this valuable statistical information upon the adoption of the new (SITC) classification for export data.

We respectfully request that your committee use any means at its command to (1) delay any Government action on the adoption of (SITC) classification for exports until we and other industries have adequate time to examine the proposals carefully, and (2) to take such steps as necessary to continue the printing of (SIC) classification on imports for the use of people such as those in our industry who have been asked to become more active in the export markets.

Very truly yours,

JOHN MARSHALL,
Executive Vice President.

Mr. OLSEN. Do you have an opinion as to which agency of the Federal Government was responsible for deciding that this new SITC system should be adopted?

Mr. NESTL. This is the circle we have been running around for 2 months.

Mr. OLSEN. You spoke of this earlier in your statement and I wonder if you have a specific opinion as to a specific agency that is responsible?

Mr. NESTL. The only conclusion I can come to is from what we have been led to understand. We have one central office in this country that has responsibility for reviewing, not only classifications, but statistical programs, surveys, and questionnaires. Anything developing of a serious nature in this area should be the responsibility of that agency. Of course, I refer to the Office of Statistical Standards of the Bureau of the Budget.

Mr. OLSEN. I think we are in agreement it is a responsibility of the Bureau of the Budget.

You know for a fact that this decision was not taken up with the Advisory Council on Federal Reports?

Mr. NESTL. This, I know.

Mr. OLSEN. Your industry actually was not consulted?

Mr. NESTL. It was not. There is some indication in connection with this recently announced export readjustment that the Advisory Council might be used. Apparently we are to receive this bulletin that is now in the Printing Office. But before this particular situation we were not asked for our advice about this change.

Mr. OLSEN. Do you have any questions?

Mr. ABLE. Yes, Mr. Chairman.

When the Bureau of the Budget appeared before the committee, their spokesman told us all matters of this kind were discussed before the Advisory Council and now it turns out that was not so.

Mr. NESTL. I think I know what you are referring to. I read the paper delivered at the hearing by the representative from the Office of Statistical Standards. It relates more to Federal questionnaires and surveys.

It is true that a fairly large part of Government statistical activities are reviewed by the Office of Statistical Standards, and through that Office, the Advisory Council on Federal Reports and Industry Panels. There is a large area of Federal statistical activity that is not ever reviewed and these particular classification changes were not reviewed with industry.

It may have been reviewed within the Office of Statistical Standards but not through the Advisory Council and industry.

Mr. ABELE. I would suggest when the people from the Bureau of the Budget come back again we go into this thoroughly.

Mr. OLSEN. I think we should specifically do so with regard to these new classifications.

For the record, the Bureau of the Budget will be back here June 24.

Mrs. St. George?

Mrs. ST. GEORGE. Mr. Chairman, I would like to ask one question of Mr. Nesti.

I seem to detect this new SITC has not impeded our competitors abroad. How do you reconcile that? Why are they able to cope with it and we are not? I think that is rather an important question, if they are able to do so.

Mr. NESTI. Congresswoman, I appreciate that question, actually. There is no classification we use that impedes foreign competition. I think those folks are very much on their toes, and they should probably be on their toes, and so should we.

No matter what classification we set up, this will not impede them in their efforts. However, I would like to point out that if you approach other industries as you have indicated you will, Mr. Chairman, you will find this will be borne out. What we have in the SITC is sort of a least common denominator of classifications existing in these foreign countries. We are sacrificing a more advanced classification for something less advanced.

Mrs. ST. GEORGE. I might tell the gentleman that is what I suspected. I am glad it has been brought out and I thank you very much.

Mr. NESTI. Thank you.

Mr. OLSEN. It is a fair conclusion from your response to the question that the SITC classification actually is a better service to a foreign competitor than it is to our people?

Mrs. ST. GEORGE. Yes, Mr. Chairman. That is what I suspected.

Mr. NESTI. Might I add one more comment to this, Mr. Chairman, as an example?

Mr. OLSEN. Yes.

Mr. NESTI. In the description of the Standard International Trade Classification and in some of the presentations made by the staff of the United Nations, they referred to this as a forward-looking document and it even anticipates products that are perhaps not yet prominent so that the framework would be there. I gave one example of lamps. We have ceased using "lamps" to describe "fixtures." These are fixtures now and there is a lot to them and they are not like a lamp in the old days.

In the photographic industry, we have another example. There is an item in the SITC on "flashlight powder." That may be forward looking, Mr. Chairman, if, as some philosophers say, our civilization goes in circles and not forward and upward. Someday we may again be taking photographic pictures with this flashlight powder used in the time of the Civil War.

This is what I mean. It is not at the level of advancement we have reached in this country.

Mr. OLSEN. A very good point.

I want to thank you again for coming, Mr. Nesti, and we are very happy that you took time from a busy schedule to give us your testimony.

I want to tell you that it is very valuable testimony and what you have pointed out will be taken up with the Bureau of the Budget when they return.

Mr. NESTI. Thank you very much again, Mr. Chairman.
(The exhibits submitted by Mr. Nesti follow:)

EXHIBIT A

ANTHONY J. NESTI, CHIEF STATISTICIAN, NATIONAL ELECTRICAL MANUFACTURERS ASSOCIATION

INDUSTRY-GOVERNMENT COMMITTEE AND PANEL AFFILIATIONS

Chairman, Association Council on Censuses of Housing and Population.
Chairman, Economic Statistics Committee, National Industrial Council.
Chairman, Committee on Walsh-Healey Surveys, Advisory Council on Federal Reports.
Secretary, Census of Manufactures Committee, Advisory Council on Federal Reports.
Secretary, Coordinating Committee on Schedule B, Advisory Council on Federal Reports.
Member and Past Chairman, Association Management Research Committee, American Society of Association Executives.
Member, Coordinating Committee on Standard Industrial Classification, Advisory Council on Federal Reports.
Member, Committee on Census of Business, Advisory Council on Federal Reports.
Member, Business Research Advisory Council to Bureau of Labor Statistics.
Member, Committee on Economic Growth, BRAC.
Member, Committee on Consumer and Wholesale Prices, BRAC.
Member, Committee on Productivity and Technological Development, BRAC.
Member, Committee on Wages and Industrial Relations, BRAC.

EXHIBIT B

[Excerpt from pp. 5 and 6, Standard Industrial Classification Manual]

EXECUTIVE OFFICE OF THE PRESIDENT, BUREAU OF THE BUDGET, 1957

"Acknowledgments:

"In the preparation of this revised edition of the Standard Industrial Classification Manual, the technical committee wishes to acknowledge the valuable assistance received from the Advisory Council on Federal Reports, of which Mr. Merrill A. Watson, National Shoe Manufacturers Association, is Chairman. The review of the manual by the advisory council was carried out under the general guidance of a coordinating committee consisting of:

- "P. K. Lawrence (chairman), E. I. du Pont de Nemours & Co.
- "Preston B. Bergin, National Association of Blueprint and Diatype Coaters.
- "A. J. Nesti, National Electrical Manufacturers Association.
- "John H. Seeton, Pennsylvania Manufacturers Association.
- "Earl L. Knight, Pennsylvania Manufacturers Association. (Alternate for Mr. Seeton.)
- "Horace Stringfield, Iron and Steel Institute.
- "J. V. Henlock, United States Steel Corp. (Alternate for Mr. Stringfield.)

"CONSULTANTS

- "R. Buford Brandis, American Cotton Manufacturers Association.
- "C. F. Graf, Jr., International Business Machines Corp.

"Mr. Russell Schneider, executive secretary of the advisory council, was particularly helpful in the establishment of committees of industry representatives to review specific sections of the manual. Twenty-six committees were established, each of which made many valuable suggestions on the classification. The technical committee also wishes to express appreciation for many constructive criticisms and suggestions received from the American Marketing Association, Dun & Bradstreet, McGraw-Hill Publishing Co., the National Bureau of Economic Research, various trade unions, trade associations, and Federal and State agencies."

EXHIBIT C

LISTING OF ATTEMPTS TO IMPROVE THE CLASSIFICATION FOR IMPORTS—
ELECTRICAL MACHINERY AND EQUIPMENT

November 28, 1955: Classification submitted to Advisory Council on Federal Reports in connection with the council's effort to review the import schedules.
February 8, 1956: Classification submitted to U.S. Tariff Commission and Bureau of the Budget.

November 21, 1958: Classification submitted to Business and Defense Services Administration, Department of Commerce, after the planned revision of schedule A was dropped.

December 1958: Two meetings with representatives of U.S. Tariff Commission and BDSA.

January 13, 1959: Additional recommendations submitted to U.S. Tariff Commission.

April 1959: Meeting with representatives of Foreign Trade Division and BDSA.

June 26, 1959: Recommendations submitted to Foreign Trade Division in connection with proposed revised tariff schedules.

July 7, 1959: Communication with U.S. Tariff Commission regarding the proposed revised and consolidated tariff schedules.

July 13, 1962: Resubmitted recommendations to Foreign Trade Division in connection with special announcement regarding recommendations for statistical classification in Tariff Schedules.

July 25, 1962: Resubmitted recommendations to Bureau of the Budget through Advisory Council on Federal Reports.

(NOTE.—Practically nothing was gained through these efforts and we were discouraged from making further attempts to improve the measures on electrical commodities imported into the United States.)

EXHIBIT D

EXAMPLES OF THE DIFFERENCES IN THE CLASSIFICATION OF PRODUCTS
BETWEEN THE
STANDARD INTERNATIONAL TRADE CLASSIFICATION (THE U.N. STANDARD)
AND THE
STANDARD INDUSTRIAL CLASSIFICATION (THE U.S. STANDARD)

EXAMPLE I

STANDARD INTERNATIONAL TRADE CLASSIFICATION (SITC)STANDARD INDUSTRIAL CLASSIFICATION (SIC)

<u>Industry Code</u>	<u>Description of Products</u>	<u>Industry Code</u>	<u>Description of Products</u>
722.2	Electrical Apparatus for making and breaking or for protecting electrical circuits (switchgear, etc.)		The products listed on the left under the one SITC classification are included in the following several U.S. Industry Classifications:
	(Sample listing of types of products included in this classification)	3613	Switchgear and Switchboard Apparatus
	Arresters, Lightning		Establishments primarily engaged in manufacturing switchgear and switchboard apparatus. Important products of this industry include power switches, circuit breakers, power switching equipment, and similar switchgear for general industrial application; switchboards and cubicles, control and metering panels, power fuse mountings, and similar switchboard apparatus and supplies. Establishments primarily engaged in manufacturing industrial controls are classified in Industry 3622, and those manufacturing current carrying wiring devices in Industry 3643.
	Barretters		
	Baudot Relays, Electrical		
	Boards for Switchboards, of Marble, Slate		
	Asbestos - Cement or artificial plastic material.		
	Circuit Breakers, air		
	Circuit Breakers, car-type		
	Circuit Breakers, electrical		
	Circuit Breakers, oil		
	Circuit Breakers, power		
	Clips, crocodile, for electrical connections		
	Connecting blocks, telephone		
	Connectors, electrical (excl. those essentially of insulating material, and electrical carbons)	3622	
	Contact breakers, electrical		Establishments primarily engaged in manufacturing motor starters and controllers, control accessories, electronic controls, and other industrial controls. Establishments primarily engaged in manufacturing automatic temperature controls are classified in Industry 3822.
	Contacts, Electric, Molybdenum		
	Contacts, overhead, for electric trains		
	Contacts, sliding, electrical (excl. carbon or graphite contacts)		
	Contacts, telephone		
	Control boards or panels, electrical (excl. those for X-ray apparatus)		
	Control boards, theatre		

EXAMPLE I (CONTINUED)

<u>STANDARD INTERNATIONAL TRADE CLASSIFICATION (SITC)</u>		<u>STANDARD INDUSTRIAL CLASSIFICATION (SIC)</u>	
<u>Industry Code</u>	<u>Description of Products</u>	<u>Industry Code</u>	<u>Description of Products</u>
	Control cabinets or desks, electrical (excl. those for X-ray apparatus)	3643	Current Carrying Wiring Devices
	Controllers, electric motors		Establishments primarily engaged in manufacturing current carrying wiring devices. Important products of this industry include attachment plugs and caps, convenience outlets, lamp sockets and receptacles, snap switches, conductor connectors, overhead trolley line material, rail bonds for both propulsion and signal circuits, lightning arrestors, and other lightning protective equipment.
	Controllers, electric motors, automatic unit		
	Controls, volume, telephone	3679	Electronic Components and Accessories, Not Elsewhere Classified
	Creed relays, electrical		Establishments primarily engaged in manufacturing specialty resistors for electronic end products; solid state electronic devices and similar devices; inductors, electronic transformers and capacitors; and other electronic components, not elsewhere classified. Establishments primarily engaged in manufacturing resistors, inductors and transformers for telephone and telegraph apparatus are classified in Industry 3661; and electric lamps in Industry 3641.
	Current collectors, electrical (excl. those of carbon or graphite)		
	Dimmers, light, theatre		
	Distributing boxes, telephone		
	Dominoes, electrical, fitted with their terminals		
	Frequency controls, automatic, for lighting, heating and power		
	Fuse wire, in short lengths with loops, ready for use		
	Fuses, electrical		
	Fuses, motor vehicle		
	Hydro-Rheostats, electrical		
	Jack boxes, telephone		
	Jacks, telegraph and telephone		
	Junction boxes fitted with electrical connections		
	Switches, dimmer, motor vehicle or cycle		
	Switches, door		
	Switches, electric, changeover		
	Switches, electric, domestic		
	Switches, electric, for making and breaking electrical circuits		
	Switches, electric for radio apparatus and electrical instruments		
	Switches, electric, isolating		
	Switching units for radio or television sets		

EXAMPLES OF THE DIFFERENCES IN THE CLASSIFICATION OF PRODUCTS
BETWEEN THE
STANDARD INTERNATIONAL TRADE CLASSIFICATION (THE U.N. STANDARD)
AND THE
STANDARD INDUSTRIAL CLASSIFICATION (THE U.S. STANDARD)

EXAMPLE II

<u>STANDARD INTERNATIONAL TRADE CLASSIFICATION (SITC)</u>		<u>STANDARD INDUSTRIAL CLASSIFICATION (SIC)</u>	
<u>Industry Code</u>	<u>Description of Products</u>	<u>Industry Code</u>	<u>Description of Products</u>
722.1	Electric Power Machinery (Sample listing of types of products included in this classification)		The products listed on the left under the one SITC classification are included in the following several U.S. Industry Classifications:
	Alternators, Electric	3612	Power, Distribution, and Speciality Transformers
	Autotransformers, Electric		Establishments primarily engaged in manufacturing power, distribution, and speciality transformers. Establishments primarily engaged in manufacturing radio frequency or voice frequency transformers, coils or chokes are classified in Industry 3679, and resistorwelding transformers in Industry 3623.
	Capacitors, synchronous, for power factor improvement		
	Chargers, battery	3621	Motors and Generators
	Choke coils (or chokes), electric		Establishments primarily engaged in manufacturing electric motors (except starting motors) and power generators; motor generator sets; railway motors and control equipment; and motors, generators, and control equipment for gasoline electric and oil electric busses and trucks. Establishments primarily engaged in manufacturing turbo-generators are classified in Industry 3511, and starting motors and battery charging generators for internal combustion engines in Industry 3694.
	Coils, induction, telephone		
	Coils, loading, for insertion in telephone or telegraph line circuits		
	Converters, AC/DC		
	Generator, lighting set, for railway coaches		
	Generator sets, electrical, powered by turbine		
	Generator sets, electrical, self-contained units, diesel and other		
	Generator sets, wind-driven		
	Generators, electric, alternating current		
	Generators, electric, direct current		
	Generators, electric (excl. those for internal combustion engines or for lighting or signalling equipment of cycles or motor vehicles, X-ray high tension generators and signal generators)		
	Rectifiers, copper oxide, electrical		
	Rectifiers, diode		
	Rectifiers, electric		
	Rectifiers, electrolytic		

EXAMPLE II (CONTINUED)STANDARD INTERNATIONAL TRADE CLASSIFICATION (SITC)

<u>Industry Code</u>	<u>Description of Products</u>
	Rectifiers, Hot cathode, electrical
	Rectifiers, metal contact, synchronous
	Transformers, Electric, air-cooled
	Transformers, electric, bell
	Transformers, electric, oil-insulated
	Transformers, electric, power
	Transformers, electric welding
	Transformers, potential
	Transformers, radio-frequency
	Turbogenerators
	Voltage supply units

STANDARD INDUSTRIAL CLASSIFICATION (SIC)

<u>Industry Code</u>	<u>Description of Products</u>
3629	Electrical Industrial Apparatus, Not Elsewhere Classified Establishments primarily engaged in manufacturing industrial and commercial electric apparatus and equipment, not elsewhere classified, such as blasting machines and fixed and variable capacitors, condensers and rectifiers for industrial application. Establishments primarily engaged in manufacturing fixed and variable capacitors, condensers, and rectifiers for electronic end products are classified in Industry 3679.
3511	Steam Engines; Steam, Gas, and Hydraulic Turbines; and Steam, Gas, and Hydraulic Turbine Generator Set Units Establishments primarily engaged in manufacturing steam engines; steam turbines; hydraulic turbines; gas turbines except aircraft; and complete steam, gas and hydraulic turbine generator set units. Establishments primarily engaged in building or rebuilding locomotives are classified in Industry 3741; and those manufacturing nonautomotive type generators which are not part of a turbine generator set in Industry 3621.
3679	Electronic Components and Accessories, Not Elsewhere Classified Establishments primarily engaged in manufacturing specialty resistors for electronic end products; solid state electronic devices and similar devices; inductors, electronic transformers and capacitors; and other

EXAMPLE II (CONTINUED)STANDARD INTERNATIONAL TRADE CLASSIFICATION (SITC)

<u>Industry Code</u>	<u>Description of Products</u>
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STANDARD INDUSTRIAL CLASSIFICATION (SIC)

<u>Industry Code</u>	<u>Description of Products</u>
	electronic components, not elsewhere classified. Establishments primarily engaged in manufacturing resistors, inductors, and transformers for telephone and telegraph apparatus are classified in Industry 3661; and electric lamps in Industry 3641.

EXAMPLES OF THE DIFFERENCES IN THE CLASSIFICATION OF PRODUCTS

BETWEEN THE
STANDARD INTERNATIONAL TRADE CLASSIFICATION (THE U.N. STANDARD)
AND THE
STANDARD INDUSTRIAL CLASSIFICATION (THE U.S. STANDARD)

EXAMPLE IIISTANDARD INTERNATIONAL TRADE CLASSIFICATION (SITC)

<u>Industry Code</u>	<u>Description of Products</u>
812.4	Lighting fixtures and fittings, lamps and lanterns and parts thereof (not including electrical parts) (Sample listing of types of products included in this classification) Balls, glass, for chandeliers Bovis, lamp, glass Brackets, Lamp, Glass Candelabra, Glass Candle Sticks, Glass Chandeliers, Glass Chimeys, Lamp Cups, Lighting, Glass Cylinders, Glass for miners safety lamps Diffusers, Light, glass Drops, pear-shaped, or glass, for chandeliers Electroliters, Glass Assemblies, Suspension, for lighting pendants, rigid or chain type Eases for hand lamps Beacons, Aerodrome, non-flashing Brackets, Candle, for pianos Brackets, lamp, base metal (excl. for vehicle coachwork and cycles) Burners, gas lamp Burners, lamp, acetylene Burners, lamp, liquid fuel, gas, acetylene and other fuels Burners, oil lamp

STANDARD INDUSTRIAL CLASSIFICATION (SIC)

<u>Industry Code</u>	<u>Description of Products</u>
	The products listed on the left under the one - SITC classification are included in the following several U.S. Industry Classifications:
3642	Lighting Fixtures Establishments primarily engaged in manufacturing lighting fixtures and equipment of any type, including electric and gas lighting fixtures; carbide, kerosene, and gasoline lamps; and metal reflectors and fittings. Establishments primarily engaged in producing glassware for lighting fixtures are classified in Major Group 32; and electric light bulbs, tubes, and related light sources in Industry 3641.
3229	Pressed and Blown Glass and Glassware, Not Elsewhere Classified Establishments primarily engaged in manufacturing glass and glassware not elsewhere classified, pressed, blown, or shaped from glass produced in the same establishment. Establishments primarily engaged in manufacturing textile glass fibers are also included in this industry, but establishments primarily engaged in manufacturing glass wool insulation products are classified in Industry 3296. Establishments primarily engaged in the production of pressed lenses for vehicular lighting,

EXAMPLE III (CONTINUED)

STANDARD INTERNATIONAL TRADE CLASSIFICATION (SITC)		STANDARD INDUSTRIAL CLASSIFICATION (SIC)	
Industry Code	Description of Products	Industry Code	Description of Products
	Burners, Paraffin Lamp Fittings, Fluorescent Lighting Lamps, Darkroom Lamps, Desk, Base Metal Lamps, Factory, of base metal Lamps for exterior lighting Lamps, gas, of base metal Lamps, gate Lamps, Hanging, base metal Lamps, Hurricane, non-electric Lamps, Inspection (excl. doctors) Lamps, kitchen, of base metal Lamps, Machine, of base metal (separately imported or exported) Lamps, miners, non-electric Lamps, night, of base metal Lamps, office, of base metal Flashlights Lamps, Battery, Electric, Portable, other than those for cycles and motor vehicles Lamps, Dynamo, Electric, portable Lamps, electric, portable (other than those for cycles and motor vehicles) Lamps, examination, for general use, fixed to a headband (incorporating their own source of current)	3231	beacons, and lanterns are also included in this industry, but establishments primarily engaged in the production of optical lenses are classified in Industry 3831. Establishments primarily engaged in manufacturing glass containers are classified in Industry 3221, and complete electric light bulbs in Industry 3641. Glass Products, Made of Purchased Glass Establishments primarily engaged in manufacturing glass products from purchased glass. Establishments primarily engaged in manufacturing optical lenses and ophthalmic lenses are classified in Major Group 38.

NOTE: There is an inconsistency with respect to the inclusion of electrical parts in the two SITC Volumes. One states that electrical parts are excluded; the other states that electrical parts may be included.

EXHIBIT E

CHANGES IN THE AVAILABILITY OF DETAILED IMPORT STATISTICS

Typical Manufacturers	Before February 1964	Now Only Available from Special Tabulations
Manufacturers of Insulating Materials such as: Vulcanized Fibre Laminated Plastics Mica Products	From Published Monthly Report containing <u>all</u> detailed import data FT 110 (40¢/month)	For Vulcanized Fibre: Subpart B and D of Part 12, Schedule 7 of TSUSA (\$1.50/mo.) For Laminated Plastics: Subpart A of Part 12, Schedule 7 of TSUSA (75¢/mo.) For Mica Products: Subpart D of Part 1, Schedule 5 of TSUSA (75¢/mo.)
Manufacturers of Motors and Generators and Carbon Brushes for Motors and Generators	From published Monthly Report containing <u>all</u> detailed import data FT 110 (40¢/month)	For Motors and Generators: Part 5 of Schedule 6 of TSUSA (75¢/mo.) For Carbon Brushes: Subpart E of Part 1, Schedule 5 of TSUSA (75¢/mo.)
Manufacturers of Electric Welding Machines and Electrodes	From published Monthly Report containing <u>all</u> detailed import data FT 110 (40¢/month)	For Electric Welding Machines: Part 5, of Schedule 6 of TSUSA (75¢/mo.) For Welding Electrodes: Subpart F of Part 3, Schedule 6 of TSUSA (75¢/mo.)

NOTE: A manufacturer in all of these products could heretofore obtain all of the import data for 40¢ per month whereas under the new system it would cost him \$6.00 per month.

THIS ADDITIONAL EXPENSE MULTIPLIES RAPIDLY AS AN AMERICAN MANUFACTURER IS INTERESTED IN MORE AND MORE ITEMS.

STATEMENT OF ROBERT H. BAHMER, DEPUTY ARCHIVIST OF THE UNITED STATES, NATIONAL ARCHIVES AND RECORDS SERVICE, GENERAL SERVICES ADMINISTRATION; ACCOMPANIED BY HERBERT E. ANGEL, ASSISTANT ARCHIVIST, OFFICE OF RECORDS MANAGEMENT; EVERETT O. ALLDREDGE, DEPUTY ASSISTANT ARCHIVIST, OFFICE OF RECORDS MANAGEMENT; CHESTER L. GUTHRIE, DIRECTOR, AGENCY SURVEYS DIVISION, OFFICE OF RECORDS MANAGEMENT; AND HAROLD E. HARRIMAN, ACTING DIRECTOR, TECHNICAL ASSISTANCE DIVISION, OFFICE OF RECORDS MANAGEMENT

Mr. OLSEN. The subcommittee will reconvene.

We have now Dr. Robert H. Bahmer, Deputy Archivist of the United States.

Will you please introduce the gentlemen at the table with you, from your left to your right, so everyone here knows who they are?

Mr. BAHMER. Thank you, Mr. Chairman and members of the subcommittee. I am Robert H. Bahmer, Deputy Archivist of the United States, National Archives and Records Service of the General Services Administration, and I am serving as Acting Archivist of the United States in the absence of the Archivist, Dr. Wayne C. Grover, who is out of the city. I have with me Messrs. Herbert E. Angel, Assistant Archivist, Office of Records Management; Everett O. Alldredge, Deputy Assistant Archivist, Office of Records Management; Chester L. Guthrie, Director, Agency Surveys Division, Office of Records Management; and Harold E. Harriman, Acting Director, Technical Assistance Division, Office of Records Management.

We wish to thank you for the opportunity of appearing before your subcommittee today, in behalf of the Administrator of General Services, Bernard L. Boutin, for the purpose of discussing with you and demonstrating what GSA has done and is doing to improve, simplify, and eliminate paperwork both within our own agency and throughout the Federal Government.

Your subcommittee and the General Services Administration have a closely related interest, that of assisting in the simplification of paperwork within the Federal Government. We are, therefore, most sympathetic with and appreciative of the needed and very helpful study which you are making of the reporting and paperwork required of the public by the various departments and agencies of the Federal Government. In some cases the work we are doing makes an indirect contribution, through the Federal agencies which GSA serves, to the simplification of paperwork outside the Government.

In discussing with you and the members of your subcommittee the activities of the General Services Administration in the field of paperwork and reporting I wish first to review for you our efforts to reduce and improve paperwork and reporting within our own agency, and then comment with respect to our external program in this area of operation.

GSA INTERNAL PAPERWORK IMPROVEMENTS

With your permission, Mr. Chairman, I should like, in discussing the internal paperwork improvements of GSA, to submit for the record answers to the seven questions asked in your letter of April 28, 1964, to the Administrator of General Services, and mention in my statement a few of the significant points contained in those answers.

Mr. OLSEN. At this point in the record, those answers will be inserted.

(The information follows:)

STATEMENT IN ANSWER TO INQUIRY OF THE SUBCOMMITTEE ON CENSUS AND GOVERNMENT STATISTICS COMMITTEE, SUBMITTED BY GENERAL SERVICES ADMINISTRATION

Question No. 1. The volume of paperwork presently required of the public by departments and agencies of the Federal Government as compared with the volume at the time of the Hoover Commission report in 1955, and the principal reasons for the increases and decreases.

General Services Administration has made substantial progress toward the elimination of unnecessary reports and the simplification of others since the second Hoover Commission report in 1955. At that time, according to the Bureau of the Budget figures submitted to your subcommittee, GSA was requiring 72 reports and forms from individuals and businesses. Since that time, GSA has strengthened its control over all reports, with special emphasis upon reports required of the public. Through this increased surveillance, and by simplifying, standardising, and eliminating unnecessary reports and forms, GSA has reduced its public reports and forms to 57. During this same period of time GSA has added new functions, but the reporting it requires of individuals and businesses has declined sharply.

Included in that list of 57 reports and forms are 31 standard forms, such as invitations to bid, contracts, performance bonds, contractor compliance forms, and similar items used in transactions with private industry. These are not "public" reports in the usual sense of the term. They are equivalent rather to commercial forms needed to transact business.

Of the 31 standard forms, 5 are being simplified as a result of our recent review of public reporting directed by the President and the Bureau of the Budget.

We now require 18 reports to be prepared by individuals and business in connection with contracts with the Government. Fifteen of those reports are applications and statements of qualification from companies and individuals desiring to do business with GSA. Such documents as bidder's list applications, applications for approval as a real property sales broker, real estate appraiser, and auctioneer, and applications for providing architectural and engineering services are included in the 15 reports. Also, three reports are required of GSA suppliers and concessionaires, who report sales and volume activity. There are approximately 8,200 respondents involved in submitting data for these 3 reports and about 100,000 filings are furnished each year. This represents about two-thirds of the total number of filings received by GSA.

Through the use of copies of reports obtained from other agencies and the consolidation of reports, GSA has been able to eliminate other special public reports. Examples of reports obtained from other agencies are the personnel security reports obtained from the Civil Service Commission and the industrial security investigation reports obtained from the Department of Defense.

A GSA devised consolidated reporting form for companies desiring to perform architectural or engineering services in connection with construction projects has eliminated similar reports in the Veterans' Administration, the Department of Defense, the Post Office Department, and the Atomic Energy Commission.

Question No. 2. Effectiveness of the Federal Reports Act of 1942, and the need for legislation which may be required to guard against the growth of unnecessary paperwork in the agency, including report retention requirements.

The General Services Administration believes that the Federal Reports Act of 1942 and the Bureau of the Budget's instructions to Government agencies provide the public with adequate safeguards to prevent excessive demands for information. The act not only assures constant surveillance of public reporting, but it also provides the public with an effective direct appeal against excessive demands for information. GSA feels that no additional legislation in this area is required at this time.

Question No. 3. The administrative controls which exist in the agency to protect the public from Federal Government paperwork. The success or lack of success of these arrangements in accomplishing this objective and the reasons therefor.

Each of the Services of General Services Administration has a designated "reports control officer." These control officers have ready access to top management and program officials in order to better review and evaluate all reporting requirements. In addition, these officers provide cross service coordination, to minimize possible duplication and to make better utilization of information available or to be requested.

In requesting information from the public, the Accounting and Reports Division, Office of Data and Financial Management, acts as the agency reports control office. This office reviews the actions of the reports control officers mentioned above and maintains liaison with the Bureau of the Budget concerning all reporting requirements subject to the Federal Reports Act of 1942.

A handbook entitled the "GSA Reports Management Program" sets forth the purpose, objectives, and procedures for operating the program within GSA. Included in the handbook are specific references to the Federal Reports Act of 1942, and procedures for clearing and approving such reporting requirements.

For the information of the agency and the public, an additional handbook is available, "GSA Inventory of Reporting Requirements." The handbook lists all reports currently required, the forms on which they are to be submitted, frequency of submission, and citations to the directives which require the reports.

Effectiveness of the GSA Reports Management Program is best demonstrated by the fact that in the last 6 years, eight reports which requested information from the public have been eliminated. This reduction in information requested was accomplished in spite of the expanding activities and responsibility of GSA.

As an additional aid in protecting the public from Federal Government paperwork, GSA publishes a listing in the Federal Register each year which shows the current records retention requirements imposed on the public by the Government. The listing tells (a) what records must be kept, (b) who must keep them, and (c) how long they must be kept. Each year the listing is made more complete and additional retention periods are established or shortened.

Question No. 4. Current agency program for reducing the paperwork burden on the public and the small businessman, including a description of specific problem areas and suggested solutions.

The President has requested, and the Bureau of the Budget is providing guidance and instructions for, a complete review of all reporting requirements affecting the public and especially the small businessman.

The Administrator has directed all services and staff offices of GSA to conduct an intensive and searching examination of their individual public reports.

Preliminary results of this review have identified five standard forms which are being simplified. These forms carry a Bureau of the Budget approval but are not considered "public reports" in the usual sense of the term. They are equivalent rather to commercial forms needed to transact normal business.

GSA is reducing the paperwork burden imposed on the public in several other ways.

First, a joint DOD-GSA committee, established in May 1963, is attempting to develop disposal schedules or other means to reduce the quantity and the retention periods of records which Government contractors and subcontractors are required to keep in connection with cost-type and negotiated contracts. Efforts are being made to develop in the next few months procedures that will be acceptable to both Government (General Services Administration, Department of Defense, and General Accounting Office) and contractors.

GSA also uses public advisory committees, industry advisory committees, and specification developmental conferences in an effort to reduce and minimize the paperwork burden on suppliers. Special committees of technical personnel of Government and industry meet to discuss product specifications. These meetings have substantially simplified the exchange of technical data and statistics which might otherwise involve excessive paperwork handling and one-time reporting.

Another device for reducing the paperwork burden is the published listing of records retention requirements mentioned in our answer to question No. 3.

Question No. 5. Estimated cost to the agency for collecting, compiling, processing, publishing, filing, storing, or disposing of forms, records, reports, etc.

It is estimated that GSA expends \$215,000 collecting, processing, storing, and disposing of the 71,000 forms and reports filed with GSA each year.

Question No. 6. Estimated man-hours required by industry, business, and the public to complete all reports (voluntary and compulsory) sent out by the agency to 10 or more persons.

It is estimated that approximately 84,000 man-hours or \$253,000 is spent by the public collecting, preparing, and handling the data in reports submitted to GSA.

Question No. 7. Effectiveness of the agency's internal records management program and recommendations for improvements.

In order to revitalize GSA's internal records management program, the Administrator of General Services has directed the National Archives and Records Service to audit and administer through the next fiscal year all GSA activities relating to recordkeeping, correspondence, mail, and records disposal. The audit phase began in January and will be completed by July 1, 1964. New manuals and procedures will be installed and administered by NARS during the next 12 months until the central office staff in the Office of Finance and Administration is ready to assume the full burden.

Dr. BAHMER. At the outset and in this connection, I am happy to advise that our Administrator, Mr. Boutin, has taken and is continuing to take a personal interest in paperwork and reporting within GSA. He has eliminated any possible duplication of effort by combining systems and procedures analysts with the paperwork management staff. Also, he has directed the National Archives and Records Service to audit and administer through the next fiscal year all GSA activities relating to recordkeeping, correspondence, mail, and records disposal. The audit phase began in January and will be completed by July 1, 1964. New manuals and procedures will be installed and administered by NARS during the next 12 months until the central office staff in the Office of Finance and Administration is prepared to assume the full burden.

In accordance with the directive of the President and the Bureau of the Budget, we have made a careful review of the Federal reporting requirements of GSA. As previously stated by the Bureau of the Budget to your subcommittee, Mr. Chairman, GSA had 72 public-use reports and forms in 1955, and we have reduced that number to 57, as of December 31, 1963. Included in the list of 57 reports and forms are 31 standard forms, such as invitations to bid, contracts, performance bonds, contractor compliance forms, and similar items used in transactions with private industry. These are not "public reports" in the usual sense of the term. They are equivalent rather to commercial forms needed to transact normal business. As a result of our review 5 of these 31 standard forms are presently being simplified.

Mr. OLSEN. For the record, maybe by letter, could you supply us with a list of the titles of those 57 reports?

Dr. BAHMER. Yes; we can, Mr. Chairman.

Mr. OLSEN. Thank you.

(The information follows:)

GSA standard forms approved by Bureau of the Budget

Form title	Form number	BOB control number
Award (Supply Contract).....	S. F. 26.....	002. 0
Schedule (Supply Contract).....	S. F. 31.....	003. 0
Invitation and Bid (Supply Contract).....	S. F. 30.....	004. 2
Continuation Sheet (Supply Contract).....	S. F. 36.....	005. 0
Invitation, Bid, and Award (Supply Contract).....	S. F. 33.....	006. 2
General Provision (Supply Contract).....	S. F. 32.....	007. 2
Contractor's Statement of Contingent or Other Fees.....	S. F. 119.....	016. 0
Sale of Government Property—Bid and Award.....	S. F. 114a.....	022. 0
Sale of Government Property—Item Bid Page (same on both sides).....	S. F. 114b.....	022. 0
Sale of Government Property—General Sales Terms and Conditions.....	S. F. 114c.....	022. 0
Affidavit of Individual Surety.....	S. F. 28.....	030. 0
Bid Bond.....	S. F. 24.....	031. 0
Annual Bid Bond.....	S. F. 34.....	036. 0
Annual Performance Bond.....	S. F. 35.....	037. 0
Purchase Order-Invoice-Voucher.....	S. F. 44.....	041. 2
Telegraphic Message.....	S. F. 14.....	065. 2
Invitation for Bids (Construction Contract).....	S. F. 20.....	073. 1
Bid Form (Construction Contract).....	S. F. 21.....	074. 3
Instruction to Bidders (Construction Contracts).....	S. F. 22.....	075. 1
General Provisions (Construction Contracts).....	S. F. 23a.....	076. 2
Construction Contract.....	S. F. 23.....	077. 1
Order-Invoice-Voucher.....	S. F. 147.....	086. 1
Invitation, Bid, and Award (Construction, Alteration, or Repair).....	S. F. 19.....	122. 0
Request for Quotations.....	S. F. 18.....	124. 0
Deposit Bond—Individual Invitation.....	S. F. 150.....	139. 0
Deposit Bond—Annual Sale of Government Property.....	S. F. 151.....	140. 0
Performance Bond ¹	S. F. 25.....	032. 0
Payment Bond ¹	S. F. 25a.....	033. 0
Performance Bond—Corporate Co-Surety Form ¹	S. F. 27.....	034. 0
Payment Bond—Corporate Co-Surety Form ¹	S. F. 27a.....	035. 0
Continuation Sheet—Corporate Co-Surety Bond ¹	S. F. 27b.....	038. 0

¹ Forms to be simplified.*GSA optional forms approved by Bureau of the Budget*

Form title	Form number	BOB control number
Sales Slip.....	O. F. 16.....	136
Notice to Surety—Deposit Bond.....	O. F. 20.....	141

Other GSA forms approved by Bureau of the Budget

Form title	Form number	BOB control number
Statement of Personal History.....	GSA-176.....	053. 6
Authorization to War Contractors under certain conditions to destroy contract records.....	(¹).....	072. 0
Contractor Personal Security Data.....	GSA-1082.....	083. 3
Comparative Summary of Properties Leased to the United States.....	GSA-1209a.....	111. 3
Annual Report of Real Property Leased to the United States.....	GSA-1166a.....	112. 3
Qualification Inquiry for Administrative, Technical, and Professional Positions.....	GSA-1840.....	132. 0
Qualification Inquiry for Clerical Positions.....	GSA-1841.....	133. 0
Application for Participation in the Lead and Zinc Mining Stabilization Program (Pursuant to Public Law 87-347).....	GSA-1776.....	157. 1
Request for Payment in the Lead and Zinc Mining Stabilization Program.....	GSA-1778.....	157. 1

¹ Office of Contract Settlement regulation 11.

GSA reports approved by Bureau of the Budget

Report title	Form number	BOB control number
1. Statement on Behalf of Eleemosynary Institution.....	GSA-18.....	29-R-012.4
2. Contractor's Report of Orders Received.....	GSA-72.....	29-R-023.5
3. Bidder's Mailing List Application.....	GSA-129.....	29-R-069.0
4. Supplement to Bidder's Mailing List Application.....	S.F. 197.....	043.5
5. Architect-Engineer Questionnaire.....	S.F. 251.....	142.0
6. Contractor's Qualification and Financial Information.....	GSA-527.....	057.6
7. Statement of Financial Information.....	GSA-534.....	058.4
8. Inquiry of Trade References.....	GSA-787.....	087.4
9. Inquiry of Financial Institution.....	GSA-788.....	088.5
10. Personal Financial Statement.....	GSA-899.....	127.0
11. Application of Prospective Real Property Contract Sales Broker.....	GSA-1041.....	097.2
12. Report of Concession Operations.....	GSA-1063.....	092.2
13. Application for Presenting New or Improved Article.....	GSA-1171.....	071.4
14. Application for Approval as Real Estate Appraiser.....	GSA-1195.....	098.4
15. Application for Real Property Auctioneer Contract.....	GSA-1202.....	104.2
16. Contractor's Report of Orders Received and Shipments Made.....	GSA-1227.....	109.2
17. Qualification Application for Auctioneer Organization.....	GSA-1399.....	117.1
18. Qualification Application for Individual Auctioneer.....	GSA-1399a.....	118.1

Dr. BAHMER. GSA now requires 18 reports to be prepared by individuals and businesses having contracts with the Federal Government. I have a list of these required reports with me, Mr. Chairman, as well as pertinent information regarding the requirements and copies of the reporting forms which you may wish either for the record or for the files of your subcommittee.

Mr. OLSEN. Those 18 are in addition to the 57?

Dr. BAHMER. No. They are within the 57.

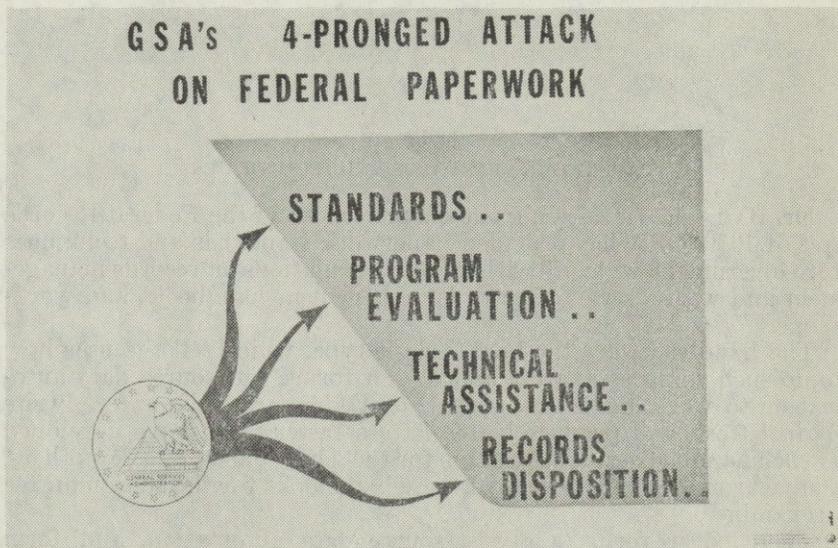
Mr. OLSEN. Within the 57?

Dr. BAHMER. Within the 57.

Mr. OLSEN. You will so indicate which they are when you submit the list of the 57?

Dr. BAHMER. Yes, sir.

CHART 1

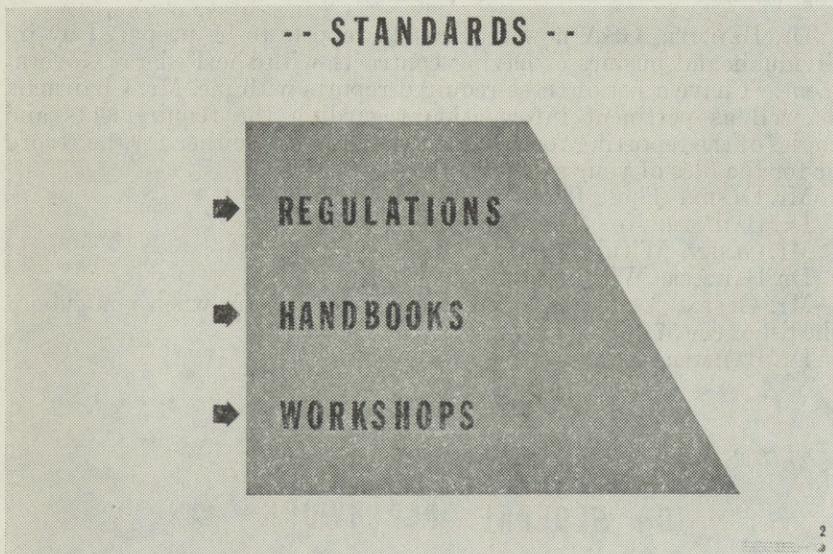


GSA EXTERNAL PAPERWORK ACTIVITIES

Dr. BAHMER. Turning now to our external paperwork activities, I wish to point out that in accordance with the provisions of the Federal Property and Administrative Services Act of 1949 and the Federal Records Act of 1950, GSA provides standards for paperwork management techniques, audits agency records management program effectiveness, provides direct paperwork management assistance covering all aspects of office paperwork procedures, and administers the retirement and disposal of records.

I should like to comment briefly with respect to our efforts in each of these functions. As I do so, you will notice many instances where we have had a significant impact on reports, forms, and recordkeeping not only in the Federal Government itself but also in the business community.

CHART 2



PAPERWORK STANDARDS AND TECHNIQUES

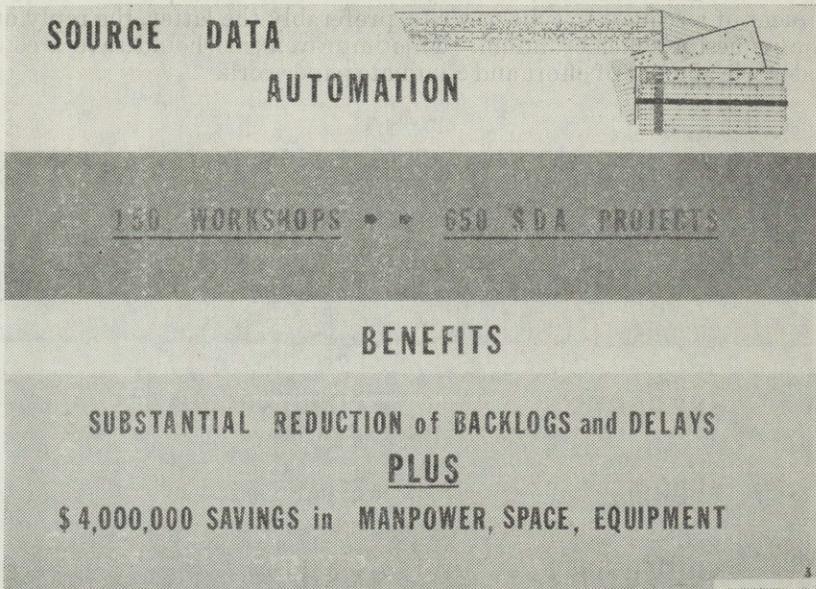
Dr. BAHMER. In carrying out the provisions of the Federal Records Act of 1950, GSA has provided paperwork standards and techniques for Government-wide use with its own regulations on records management and with a series of records management handbooks and workshops.

The handbooks are the how-to-do-it type, which tell the user how to do such thing as analyze and design forms, put source data automation to work, make the best use of Federal records centers, write plain letters, and produce better letters faster. We have developed 11 such handbooks and have plans for the development of a few others. I have brought along several of these handbooks for the subcommittee to examine.

These cover forms analysis, source data automation, and form design.

Mr. OLSEN. We will have them placed in the files of the committee.

CHART 3



Dr. BAHMER. We have also developed workshops which require participants to bring actual agency problems to them for solution. As an example, in 150 sessions of the source data automation workshop held during an 18-month period, 650 projects aimed at solving such problems were undertaken and completed. These projects produced \$4 million savings to the Government in personnel and space, and provided such important benefits as eliminating delays and backlogs and simplifying forms and procedures. The National Archives and Records Service of GSA develops workshops and conducts them during an introductory period and thereafter Federal agencies are encouraged to conduct their own workshops. Workshops are also conducted by the GSA Institute as a part of its Government-wide training program.

Mr. OLSEN. Let me interrupt you a minute. Would you define "source data automation"?

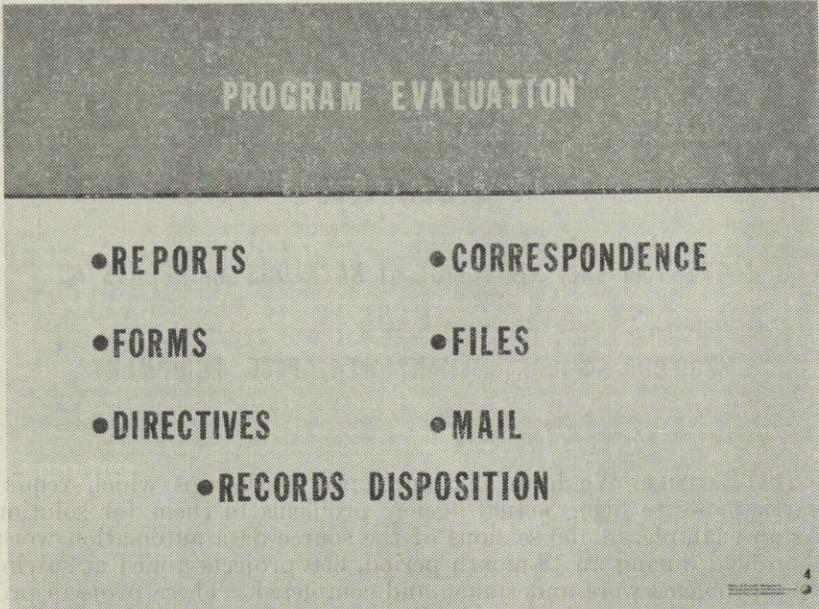
Dr. BAHMER. This is a term that probably should not have been used without definition. It simply means to put information into machine language at the first opportunity, at the source of origination of the record, if you will; to get the information generated at a Government activity into language that a machine can handle in automatic processes.

Mr. OLSEN. Go ahead.

Dr. BAHMER. Another kind of standard should be mentioned. We assist the Bureau of the Budget in reviewing and developing standard and optional forms. These forms are designed to eliminate or to prevent the creation of similar or duplicate forms in Federal agencies. Many of these forms are used or filled in by private citizens and industry. An example of a recent improvement within the Government is the two-way memorandum form. I have a copy that I would like

to submit for your files, Mr. Chairman. This form permits the recipient of a request to type or write, preferably the latter, the reply on the requestor's memorandum. This improvement should save a considerable amount of effort and eliminate paperwork.

CHART 4



EFFECTIVENESS OF AGENCY PROGRAMS

Dr. BAHMER. The effectiveness of Federal agency records management operations is determined through GSA's evaluation or audit program. This is a relatively new service which was anticipated in our original legislation and which we have undertaken at the suggestion of the General Accounting Office and at the request of some of our client agencies. The GSA's evaluation policy in this respect is to provide constructive criticism, coupled with assistance to remedy deficiencies. We are developing guides for evaluating the effectiveness of all aspects of records management which can be used for:

1. Program evaluation by our staff.
2. Program evaluation by agency staffs using our guidelines.
3. Followup evaluations after installation of improvements.

Through our evaluation program, we analyze, in terms of the agency's needs, the scope and effectiveness of the agency's programs for managing: (1) Reports, (2) forms, (3) directives, (4) correspondence, (5) files, (6) mail, and (7) records disposition.

These program evaluations are usually followed by our technical assistance in carrying out the recommendations made. Our assistance to the Labor Department, which Assistant Secretary Werts mentioned in his testimony before your subcommittee and which included study of some of the Department's reporting requirements, is a good example of this kind of help.

TECHNICAL ASSISTANCE TO AGENCIES

Since GSA began its technical assistance program in 1952, NARS has made paperwork surveys ranging from correspondence methods to complete paperwork automation in 60 Federal agencies in Washington, D.C., and in 55 agencies throughout the country.

GSA has conducted over 400 separate surveys and has submitted more than 3,000 recommended improvements. We are gratified that 90 percent of these recommendations have been adopted. Year in and year out we can count on the benefits from our technical assistance projects being 10 times greater than the cost of our staff providing this assistance.

I have a brochure which summarizes some of the benefits which have resulted from some of our recent surveys.

Mr. OLSEN. This brochure will be made a part of the files.

Dr. BAHMER. During 1964, 20 major surveys and a number of smaller ones were in progress in the central office of GSA. This chart shows the types of studies and agencies. In view of your subcommittee's interest, we should like to point out the number of studies in the forms and reporting areas, as well as those that cross agency lines. With the increased emphasis placed upon reporting by the President and your subcommittee, we feel certain that GSA will be called upon to make more surveys and give more technical assistance in the reports area.

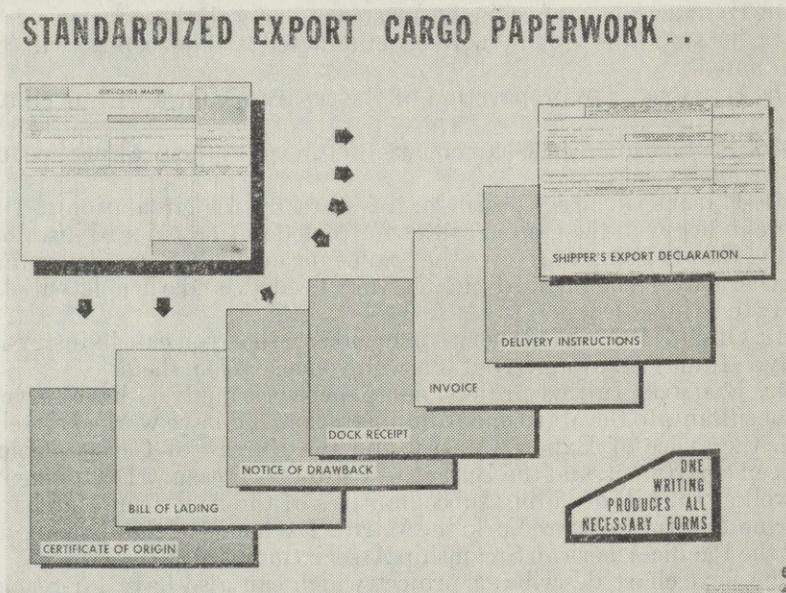
CHAET 5
ACTIVITY AT HEADQUARTERS

SURVEYS
FISCAL YEAR 1964

	A.I.D.	BU. OF CUSTOMS	BU. OF MINS.	CIVIL PRISONS	COMMERCE DEPT.	COM. ON FUEL EFF. OP.	COURT. OF THE CLERKCY	FEDERAL GOVERNMENT	FEDERAL MARITIME COM.	FOOD & DRUG COM.	GALLAUDET COLLEGE	INTERAGENCY OCEAN SHIPPING	MANITIME ADMIN.	REDEVELOPMENT LAND AGENCY	SECURITY & EXCHANGE COM.	STATE DEPT.	U.S. COURTS
AUTOMATION	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●
CORRESPONDENCE					●		●				●				●		
DIRECTIVES					●						●						
FORMS	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●
MAIL					●												
PAPERWORK ACROSS AGENCY LINES	●			●					●								
PAPERWORK PROCEDURES	●			●					●								
PERFORMANCE REPORTING	●			●					●								
RECORDKEEPING AND DISPOSAL				●					●								

We have some other charts which give more details of proposed improvements that should cut deeply into paperwork requirements. The first chart shows the new proposed short form ocean bill of lading.

CHART 6



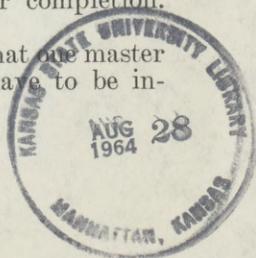
Dr. BAHMER. The Maritime Administration sponsored this project as a part of its program to simplify and standardize ocean shipping paperwork. This joint industry-Government project will permit shippers or freight forwarders to type a single reproducible master sheet from which the industry can prepare the usual seven different cargo forms in the desired number of copies without any additional typing effort.

Included are two Government documents, the Shippers Export Declaration and the Customs Drawback Application form. I have a whole set of these filled-out forms that I would like to submit for your files.

Another important benefit resulting from this study is that some 300 nonstandard bills of lading can be replaced with a standardized and simplified bill of lading suitable for modern paperwork preparation and processing techniques. It also paves the way for the United States to propose an international bill of lading, which in turn can eliminate the preparation of time-consuming and costly ships manifests, used in our international trade.

Mr. OLSEN. Let me interrupt you just a moment. What you just passed up here to the committee are instructions for completion. Does it substitute for the remaining forms?

Dr. BAHMER. All the forms there can be made from that one master copy on top without additional typing. They now have to be individually typed in a good many copies.



Mr. OLSEN. These remaining ones attached here are the old forms that had to be—

Dr. BAHMER. These are the ones that can be run from this reproducible master, which is at the top. You make this one out and you eliminate the necessity for typing the multiple copies at various points.

Mr. OLSEN. Delivery instructions will not have to be typed over?

Dr. BAHMER. The reproducible master replaces all those forms.

Mr. OLSEN. The others will be eliminated? The copies will be eliminated?

Dr. BAHMER. The preparation of the separate copies will be eliminated.

Mrs. ST. GEORGE. Mr. Chairman, is that in use at the present time, or projected?

Mr. HARRIMAN. Mr. Chairman, this is ready for circulation to the entire industry in the United States for consideration prior to installation. We are going to receive the comments, evaluate them, determine whether any recommended changes are needed, and then it will be ready to be installed.

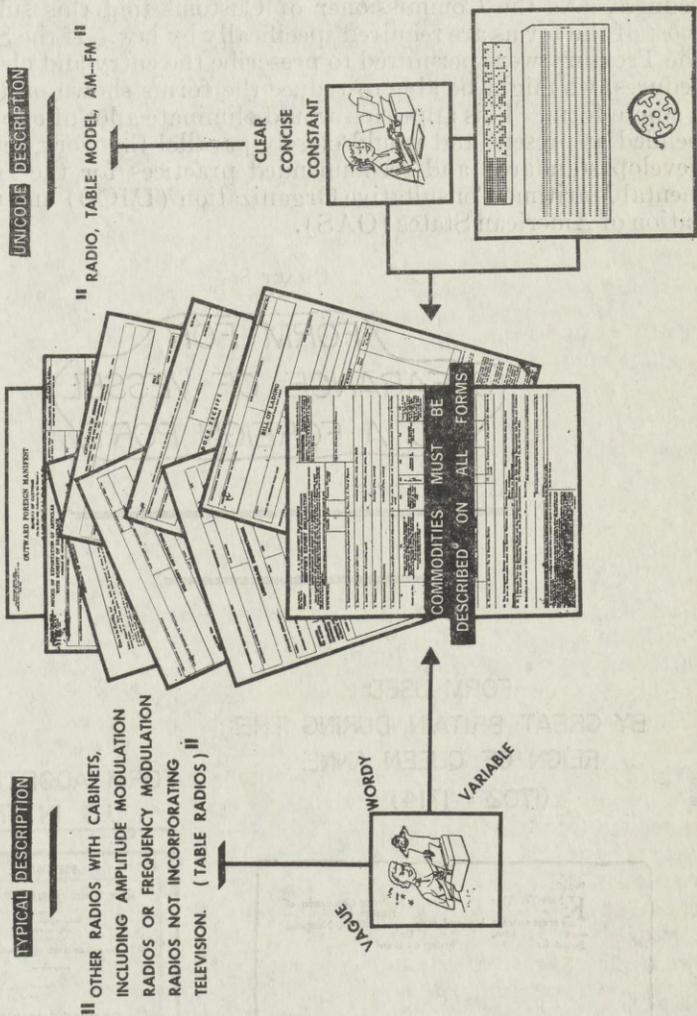
Mr. OLSEN. I think it is very commendable that you call industry in early. It may take longer, but it is well you hear from them.

Dr. BAHMER. In this project, our paperwork analysts have served as consultants to the Maritime Administration and have worked closely with the Office of Export Control and the Bureau of Census, Commerce Department, and the Bureau of Customs, Treasury Department, as well as the bill of lading subcommittees of the American Merchant Marine Institute of New York, the Marine Exchange of San Francisco, and the Pacific American Steamship Association.

The next chart describes a project which can also have far-reaching benefits to both industry and Government. We consider this project, which is also being sponsored by the Maritime Administration, to be one of our most important studies. It is known as the Uniform Coded Commodity Description (Unicode) project. The objective is to standardize and simplify commodity descriptions so that they will meet the demands of both industry and Government. Mr. Begnal, of International General Electric, and Mr. Gulick, the Deputy Maritime Administrator, both commented on the importance of Unicode before this subcommittee a few days ago.

If adopted, Unicode will enable shippers, freight forwarders, carriers, and the Government to utilize short, consistent, and complete descriptions of commodities suitable for automatic data processing systems. Unicode will be compatible with international descriptions and coding systems, such as the Standard International Trade Classification (SITC) and the Brussels Tariff Nomenclature (BTN), which are used widely throughout the world. Translations of Unicode will go far toward breaking the language barriers in international paperwork.

CHART 7
THE NEW APPROACH - UNICODE
UNIFORM CODED COMMODITY DESCRIPTION



TYPICAL DESCRIPTION

|| OTHER RADIOS WITH CABINETS,
INCLUDING AMPLITUDE MODULATION
RADIOS OR FREQUENCY MODULATION
RADIOS NOT INCORPORATING
TELEVISION. (TABLE RADIOS) ||

VAGUE
WORDY
VARIABLE

UNICODE DESCRIPTION

|| RADIO, TABLE MODEL, AM-FM ||

CLEAR
CONCISE
CONSTANT

COMMODITIES MUST BE
DESCRIBED ON ALL FORMS

The next chart shows a sample of a shipping clearance form required during the reign of Queen Anne of Britain. The wording, except for a few descriptions such as "Her Majesty," is exactly the same as the form we require of ships clearing our ports today. Our reason for mentioning this form is that we are helping the Bureau of Customs to simplify and standardize paperwork for the entry and clearance of ships. We have studied the forms that are used and their related procedures. As the Commissioner of Customs told this subcommittee, most of the forms are required specifically by law. If the Secretary of the Treasury were permitted to prescribe the entry and clearance procedures, we might be able to reduce the forms shown on the chart to a single form. This approach would eliminate a lot of effort being expended at present and would closely parallel the work being done to develop standards and recommended practices for the Intergovernmental Maritime Consultative Organization (IMCO) and the Organization of American States (OAS).

CHART 8

FORM FOR
CLEARANCE OF VESSEL
TO A FOREIGN PORT

FORM USED
BY GREAT BRITAIN DURING THE
REIGN OF QUEEN ANNE
(1702 - 1714)

FORM ADOPTED BY
U.S. IN 1799

Part of

K Now Ye, That
the
Tons or three-aboard, Manned with
Men, Built
Bound for

Master or Commander of
Burthen
Guns, Navigated
having on Board

Hath Entered & Cleared in her Majesty's Custom-House
according to Law. Given under our Hand and Seal of Office this
Day of _____ in the Year of the
Reign of Our Sovereign Lady ANNE, Queen of Great Britain, &c.
A.D. 1702 One Thousand Seven Hundred and _____

(1957 Edition)

The United States of America

TREASURY DEPARTMENT
BUREAU OF CUSTOMS

CLEARANCE OF VESSEL TO A FOREIGN PORT

District of _____
Port of _____

Where are to certify all below to be both correct:

That
Master or Commander of the _____ Tons or three-aboard, manned with
Guns, equipped with _____ Men,
_____ built, and bound for _____
with passengers and having on board _____

MERCHANDISE AND STORES.

have been entered and cleared for said voyage, according to law.
When under our hand and seal, in the Customhouse of _____
on the _____ day of _____ 19____
and be the _____
part of the requirements of the United States of America.

Special Collector of Customs

CHART 9

ENTRY AND CLEARANCE OF VESSELS

RECORD OF VESSELS ENGAGED IN FOREIGN TRAM—ENTERED OR ARRIVED UNDER PERMIT TO PROCEED

RECORD OF VESSELS ENGAGED IN FOREIGN TRAM—ENTERED OR ARRIVED UNDER PERMIT TO PROCEED

DECLARATION AND REPORT OF FOREIGN EQUIPMENT, REPAIRS, REBUILDING, ALTERATION, ETC., ON AMERICAN VESSELS

RECORD OF VESSELS ENGAGED IN FOREIGN TRAM—ENTERED OR ARRIVED UNDER PERMIT TO PROCEED

PERMIT TO PROCEED

CLEARANCE OF VESSEL TO A FOREIGN PORT

PRESENT ENTRY DOCUMENTS

PRESENT CLEARANCE DOCUMENTS

14 FORMS REDUCED TO 1

PROPOSED GENERAL DECLARATION

ENTER AND CLEARANCE CERTIFICATE

THIS CERTIFICATE IS TO BE FILLED OUT BY THE MASTER OF THE VESSEL OR BY THE AGENT AT THE PORT OF ENTRY.

1. NAME OF VESSEL: _____

2. TYPE OF VESSEL: _____

3. PORT OF ORIGIN: _____

4. PORT OF DESTINATION: _____

5. DATE OF DEPARTURE: _____

6. DATE OF ARRIVAL: _____

7. NAME OF MASTER: _____

8. NAME OF AGENT: _____

9. NAME OF SHIPPER: _____

10. NAME OF CONSIGNEE: _____

11. NAME OF CARRIER: _____

12. NAME OF FREIGHT FORWARDER: _____

13. NAME OF BROKER: _____

14. NAME OF CUSTOMS BROKER: _____

15. NAME OF INSURER: _____

16. NAME OF BARRISTER: _____

17. NAME OF NOTARY: _____

18. NAME OF PUBLIC OFFICER: _____

19. NAME OF PORT OFFICER: _____

20. NAME OF HEALTH OFFICER: _____

21. NAME OF QUARANTINE OFFICER: _____

22. NAME OF CUSTOMS OFFICER: _____

23. NAME OF INSPECTION OFFICER: _____

24. NAME OF TOLLS OFFICER: _____

25. NAME OF EXCISE OFFICER: _____

26. NAME OF REVENUE OFFICER: _____

27. NAME OF PORT TENDER: _____

28. NAME OF PORT LIGHTER: _____

29. NAME OF PORT BOAT: _____

30. NAME OF PORT CRANE: _____

31. NAME OF PORT DREDGER: _____

32. NAME OF PORT PILE: _____

33. NAME OF PORT QUAY: _____

34. NAME OF PORT WHARF: _____

35. NAME OF PORT DOCK: _____

36. NAME OF PORT BARRAGE: _____

37. NAME OF PORT LOCK: _____

38. NAME OF PORT CANAL: _____

39. NAME OF PORT RIVER: _____

40. NAME OF PORT LAKE: _____

41. NAME OF PORT SEA: _____

42. NAME OF PORT OCEAN: _____

43. NAME OF PORT STRAIT: _____

44. NAME OF PORT GULF: _____

45. NAME OF PORT BAY: _____

46. NAME OF PORT HARBOR: _____

47. NAME OF PORT SOUND: _____

48. NAME OF PORT FJORD: _____

49. NAME OF PORT FLETCHER: _____

50. NAME OF PORT SOUND: _____

51. NAME OF PORT STRAIT: _____

52. NAME OF PORT GULF: _____

53. NAME OF PORT BAY: _____

54. NAME OF PORT HARBOR: _____

55. NAME OF PORT SOUND: _____

56. NAME OF PORT STRAIT: _____

57. NAME OF PORT GULF: _____

58. NAME OF PORT BAY: _____

59. NAME OF PORT HARBOR: _____

60. NAME OF PORT SOUND: _____

61. NAME OF PORT STRAIT: _____

62. NAME OF PORT GULF: _____

63. NAME OF PORT BAY: _____

64. NAME OF PORT HARBOR: _____

65. NAME OF PORT SOUND: _____

66. NAME OF PORT STRAIT: _____

67. NAME OF PORT GULF: _____

68. NAME OF PORT BAY: _____

69. NAME OF PORT HARBOR: _____

70. NAME OF PORT SOUND: _____

71. NAME OF PORT STRAIT: _____

72. NAME OF PORT GULF: _____

73. NAME OF PORT BAY: _____

74. NAME OF PORT HARBOR: _____

75. NAME OF PORT SOUND: _____

76. NAME OF PORT STRAIT: _____

77. NAME OF PORT GULF: _____

78. NAME OF PORT BAY: _____

79. NAME OF PORT HARBOR: _____

80. NAME OF PORT SOUND: _____

81. NAME OF PORT STRAIT: _____

82. NAME OF PORT GULF: _____

83. NAME OF PORT BAY: _____

84. NAME OF PORT HARBOR: _____

85. NAME OF PORT SOUND: _____

86. NAME OF PORT STRAIT: _____

87. NAME OF PORT GULF: _____

88. NAME OF PORT BAY: _____

89. NAME OF PORT HARBOR: _____

90. NAME OF PORT SOUND: _____

91. NAME OF PORT STRAIT: _____

92. NAME OF PORT GULF: _____

93. NAME OF PORT BAY: _____

94. NAME OF PORT HARBOR: _____

95. NAME OF PORT SOUND: _____

96. NAME OF PORT STRAIT: _____

97. NAME OF PORT GULF: _____

98. NAME OF PORT BAY: _____

99. NAME OF PORT HARBOR: _____

100. NAME OF PORT SOUND: _____



Mr. OLSEN. In that one form that you propose, that will reduce 14 to 1, does that one form include the very simple form that was prevalent under this?

Dr. BAHMER. Yes.

I should like to summarize our technical assistance activity with this chart, which shows the savings derived from GSA assistance compared with the cost of the manpower expended.

CHART 10

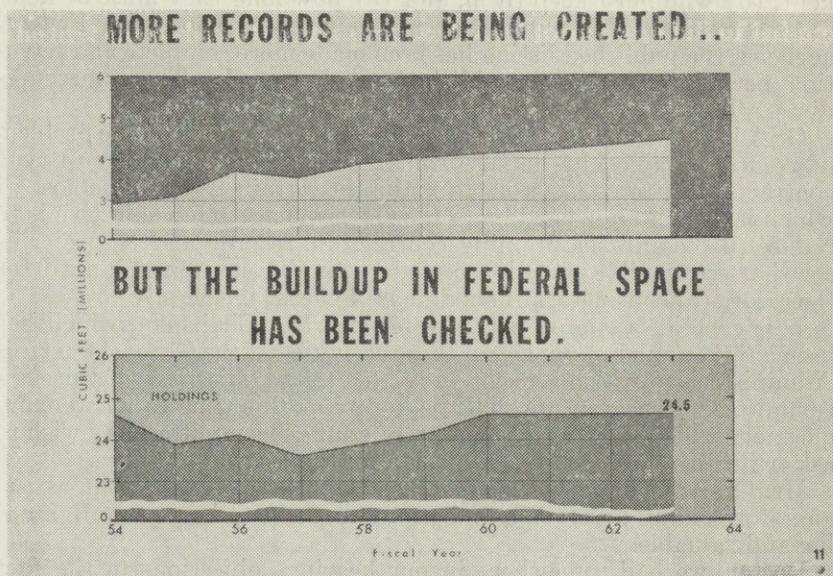
EVERY \$ SPENT ON SURVEYS		
YIELDS MORE THAN 10 IN SAVINGS (fy 1963)		
	WASHINGTON	REGIONS
	282	258
	32,830	32,714
	5,771	2,138
GSA Manyears Expended	25	22

I should like, Mr. Chairman, to mention that the upper row of figures shows the man-years saved as a result of our work in our central office and regional organizations. The lower line shows the man-years that we have spent. There is a ratio of better than 10 to 1 for every man-year we invest in this work. The two middle lines show additional savings as the result of our work in space released in square footage and the number of file cabinets released for re-use in Government agencies.

RECORDS RETIREMENT AND DISPOSAL

Another major area of activity, which is an important part of our external effort, is the GSA records retirement and disposal program. This responsibility was assigned to GSA by the Federal Records Act of 1950. It provides agencies with two very important services. The Federal Records Centers operate low-cost facilities in which Federal agencies can have their inactive records stored and serviced professionally. An appraisal activity assists agencies to determine which records need to be kept and which ones can be disposed of at the conclusion of their active use in the offices which accumulate them.

CHART 11



Through these programs, Federal records holdings, which had reached a peak of over 25 million cubic feet in 1953, have been checked and forced back. This has been accomplished despite the fact that the quantity of Federal records being created is increasing every year and is now close to 4.5 million cubic feet.

I don't know whether cubic footage means very much to those not in the trade, but an ordinary 4-door file cabinet will hold about 6 cubic feet, divide 24 million by 6, you get 4 million cabinets full. That is a lot of records.

Since establishment of the Federal Records Centers in 1950, we estimate that savings to the Federal Government resulting from using low-cost records center space, better utilization of equipment, accelerated disposal, and more efficient service amount to \$50 million.

One reason for the importance of the appraisal activity is the fact that about one-fourth of the records controlled by Federal agencies are reported as "permanent." Our specialists have concluded that less than 10 percent of the records now in existence have permanent historical, legal, or other value. When dealing with millions of feet of records, the difference between our evaluation and that of most agencies has a very real money value to the taxpayer.

GSA also plays a part in reducing the quantity of records which individuals and businesses must keep because of Government requirements. As a helpful aid, NARS publishes a listing in the Federal Register each year which shows the current records retention requirements imposed on the public by the Government.

I should like to furnish for your record a copy of the most recent listing.

Mr. OLSEN. That will be made a part of the files on the hearings.

Dr. BAHMER. This listing tells the public (a) what records must be kept, (b) who must keep them, and (c) how long they must be kept.

As a result of this publication and our consultation with Federal agencies, the published listing has been made more complete and retention periods have been established or shortened. These measures directly benefit the public and the industry.

GSA is also working with the Department of Defense on the problem of records retained by defense contractors. Provisions of cost-type contracts require contractors to maintain certain records the cost of which is ultimately passed on to the Government. Our objective is to reduce the cost of maintaining contractors' records and to prescribe the shortest possible retention periods. Similar steps are planned for the records of contractors of nondefense Federal agencies.

This concludes our prepared statement, Mr. Chairman, which has been a rather quick summary of those activities of the General Services Administration which are closely related to the objectives of this subcommittee. However, we shall be happy at this time to answer any questions which you or the members of your subcommittee may wish to ask or furnish the desired information for the record.

Mr. OLSEN. Thank you, very much, Dr. Bahmer, and your assistants, for coming here. We find your statement to be most enlightening and valuable.

Doctor, we had somewhere in our hearings objections to the fact that some corporations must retain records for the purposes of the Internal Revenue Service for 30 years. Do you folks have any authority to advise IRS?

Dr. BAHMER. We do not have any authority to require any Federal agency to change what it has imposed as a retention requirement. We do have some skill in the arts of persuasion, however, and as a result of our exposing to public view the retention requirements, in the last issue of the Federal Register publication I gave you, many of these retention requirements have been shortened.

Mr. OLSEN. We certainly want to commend you and your organization for what you have been doing in this program in form simplification.

I am not clear from your statement who has the overall responsibility for forms clearance and review in the Federal Government.

Dr. BAHMER. The basic responsibility for development of forms lies with the individual agencies except for two categories called standard forms and optional forms. The Bureau of the Budget under Executive Order 8248 of September 8, 1939, provides official clearance for standard and optional forms. These are forms used by more than one agency.

Many forms are in fact public reports. They are covered under the Federal Reports Act of 1942 and are administered by the BOB. Bureau of the Budget Circular A-17 of November 14, 1959, covers both standard and optional forms. We do play a part in this process. The Bureau of the Budget does the clearance, but our contribution has been in the development of optional forms where we feel they are required. These are forms which serve administrative purposes and which can be standardized. For instance, that two-way memorandum that I mentioned that was furnished for the record is a type of optional form. It is not required for use by agencies but encouraged, if you will.

Mr. OLSEN. Before a form can be adopted by an agency for reporting by the private citizen, must that form be approved?

Dr. BAHMER. Yes, if it imposes on the public a reporting requirement, both a form and a report, it is covered by the Federal Reports Act. This is a Bureau of the Budget responsibility.

Mr. OLSEN. Yours is always advisory responsibility?

Dr. BAHMER. Yes, and developmental to the extent that we are working in a number of areas to develop optional forms to eliminate the added expense of every agency having its own individually designed form.

Mr. OLSEN. When you develop an optional form for several agencies, is there any authority in the Federal Government to impose that form on all of the agencies?

Dr. BAHMER. Not unless it would be in the Bureau of the Budget. We have no authority to impose use of that kind of form on Federal agencies.

Mr. OLSEN. I think we ought to research that out with the Bureau of the Budget on how much authority they have to impose a form on the several agencies that might be using the same material.

Mr. ABELE. Mr. Chairman?

Mr. OLSEN. Yes.

Mr. ABELE. Has your Department made a study on this—I see you have one on the administrative procedures—where they sent out their requirement for the retention form? Have you also made a study on the statute requirement?

Dr. BAHMER. You mean for the keeping of records?

Mr. ABELE. Yes.

Dr. BAHMER. Yes; this is a very important item in the disposal of a great quantity of Federal records and the statute of limitations comes in particularly where there is any fiscal record being kept.

Mr. ABELE. How long has it been since that study was made?

Dr. BAHMER. We are practically continually in that business. Take the matter of canceled Government checks, which are now held I believe 7 years. The statute of limitations, I think, is 6. GAO, the Treasury Department, and we have agreed that we will hold them 1 additional year, just to be safe. This is taken into account when disposal periods or retention periods, whichever you call them, are being studied for particular lots of records; this is important at all times. Now if your question is directed as to whether the statute of limitations ought to be changed, this we have not studied. This is not really within our field of jurisdiction.

Mr. ABELE. There are probably quite a few statutes on the books now that require retention of forms that probably set the period of time.

Dr. BAHMER. Not as many now as there were 12, 15 years ago.

Mr. ABELE. Since 1946?

Dr. BAHMER. We made an analysis about 10 years ago of all statutes that had to do with retention. We found, for instance, that inspection of grain appeal certificates were to be held, the connotation was, permanently. All of this has been changed within the last 10 years, but we cannot say that we have covered them all.

Mr. ABELE. Perhaps you would still have a copy of that order or study?

Dr. BAHMER. I am sure that we could find it. It is probably about 12 years ago.

Mr. ABELE. I imagine that would be very interesting to see.

Dr. BAHMER. There were a great number that we covered in that study.

Mr. ABELE. Thank you.

(The results of the study were largely incorporated in H. Rept. 1102 82d Cong., 1st sess.; S. Rept. 786, 82d Cong., 1st sess.; and Public Law 209, 82d Cong., 1st sess.)

Mr. OLSEN. In that regard, it would perhaps be well if we had another study now, once every 10 years; that would probably be that kind of a study.

Dr. BAHMER. We probably could well afford it, sir.

Mr. OLSEN. Well, you would look to the Appropriations Committee. You have the authority and the money. You could make such a survey again.

Dr. BAHMER. Yes; we have the authority to make that kind of study, of course. In the end we would recommend action to the Congress.

Mr. OLSEN. Certainly.

Mrs. St. George?

Mrs. ST. GEORGE. Dr. Bahmer, my attention has just been called to a sentence here in this Federal Register which you have sent up to us. It calls attention to the requirements on page 3055 and it states in the third column:

* * * retention periods, so long as the contents thereof may become material in the administration of any Internal Revenue Law, 26 CFR, 16001 (see also 14461-14531), dealing with accounting methods and periods.

It seems to me as I read that, and I must say it is a little hard to read but it can be done, that this would almost mean an indefinite period, would it not?

Dr. BAHMER. I am not familiar with that particular item, but from the way you quoted it, I am sure that it would confuse me and probably the average citizen. Probably it might mean almost permanently.

Mrs. ST. GEORGE. I would think so.

Dr. BAHMER. Perhaps not permanently in an archival sense.

Mrs. ST. GEORGE. Obviously there is not a statute of limitations on that, which I must say I find a little surprising, Mr. Chairman.

Mr. OLSEN. I agree with you.

Dr. BAHMER. Mr. Chairman, I would also like to point out that the Federal Register publication that I sent up to you is simply a special edition. The actual legal publication of each one of those requirements occurred in daily Federal Registers and is codified in the code. This in itself does not represent anything but an index and a quick guide. If any individual or business wants to find out what the actual wording and requirements are, he should go to those references. We thought it desirable to bring them all together where they could be looked at.

Mr. OLSEN. That is a very valuable publication, all that information in one edition.

Mrs. ST. GEORGE. I think so.

Dr. BAHMER. Mr. Chairman, just exposing the requirements to the public affected a considerable number of forms in the retention and disposal stipulations.

Mr. OLSEN. The other thing I would like to have from you is the sketch of other paperwork savings programs, for example, streamlined letter writing, mail flow, and files practices. Could you do that? You would probably be helping my office, never mind everybody else's.

Dr. BAHMER. Mr. Chairman, we have handbooks in both of these fields which enunciate principles and practices, procedures, techniques and doctrine, which we feel are desirable in these areas. We have also developed workshops that are practical, as I said, in how to do such things as the handling of mail, the writing of plain letters, the preparation of guide letters, form paragraph, the actual maintenance of files, and that sort of thing. I would be happy to furnish those for the committee's files.

Mr. OLSEN. I would like to have a set of them for myself.

Dr. BAHMER. I will be very happy, Mr. Chairman, to do that. Beyond that, we have a series of publications which we supply to Members of Congress on request for actual technical assistance of the type that we give to other Federal agencies. We have two congressional handbooks that deal with the organization and maintenance of the records that have accumulated in the offices of the Members of Congress. We have one member of our staff who, I believe, gives almost full-time assistance in the establishment of the records in the offices of Representatives and Senators. One of the handbooks deals with records of congressional committees; one on the records of Representatives and one on the records of Senators.

Mr. OLSEN. I am interested and certainly would like to have all of those handbooks.

Dr. BAHMER. I will see that they are sent to you. I do not believe we have them with us here today.

Mr. OLSEN. Mr. Abele and Mrs. St. George say they want them, too.

Dr. BAHMER. We will be more than happy to furnish them to members of the committee.

Mr. OLSEN. Thank you very much, Dr. Bahmer, and thanks to your staff for coming here.

We have to hurry along to our other presentation for this morning, but we find what you have presented to us most valuable and very heartening indeed, to find an agency working hard at this problem of eliminating paper work.

We are interested, of course, in stopping the forms before they develop.

Dr. BAHMER. We are, too.

Mr. OLSEN. Of course, after they are developed we should attempt in every way to either eliminate them or certainly simplify them, consolidate them and make as little paperwork as possible. Thank you very much.

Dr. BAHMER. Thank you, Mr. Chairman.

Mr. OLSEN. Our next witness is Dr. Harry C. Trelogan. Do you have some folks with you?

Dr. TRELOGAN. Yes; I do.

Mr. OLSEN. Please bring them to the table.

If you will please introduce the people with you in the order in which they are seated from your left to your right and then proceed as you wish.

Dr. TRELOGAN. I would like to first introduce the gentleman on my left, Mr. J. Richard Grant, who is with the Statistical Reporting Service and who serves as Department clearance officer for statistical surveys and reports requested of the public; on my right I would like to introduce Mr. Nathan M. Koffsky, Administrator of the Economic Research Service, who will present the Economic Research Service statement; on his right is Dr. Kenneth E. Ogren, Director, Marketing Economics Division, Economic Research Service; and on the extreme right is Mr. Melvin L. Koehn, who is Secretary, Crop Reporting Board, Statistical Reporting Service.

Mr. OLSEN. Thank you very much.

You may proceed now as you will; present your statement in any way you wish.

STATEMENT OF HARRY C. TRELOGAN, ADMINISTRATOR, STATISTICAL REPORTING SERVICE, DEPARTMENT OF AGRICULTURE; ACCOMPANIED BY NATHAN M. KOFFSKY, ADMINISTRATOR, ECONOMIC RESEARCH SERVICE; MELVIN L. KOEHN, SECRETARY, CROP REPORTING BOARD, STATISTICAL REPORTING SERVICE; KENNETH E. OGREN, DIRECTOR, MARKETING ECONOMICS DIVISION, ECONOMIC RESEARCH SERVICE; AND J. RICHARD GRANT, DEPARTMENT CLEARANCE OFFICER, STATISTICAL REPORTING SERVICE

Dr. TRELOGAN. I would like to make the point, Mr. Chairman and members of the subcommittee, that as Administrator of the Statistical Reporting Service, I am here in a kind of dual capacity. By delegation from the Secretary of Agriculture, I am responsible for the coordination of statistical work throughout the Department, and was asked by the Secretary to make arrangements for the presentation requested here today for the Economic Research Service as well as the Statistical Reporting Service. I now also report for the Statistical Reporting Service.

Mr. OLSEN. Fine.

Dr. TRELOGAN. Mr. Chairman and members of the subcommittee, I believe it will be helpful to the committee's understanding of our response to your request if I take a few moments to outline the responsibilities and functions of the Statistical Reporting Service. As the general-purpose statistical agency for the Department of Agriculture, SRS has as its primary function the collection of basic data on a wide range of subjects, frequently referred to as "crop and livestock estimates" which include agricultural production, inventories, prices paid and received by farmers, and farm labor and wages. Over 700 statistical releases are issued each year, their general purpose being to enable farmers, agri-businessmen, legislators, and policymakers to make more intelligent decisions. The data are collected, for the most part, through the facilities of 43 State statisticians' offices covering all 50 States. Data collection techniques used include mail, telephone, and personal interview surveys, but to a large degree we are dependent on the voluntary return of mailed inquiries by farmers, merchants, dealers, food processors, and others concerned with agriculture.

The Statistical Reporting Service also conducts a program of special research studies relating to the preferences, attitudes, and motivation of household, industrial, and institutional consumers that affect their purchase and use of agricultural products. This work is done in the Special Surveys Branch of our Standards and Research Division. In addition to planning and conducting interview surveys of consumers, the Branch also has a taste-testing laboratory in which sensory discrimination and appraisal tests are run on a variety of food products.

To meet the needs of the various users, information must be accurate and timely, and coverage of important items must be adequate. We are continually giving attention to these points in strengthening our statistical program. Over a period of many years, the data collection program of SRS has been expanded to cover more subjects and to provide greater detail on established items. This has been in response to the demands of a more commercialized agriculture. Specific reference to several programs will be made in the responses we have prepared to the committee's questions, and I should now like to turn to the specific items requested.

1. *Volume of paperwork.*—In recognition of needs for additional data, as well as for greater precision in existing statistical series, in recent years Congress has appropriated funds for a number of additional programs, increased frequency of other reports, and for the long-range improvement of existing series. In comparing the present volume of reports requested of the public with 1955, a few specific changes should be noted:

(a) The enumerative survey program for collection of crop and livestock statistics began developing on a pilot basis in 1954 and has now reached operating levels in 32 States.

(b) Quarterly pig crop reports were begun in 10 Midwestern States in 1963 providing additional data and increasing the frequency of this survey from semiannual.

(c) The program of cattle-on-feed surveys has been expanded in recent years and data are now reported monthly in 5 States, quarterly in an additional 27 States, and annually in 11 States.

(d) Additional reports that have been inaugurated since 1955 include (1) a four-State pilot project for estimates of shorttime supplies of certain vegetable crops in commercially important production areas; (2) annual reports of production and sales of cut flowers and nursery products in six selected States; (3) Durum wheat stocks, quarterly; and (4) experimental price enumerative surveys in Ohio and Colorado.

The table below shows the relative change in number of requests for data from the public in 1963, as compared with 1955, by types of surveys:

Year	Mail surveys—Agricultural estimates, number of questionnaires		Personal interview surveys, number of respondents	
	Mailed	Returned	Agricultural estimates	Special surveys
	<i>Thousands</i>	<i>Thousands</i>	<i>Thousands</i>	<i>Thousands</i>
1955.....	9,190	2,850	24	13.6
1963.....	9,750	3,075	135	6.8

The principal indication of change in data collection activity is reflected by the number of inquiries mailed to the public. About 9,750,000 questionnaires were distributed in fiscal year 1963 compared with about 9,190,000 in fiscal year 1955. This is an increase of 560,000 or about 6 percent. It should be noted that about 430,000 of this increase was accounted for by the necessary overlapping of surveys in 1963 in 10 States in which the basis for obtaining pig crop reports was changed. Surveys on the old basis have now been discontinued in these 10 States. Adjusting the 1963 total of 9,750,000 questionnaires mailed downward by 430,000 would give a total of 9,320,000 questionnaires mailed—an increase over 1955 of less than 2 percent.

The expansion of the enumerative survey program for collection of crop and livestock data was responsible for the sharp increase in number of personal interviews from about 24,000 in 1955 to about 135,000 in 1963.

The number of respondents interviewed in connection with research studies conducted by the Special Surveys Branch declined from approximately 13,600 during 1955 to about 6,800 in 1963. The 50-percent reduction is mainly attributable to the reduction in contract funds available for this type of work.

Emphasis should be placed on the voluntary nature of the data requests made of the public by SRS. There is only one exception, and that relates to a monthly report of peanut processors that is required by law (1-49 Stat. 1898; 1-52 Stat. 348). Otherwise, we depend on the voluntary cooperation of respondents.

No measure of the change in the number of items per inquiry has been calculated for this report, but inasmuch as this service still relies largely on the voluntary return of mailed inquiries every effort is made to keep the number of items at a minimum consistent with program needs to insure a favorable response rate. It is our best judgment that there has been a small reduction in items per inquiry. In addition to a rigorous culling of unessential items in recent years, increased specialization has in some cases necessitated the tailoring of inquiries to a particular segment of agriculture where the previously used general purpose inquiries had many items unrelated to the specialized activity of farm operators receiving them. This results in improved response rates and generally in more reliable estimates, as well as in a reduction of inquiries per questionnaire.

Mr. OLSEN. When you are gathering statistics do you require the public to fill in some forms or is this your own employees?

Dr. TRELOGAN. In the great bulk we are asking farmers to fill in the forms about their crops or their livestock.

Mr. OLSEN. And the inquiry is on the increase, is it? Are you increasing the amount of items?

Dr. TRELOGAN. Yes; as indicated, we are up about 2 percent since 1955. This is caused by our carrying out the programs which we have been authorized and directed by the Congress to conduct.

Mr. OLSEN. I am sure the blame or credit, whichever it might be, has to come from Congress. Who approves your forms? After you have developed them, do you have to take them to the Bureau of the Budget?

Dr. TRELOGAN. Yes, sir.

Mr. OLSEN. So in every instance this increase is authorized by the Bureau of the Budget.

Dr. TRELOGAN. Yes, sir. We have their approval on every form we use to collect data from for 10 or more people.

Mr. OLSEN. Who for the Secretary of Agriculture—is it you who makes that approval or does the Secretary himself?

Dr. TRELOGAN. Mr. Grant serves as Department Clearance officer and as our liaison with the Bureau of the Budget. We approve the forms first, but we cannot use them until we have the approval of the Bureau of the Budget.

Mr. OLSEN. Do you actually present them to the Secretary of Agriculture before you take them to the Bureau of the Budget?

Dr. TRELOGAN. Rarely does the Secretary himself see the forms. They are quite numerous, as you note.

Mr. OLSEN. Yes.

Dr. TRELOGAN. They have been in for many, many years.

Mr. OLSEN. The head of the Statistical Reporting Service is yourself.

Dr. TRELOGAN. Yes.

Mr. OLSEN. Do you yourself review each of the forms before they are sent over to the Bureau of the Budget?

Dr. TRELOGAN. I review those on which there is a policy problem or question which we want to get resolved, but many of the clearance requests are relatively routine. We review them year by year. We try not to make radical changes in our forms from year to year since we are going back to many of the same farmers for the same information year by year. We do not like to change the meanings or concepts too much as it affects the continuity of our series of data. I think it is not unusual every year for us to acknowledge some people, some farmers who have been reporting to us for 50 years. We try to get them accustomed to the report so they can make it out quickly and we avoid radical changes as much as possible in these forms.

Mr. OLSEN. Do you have any recent examples of forms with you?

Dr. TRELOGAN. I am sorry, we do not.

Mr. OLSEN. Would you submit some samples for the record?

Dr. TRELOGAN. I will be glad to; yes.

(The forms submitted follow:)

C.E. 5-249 } Ohio, Ind., Ill.,
 D } Mich., Wisc.
 1/1/64 }

**PLEASE MAIL ON
 THE 15TH OR 16TH**

1

U. S. DEPARTMENT OF AGRICULTURE
 Statistical Reporting Service

Dear Reporter:

As a service to Agriculture and the general public, the Department of Agriculture collects and distributes information on prices being received by farmers for various farm products on or about the 15th of each month. Your cooperation in supplying this information for your locality will aid us in providing this service.

Your report will be combined with reports from other reporters in preparing estimates for your State and the Nation.

Please remember to:

1. Read the special instructions.
2. Mail your report promptly in the enclosed envelope which needs no stamp.

Respectfully,

G. D. Simpson

G. D. Simpson,
 Chairman, Crop Reporting Board

P.S. Individual reports are kept confidential.

SPECIAL INSTRUCTIONS

- Only one price should be reported for each product. This should be an estimated average price of all transactions at the point of sale before any marketing deductions. It should be a price which would result if the gross amount received by farmers, before any marketing deductions, were divided by the quantity sold by them.
- Please report prices in the unit of measure shown for each product.
- Report only on items for which you know prices being received by local producers for commodities being marketed around the 15th of the current month.

PRICES RECEIVED BY FARMERS

Please report average prices being received by farmers at the point of sale, before any marketing deductions, for all grades and qualities being sold on or about the 15th of this month. The reported prices should reflect premiums and discounts for test weight and moisture for grains, and other quality factors for each commodity for which you report a price.

FIELD CROPS		Answer here
CORN	average price per bu.	\$
WINTER WHEAT	average price per bu.	\$
SPRING WHEAT	average price per bu.	\$
OATS	average price per bu.	\$
BARLEY	average price per bu.	\$
RYE	average price per bu.	\$
SORGHUM GRAIN	average price per cwt.	\$
FLAXSEED	average price per bu.	\$
SOYBEANS	average price per bu.	\$
BEANS, DRY EDIBLE (clean basis)		
White	average price per cwt.	\$
Other (Variety _____)	average price per cwt.	\$
POTATOES		
	average price	{ per bu. \$
		{ or
		{ per cwt. \$
HAY CROPS		
ALFALFA and ALFALFA mixtures, baled	average price per ton	\$
CLOVER, TIMOTHY and mixtures of clover and grasses, baled	average price per ton	\$
OTHER HAY, baled	average price per ton	\$

See other side for seed and fruit crops.

C. E. 5-249
D
Ohio,
Ind., Ill.,
Mich., Wisc.

24 Budget Bureau No. 40-R008.9
Approval expires 1/31/65

COMMENTS: _____

PRICES RECEIVED BY FARMERS

Please report average prices being received by farmers at the point of sale, before any marketing deductions, for all grades and qualities being sold on or about the 15th of this month. The reported prices should reflect premiums and discounts for test weight and moisture for grains, and other quality factors for each commodity for which you report a price.

SEED CROPS		Answer here
Report only prices being received by farmers for seed sold by them. Report on clean-seed basis before deducting cleaning charges.		
ALFALFA SEED		
average price	}	per bu. \$ or per cwt. \$
RED CLOVER SEED		
average price	}	per bu. \$ or per cwt. \$
ALSIKE CLOVER SEED		
average price	}	per bu. \$ or per cwt. \$
SWEETCLOVER SEED		
average price	}	per bu. \$ or per cwt. \$
TIMOTHY SEED		
average price	}	per bu. \$ or per cwt. \$
LESPEDEZA SEED average price per cwt. \$		
FRUIT CROPS		
APPLES for fresh market	average price per bu.	\$
PEACHES for fresh market	average price per bu.	\$
PEARS for fresh market	average price per bu.	\$

Reported by _____ Month _____ Day _____

Over, please

C.E. 5-245 } Middle Atlantic
C } North Central,
1/1/64 } Del., Md.

PLEASE MAIL ON
THE 15TH OR 16TH

U. S. DEPARTMENT OF AGRICULTURE
Statistical Reporting Service

Dear Reporter:

As a service to Agriculture and the general public, the Department of Agriculture collects and distributes information on prices being received by farmers for various farm products on or about the 15th of each month. Your cooperation in supplying this information for your locality will aid us in providing this service.

Your report will be combined with reports from other reporters in preparing estimates for your State and the Nation.

Please remember to:

1. Read the special instructions.
2. Mail your report promptly in the enclosed envelope which needs no stamp.

Respectfully,

G. D. Simpson

G. D. Simpson,
Chairman, Crop Reporting Board

P.S. Individual reports are kept confidential.

SPECIAL INSTRUCTIONS

- Only one price should be reported for each product. This should be an estimated average price of all transactions at the point of sale before any marketing deductions. It should be a price which would result if the gross amount received by farmers, before any marketing deductions, were divided by the quantity sold by them.
- Please report prices in the unit of measure shown for each product.
- Report only on items for which you know prices being received by local producers for commodities being marketed around the 15th of the current month.

COMMENTS:

Budget Bureau No. 40-8008.9
Approval expires Jan. 31, 1965

PRICES RECEIVED BY FARMERS

Please report average prices being received by farmers at the point of sale, before any marketing deductions, for all grades and qualities being sold on or about the 15th of this month.

LIVESTOCK		Answer here
HOGS , average price all grades:		
Barrows and gilts, liveweight	per cwt.	\$
Sows for slaughter, liveweight	per cwt.	\$
CATTLE and CALVES , average price all grades:		
Steers and heifers, including sales of both feeder and slaughter animals, liveweight	per cwt.	\$
Cows (excluding dairy herd replacements), liveweight	per cwt.	\$
Calves, liveweight	per cwt.	\$
SHEEP and LAMBS , average price all grades:		
Lambs, liveweight	per cwt.	\$
Sheep (exclude lambs), liveweight	per cwt.	\$
MILK COWS sold for herd replacement	average price per head	\$
POULTRY AND EGGS		
CHICKENS, liveweight: Commercial broilers and fryers	average price per lb.	¢
All other chickens (hens, roosters, and other young chickens)	average price per lb.	¢
TURKEYS, liveweight, average price for hens and toms	per lb.	¢
EGGS, all grades and sizes (exclude hatching eggs)	average price per doz.	¢
LIVESTOCK PRODUCTS		
MILKFAT sold in cream	average price per lb.	¢
MILK (whole) retailed by farmers	average price per qt.	¢
WOOL, unwashed	average price per lb.	¢
HAY CROPS		
ALFALFA and ALFALFA mixtures, baled	average price per ton	\$
CLOVER, TIMOTHY and mixtures of clover and grasses, baled	average price per ton	\$
WILD, MARSH, PRAIRIE and RANGE HAY, baled	average price per ton	\$
OTHER TAME HAY, baled	average price per ton	\$

Reported by _____ Month _____ Day _____

**QUARTERLY LIVESTOCK INQUIRY
OCTOBER 1, 1963**

1

U. S. Department of Agriculture
Statistical Reporting Service
Washington, D. C.

C.E. 11-29 October 1, 1963

	Answer here ↓	
Report For Your Own Operations		
1. Acres of all land in this farm	ACRES	
2. Acres of CORN on this farm October 1	ACRES	
HOGS		
3. ALL HOGS and PIGS on this farm October 1, 1963	NUMBER	
4. SOWS FARROWED since June 1	NUMBER	
5. PIGS SAVED from these litters	NUMBER	
6. SOWS still to FARROW before December 1	NUMBER	
CATTLE		
7. ALL CATTLE and CALVES on this farm October 1, 1963	NUMBER	
8. CATTLE and CALVES BEING FATTENED on grain or concentrated feed Oct. 1 for SLAUGHTER MARKET	NUMBER	
9. How many of the CATTLE and CALVES BEING FATTENED October 1, have been on feed: <ul style="list-style-type: none"> a. Less than 3 months (placed on feed after July 1, 1963) b. 3 to 6 months (placed on feed between Apr. 1 and June 30, '63) c. More than 6 months (placed on feed before April 1, 1963) 	NUMBER	
10. How many pounds of the following were fed yesterday to the CATTLE and CALVES BEING FATTENED for SLAUGHTER MARKET? <ul style="list-style-type: none"> a. Grain (Kind _____) b. Protein supplements c. Hay d. Silage e. Other feed (Kind _____) 	POUNDS	
11. How many of the CATTLE and CALVES BEING FATTENED October 1, will be marketed during each of the following months: <ul style="list-style-type: none"> a. October b. November c. December d. Later 	NUMBER	
12. How many grain FED cattle did you MARKET FOR SLAUGHTER between July 1, '63 and Oct. 1, '63? (If none report "0")	NUMBER	
<ul style="list-style-type: none"> a. Of this number marketed, how many were put on grain feed after July 1, '63? (If none report "0") b. Of the fed cattle reported marketed in question 12, how many were marketed in each of the following months: <ul style="list-style-type: none"> July August September 		NUMBER

Dear Sir:

The department would like to have your reply to these questions to aid in estimating the number of livestock on farms as of October 1. The information obtained from this survey will serve as a guide to producers in marketing their livestock. A copy of the summary report will be mailed to you. Your individual report will be kept confidential.

Please return your report promptly in the enclosed envelope which does not require a stamp. Your report is needed even though you may not have any hogs or cattle on feed on October 1.

Respectfully,
G. D. Simpson
G. D. Simpson,
Chairman, Crop Reporting Board

Reported by _____

Date _____

Over, please

BSFPA Form No. 20-920-3
Approval Expires Dec. 31, 1964

U. S. Department of Agriculture
Statistical Reporting Service

OHIO CROP REPORTING SERVICE

Ohio Agricultural Experiment Station
Dept. of Agricultural Economics

217 Old Federal Building, Columbus, Ohio, 43215

LIVESTOCK INQUIRY - MARCH 1, 1964

Dear Sir:

Your answers to this inquiry will be used to provide farmers, ranchers, and others with information needed about current and future supplies of cattle, sheep, and hogs. Facts about your farm or ranch will be kept confidential and used only in combination with similar reports from other producers.

Please help by filling out this inquiry completely and returning it promptly in the enclosed envelope which requires no stamp. Your report is needed even though you may have only a small number of livestock. Thank you.

Respectfully yours,

J. R. Kendall

J. R. Kendall
Agricultural Statistician in Charge

1. Acres of all land in this farm (include land rented from others).....	Acres
2. Acres of corn to be planted for all purposes this year.....	Acres
LIVESTOCK ON HAND	
3. Number of ALL CATTLE and CALVES on this farm now.....	Number
4. Number of ALL SHEEP and LAMBS on this farm now.....	Number
5. Number of HOGS and PIGS of all ages on this farm now (include sows, gilts, boars, feeder pigs, and all other hogs and pigs).....	Hogs and pigs on hand
	Used or to be used for breeding
	Other hogs and pigs
6. Of the HOGS and PIGS on this farm now (item 5) how many are in each of the following groups:.....	Under 60 pounds..... 60 - 119 pounds..... 120 - 179 pounds..... 180 - 219 pounds..... 220 pounds & over..... Totals.....
FARROWINGS IN DECEMBER, JANUARY AND FEBRUARY	
7. Number of SOWS and GILTS which farrowed on this farm during the last three months (December, January and February).....	Number
8. How many pigs from these litters are:	
a. Now on hand.....	
b. Already sold.....	
9. Of the SOWS and GILTS farrowed during the last three months (question 7) how many farrowed in each month:.....	December..... January..... February.....
EXPECTED FARROWINGS MARCH THROUGH AUGUST	
10. Number of SOWS and GILTS that are expected to farrow on this farm March 1 through August 31, 1964.....	
11. Of the SOWS and GILTS reported in question 10, how many will farrow in each of the following months:	March..... April..... May..... June..... July & August.....
DEATH LOSS	
12. Have any HOGS and PIGS died on this farm since December 1?.....	Yes <input type="checkbox"/> No <input type="checkbox"/>
a. If yes, how many HOGS and PIGS have died since December 1?.....	
b. Of the number that died, how many were pigs from litters farrowed on this farm since December 1?.....	

Reported by _____

Date _____

[C. E. 6-18]
"A"
3/1/62

UNITED STATES DEPARTMENT OF AGRICULTURE
STATISTICAL REPORTING SERVICE

Form approved.
Budget Bureau No. 40-R062.6.

PEANUT STOCKS AND PROCESSING REPORT

For Month Ending

(Required by 7 U. S. C. 961 et seq.)

Acres Milled = 115

Please mail this report
within six days after the
end of the month to which
it relates.

FARMERS' STOCK PEANUTS: INVENTORIES, RECEIPTS, AND DISPOSITION
(Report all farmers' stock peanuts handled at this plant regardless of ownership)

ITEM (Report in gross tons)	(A) VIRGINIAS		(B) RUNNERS (S. E.)		(C) SPANISH	
	COMMERCIAL	CCC AND ASSOCIATIONS	COMMERCIAL	CCC AND ASSOCIATIONS	COMMERCIAL	CCC AND ASSOCIATIONS
	Gross tons	Gross tons	Gross tons	Gross tons	Gross tons	Gross tons
1. Stocks beginning of month.....						
2. Received during month.....						
3. Shipped during month (farmers' stock)						
4. Milled during month (for all purposes including seed & roasting stock. Report mill outturn on lines 8 & 14 below)						
5. Lost during month (fire, shrinkage, etc.)						
6. Stocks end of month (Line 1 plus 2 minus lines 3, 4, and 5).....						

MILLED PEANUT PRODUCTS: INVENTORIES, PRODUCTION, RECEIPTS, AND DISPOSITION
(Report all milled peanut products handled at this plant regardless of ownership)

ITEM (Report in pounds)	CLEANED IN SHELL (Roasting stock) (D)	SHELLED EDIBLE GRADES (Exclude seed which should be reported in Cols. (J), (K), and (L) below)			SHELLED OIL STOCK (Report in appropriate column)	
		VIRGINIAS (E)	RUNNERS (S.E.) (F)	SPANISH (G)	OIL STOCK PICKOUTS (H)	STRAIGHT RUN (Ungraded) (I)
		Pounds	Pounds	Pounds	Pounds	Pounds
7. Stocks beginning of month.....						
8. Produced during month (Mill outturn)						
9. Received during month.....						
10. Crushed during month (Report mill outturn of oil and cake on line 14)						
11. Shipped during month.....						
12. Stocks end of month (Line 7 plus lines 8 and 9 minus lines 10 and 11)						

ITEM (Report in pounds)	SHELLED SEED			CRUDE PEANUT OIL* (M)	PEANUT CAKE (N)	PEANUT MEAL (O)
	VIRGINIAS (J)	RUNNERS (S.E.) (K)	SPANISH (L)			
	Pounds	Pounds	Pounds			
13. Stocks beginning of month.....						
14. Produced during month (Mill outturn)						
15. Received during month.....						
16. Cake ground during month (Report production of meal on line 14, col. O)						
17. Shipped during month						
18. Stocks end of month (Lines 13 plus lines 14 and 15 minus lines 16 and 17)						

*Exclude receipts and stocks of crude peanut oil at your refinery. Transfers to refinery should be shown as shipped.

This is to certify that this report is correct to the best of my knowledge and belief.

(Signature of authorized official) _____ (Title) _____ (Date) _____

IMPORTANT NOTE: The tables in this report are arranged so that all entries balance; that is, total supply less disposition equals stocks on hand. It is important that first-of-month stocks be the same as the end-of-month stocks reported a month earlier. Any inventory adjustment should be starred (*) and explained on the back. Please check to see that the outturn of milled products, Lines 8 and 14 show a reasonable relationship to farmers' stock milled, Line 4.

(In case of doubt as to the proper entry to be made for any item, refer to detailed instructions for this item on the back of the duplicate copy.)

C. E. 6-18]
"A"
3/1/62

UNITED STATES DEPARTMENT OF AGRICULTURE
STATISTICAL REPORTING SERVICE

Form approved.
Budget Bureau No. 40-R062.6.

PEANUT STOCKS AND PROCESSING REPORT

For Month Ending

(Required by 7 U. S. C. 961 et seq.)

DUPLICATE
THIS COPY IS FOR YOUR FILES

FARMERS' STOCK PEANUTS: INVENTORIES, RECEIPTS, AND DISPOSITION
(Report all farmers' stock peanuts handled at this plant regardless of ownership)

ITEM (Report in gross tons)	(A) VIRGINIAS		(B) RUNNERS (S. E.)		(C) SPANISH	
	COMMERCIAL	CCC AND ASSOCIATIONS	COMMERCIAL	CCC AND ASSOCIATIONS	COMMERCIAL	CCC AND ASSOCIATIONS
	Gross tons	Gross tons	Gross tons	Gross tons	Gross tons	Gross tons
1. Stocks beginning of month.....						
2. Received during month.....						
3. Shipped during month (farmers' stock)						
4. Milled during month (for all purposes including seed & roasting stock. Report mill outturn on lines 8 & 14 below)						
5. Lost during month (fire, shrinkage, etc.)						
6. Stocks end of month (Line 1 plus 2 minus lines 3, 4, and 5).....						

MILLED PEANUT PRODUCTS: INVENTORIES, PRODUCTION, RECEIPTS, AND DISPOSITION
(Report all milled peanut products handled at this plant regardless of ownership)

ITEM (Report in pounds)	CLEANED IN SHELL (Roasting stock) (D)	SHELLED EDIBLE GRADES (Exclude seed which should be reported in Cols. F), (K), and (L) below)				SHELLED OIL STOCK (Report in appropriate column)	
		VIRGINIAS (E)	RUNNERS (S.E.) (F)	SPANISH (G)	OIL STOCK PICKOUTS (H)	STRAIGHT RUN (Ungraded) (I)	
							Pounds
7. Stocks beginning of month.....							
8. Produced during month (Mill outturn)							
9. Received during month.....							
10. Crushed during month (Report mill outturn of oil and cake on line 14)							
11. Shipped during month.....							
12. Stocks end of month (Line 7 plus lines 8 and 9 minus lines 10 and 11)							

ITEM (Report in pounds)	SHELLED SEED			CRUDE PEANUT OIL* (M)	PEANUT CAKE (N)	PEANUT MEAL (O)
	VIRGINIAS (J)	RUNNERS (S.E.) (K)	SPANISH (L)			
	Pounds	Pounds	Pounds	Pounds	Pounds	Pounds
13. Stocks beginning of month.....						
14. Produced during month (Mill outturn)						
15. Received during month.....						
16. Cake ground during month (Report production of meal on line 14, col. O)						
17. Shipped during month.....						
18. Stocks end of month (Lines 13 plus lines 14 and 15 minus lines 16 and 17)						

*Exclude receipts and stocks of crude peanut oil at your refinery. Transfers to refinery should be shown as shipped.

DUPLICATE
THIS COPY IS FOR YOUR FILES

IMPORTANTNOTE: The tables in this report are arranged so that all entries balance; that is, total supply less disposition equals stocks on hand. It is important that first-of-month stocks be the same as the end-of-month stocks reported a month earlier. Any inventory adjustment should be stated (*) and explained on the back. Please check to see that the outturn of milled products, Lines 8 and 14 show a reasonable relationship to farmers' stock milled, Line 4.

(In case of doubt as to the proper entry to be made for any item, refer to detailed instructions for this item on the back of the duplicate copy.)

INSTRUCTIONS

INVENTORIES, RECEIPTS, AND DISPOSITION OF FARMERS' STOCK PEANUTS:

NOTE: Each of the farmers' stock columns are divided into two subcolumns: "Commercial" and "CCC and Associations". Report ALL farmers' stock peanuts held for the account of any of the peanut cooperative associations (P. G. C. M. A. for the V-C area, G. F. A., C. P. A. and F. G. S. P. A. for the Southeastern area and S. W. P. G. A. for the Southwestern area) or the Commodity Credit Corporation under the subcolumn "CCC and Associations". Farmers' stock peanuts which are shelled under contract for any of the Associations or the Commodity Credit Corporation should also be included under this subcolumn. However, any farmers' stock peanuts purchased by you from CCC or any of the Associations, whether for unrestricted use or for export or crushing, should be reported under the subcolumn "Commercial" at the time ownership passes to you. If farmers' stock peanuts purchased by you from CCC or the Associations were stored in your plant at time of purchase it will be necessary to show the quantity purchased as "shipped" under "CCC and Associations" and as "received" under "Commercial". ALL other farmers' stock peanuts handled for your own account or the account of other individuals or firms should also be reported under "Commercial". Report all farmers' stock peanuts in GROSS TONS.

Line 1, "Stocks beginning of month": Report, by types, in the appropriate column, all farmers' stock peanuts on your premises, regardless of ownership, and whether held for storage, milling or resale. Do not report farmers' stock peanuts owned by your firm but stored elsewhere by others. They will be reported by the respective storage firms.

Line 2, "Received during month": Report, by types, in the appropriate column, all farmers' stock peanuts received on your premises for your own account, and the account of individuals, associations, and governmental agencies, regardless of ownership or intended disposition.

Line 3, "Shipped during month": Include all farmers' stock peanuts moved from your premises, regardless of ownership.

Line 4, "Milled during month": Report, by types, the total tonnage of farmers' stock peanuts cleaned and/or shelled for any purpose. This includes milling for producing cleaned roasting stock, shelled edible grades, shelled seed and straight run shelled oil stock. You should include all farmers' stock peanuts milled for your own account, and the account of individuals, associations, and governmental agencies (including custom or contract milling for any of these). Farmers' stock peanuts used exclusively for crushing should be shown as milled on line 4, by types, and the resulting mill outturn of shelled or dehulled peanuts shown on line 8, Column (I).

NOTE: --The shelled and cleaned peanuts obtained from your milling operation should be reported in the appropriate spaces on lines 8 and 14 in the Milled Peanut Products section in the lower half of report form.

Line 5, "Lost during month": Include the quantity of farmers' stock peanuts lost from your premises due to fires, floods, shrinkage, etc.

Line 6, "Stocks end of month": (See line 1 above.) This column should be the result of adding receipts to first-of-month stocks and subtracting shipments, millings, and losses. Adjustments necessary to reconcile physical inventories should be reported on line 5 and starred (*) and explained on back of report.

INVENTORIES, PRODUCTION, RECEIPTS, AND DISPOSITION OF MILLED PEANUT PRODUCTS:

Line 7 and 13, "Stocks beginning of month": Report in the appropriate spaces of these lines first of month stocks of peanuts cleaned in the shell for roasting; shelled edible grades by types; shelled oil stock pickouts; straight run shelled peanuts for crushing; crude oil; cake; and meal. Report entire holdings of each of these products on your premises on the first of month, regardless of ownership. Do not include any peanuts or peanut products which you own, but which are stored in commercial storages elsewhere. They will be reported by the respective storage firms.

Lines 8 and 14, "Produced during month": Report in the appropriate space of these lines the mill outturn obtained from the quantity of farmers' stock peanuts reported milled on line 4. Include total outturn from millings for your own account, and for the account of individuals, associations, and governmental agencies (including custom or contract shelling for any of these). Report production of cleaned roasting stock on line 8, column (D). The production of shelled edible grades should be reported, by types, in the appropriate spaces on line 8. The production of shelled oil stock (pickouts and screenings obtained from shelling edible grades and seed) should be reported under column (H). The quantity of ungraded shelled peanuts produced for crushing should be reported under column (I). The outturn of oil and cake obtained from crushing should be reported on line 14, columns (M) and (N), while the production of meal from grinding of cake should be reported under column (O).

Lines 9 and 15, "Received during month": Report in the appropriate spaces of these lines all milled peanut products, regardless of ownership, received on your premises from other sources.

Lines 10 and 16, "Crushed during month": Report on this line under the appropriate column the total quantity of shelled and dehulled peanuts used for producing oil and cake, regardless of ownership. Cake ground for meal should be reported on line 16.

Lines 11 and 17, "Shipped during month": Report in the appropriate spaces of these lines the quantity of milled peanut products shipped or moved from your premises, regardless of ownership. Transfers of edible peanuts to your processing plant and of crude oil to your refinery should be reported as shipped.

Lines 12 and 18, "Stocks end of month": See Instructions for lines 7 and 13. Lines 12 and 18 for each column should be the result of adding receipts and production to first of month stocks and subtracting uses and shipments. Adjustments necessary to reconcile physical inventories should be starred (*) and explained on back of original copy of report.

C. E. **LIVESTOCK SURVEY, DEC. 1, 1963** "N.S.-1"
11-38a

UNITED STATES DEPARTMENT OF AGRICULTURE
STATISTICAL REPORTING SERVICE

Name

Post office R. (Box)

County State

	Acres
1. Acres of ALL LAND in This Farm or Ranch (Include land rented from others)	
CATTLE AND CALVES (Report number on this farm or ranch now)	
2. COWS and HEIFERS, two years old and over, kept for milk. (Include all milk cows whether now in milk or dry and all 2-year-old heifers which will be milked when fresh)	Number
3. HEIFERS, one year old and under two, now being raised for milk cows	
4. COWS and HEIFERS, two years old and over, not kept for milk. (Include beef cows and 2-year-old beef heifers. Do not include any cows and heifers reported under Question 2)	
5. HEIFERS, one year old and under two, now being raised for beef cows or for beef. (Do not include any heifers being raised for milk cows reported under Question 3)	
6. STEERS, one year old and over	
7. BULLS, one year old and over	
8. 1963 HEIFEE CALVES on this farm or ranch NOW. (Do not include any animals reported under Question 3 or 5)	
9. 1963 BULL CALVES and STEER CALVES on this farm or ranch NOW	
10. TOTAL CATTLE AND CALVES OF ALL AGES ON THIS FARM OR RANCH NOW. (Sum of items 2 to 9, inclusive)	
11. How many of the above cattle and calves are now being fattened on grain or concentrated feed for slaughter market?	
<hr/>	
12. COWS MILKED on this farm or ranch yesterday	
13. ALL MILK COWS on this farm or ranch yesterday (both dry and in milk). (Do not include heifers not yet freshened)	
14. Total production of MILK on this farm or ranch yesterday. (Report only one day's production)	Pounds
	Report in either { or Gallons
15. CALVES BORN in 1963. (Include calves on hand, calves sold or died and calves to be born in December. Do not include calves bought.)	
CHICKENS (Report number on this farm or ranch now)	
16. PULLETS BEING KEPT FOR LAYERS (Include laying pullets and pullets not of laying age)	
17. HENS, one year old and over	
18. OTHER CHICKENS	
19. Total CHICKENS (sum of items 16, 17, and 18)	
20. Number of HENS and PULLETS OF LAYING AGE in your flock yesterday	
21. Number of EGGS produced by your flock yesterday	

(See other side for report on Hogs and Sheep)

THE FEDERAL PAPERWORK JUNGLE

POSTAGE AND FEES PAID
U.S. DEPT. OF AGRICULTURE

62 Budget Bureau No. 40-R134.7
Approval expires Dec. 31, 1963.

HOGS AND PIGS		Number
22. HOGS and PIGS of all ages on this farm now (include sows, gilts and boars for breeding and all other hogs and pigs) -----		
	Used and to be used for breeding	Other hogs and pigs
	Number	Number
23. Of the HOGS and PIGS on this farm now (Item 22) how many are in each of the following weight groups --	Under 60 pounds -----	-----
	60 -119 pounds -----	-----
	120-179 pounds -----	-----
	180-219 pounds -----	-----
	220 pounds & over -----	-----
Totals -----		-----

FARROWINGS	
24. Number of SOWS and GILTS that farrowed (gave birth to pigs) on this farm or ranch during the last six months (June 1 to December 1, 1963) -----	
25. Number of PIGS SAVED from all litters farrowed on this farm or ranch during the last six months (June 1 to December 1, 1963) -----	
26. Of the SOWS and GILTS that farrowed during the last six months (Question 24), how many farrowed in each of the following months? -----	June -----
	July -----
	Aug. -----
	Sept. -----
	Oct. -----
27. Number of SOWS and GILTS that have been bred or will be bred to farrow on this farm or ranch between December 1, 1963, and June 1, 1964 -----	
28. Of the SOWS and GILTS reported in Question 27, how many have been or will be bred to farrow in each of the following months? -----	Dec. -----
	Jan. -----
	Feb. -----
	Mar. -----
	Apr. & May -----

BREEDING AND STOCK SHEEP	
(Report number on this farm or ranch now. Do not include sheep and lambs being fattened for market)	
29. EWES one year old and over -----	
30. EWE LAMBS under one year -----	
31. WETHER and RAM LAMBS under one year -----	
32. WETHERS and RAMS one year old and over -----	
SHEEP AND LAMBS BEING FATTENED FOR MARKET	
(Do not include any reported under Questions 32 to 35)	
33. SHEEP, including yearlings being fattened for market -----	
34. LAMBS under one year being fattened for market -----	
35. TOTAL SHEEP and LAMBS of all ages on this farm or ranch NOW (sum of items 29 to 34, inclusive) -----	
WOOL	
36. SHEEP SHORN on this farm or ranch during the year -----	
37. Total pounds of WOOL shorn from SHEEP -----	
38. LAMBS SHORN on this farm or ranch during the year -----	
39. Total pounds of WOOL shorn from LAMBS -----	

(See other side for report on Cattle and Poultry)

C.E. 11-34

POSTAGE AND FEES PAID
U.S. DEPT. OF AGRICULTURE

THE UNITED STATES DEPARTMENT OF AGRICULTURE

Your mail carrier delivered a **Livestock-survey** card with your mail today. Several other farmers along the route also received cards. Their replies will be combined with your report to represent your community in this Nation-wide Livestock survey. The Department of Agriculture will use the returned cards in preparing State and National reports on the spring pig crop and intentions to breed for fall farrowing, the lamb crop, calf crop and wool production, chickens raised, and milk production. These reports provide you and other farmers throughout the Nation the best possible information concerning livestock and poultry production.

You can be of real help in this service to farmers by filling in and returning the livestock card to your mail box as soon as possible. Your cooperation will be greatly appreciated.

Sincerely yours,

U.S. GOVERNMENT PRINTING OFFICE : 1942-O-681057

State Statistician

Mr. OLSEN. Mr. Abele?

Mr. ABELE. While we are on this particular subject, as I understand it there is very little exception to the fact that most of them are to be filled out on a voluntary basis.

Dr. TRELOGAN. Yes; all of them except this one peanut report I referred to.

Mr. ABELE. How is it in your form, that you make it specifically clear to the farmer or the individual who is to fill it out that it is on a voluntary basis? You do not have any of the forms here, the words you use to show this?

Dr. TRELOGAN. I will ask Mr. Grant to respond to this.

Mr. GRANT. We include an introductory standard paragraph which invites their cooperation, asking that they provide the information that is needed, giving them a statement as to why it is needed and asking for a response as of a particular time.

In the absence of any mandatory clause it is understood by respondents to be voluntary.

Mr. ABELE. They could not figure it was the other way?

Mr. GRANT. Not in our judgment.

Mr. OLSEN. You do not actually say that the reporting here requested is voluntary?

Mr. GRANT. We do in some cases, I am sure, but generally the statement refers to the need for the data and indicates that their cooperation would be very much appreciated.

Mr. ABELE. But it does not actually say on all the forms that it is specifically on a voluntary basis?

Mr. GRANT. No, sir.

Mr. OLSEN. We get the complaint, you know, that some of the numerous forms say across the top, "Authorized by Law," which, of course, indicates to people that it is compulsory.

Mr. GRANT. We do not have that on any of the Department forms.

Mr. OLSEN. I would like to see the language.

Dr. TRELOGAN. We will try to get a representative sample of them for you.

Mr. OLSEN. Would you, please?

Dr. TRELOGAN. Yes, sir.

Mr. OLSEN. Several different kinds.

Mr. GRANT. Yes.

Mr. ABELE. It would not make any difference in your thinking as to whether or not the answers you would receive, if the person receiving the request for the form would consider it compulsory or voluntary?

Dr. TRELOGAN. I really do not know. I can simply say, Mr. Abele, that we have been distributing these among the farmers and associated people in agriculture for many years. They are quite familiar with them. They readily recognize they are not required, as indicated by our response rate.

Mr. ABELE. What percentage return do you get?

Dr. TRELOGAN. On the average about one-third. That ranges all the way from 100 percent in several down to relatively low rates of response, depending on the nature of the crop and the type of people we are sending the questionnaires to.

Mr. OLSEN. I have met people that are proud that they have made a report every year for 30 years.

Dr. TRELOGAN. I will give you an example. This happens to be our 50th anniversary of the monthly cold storage report. We had occasion to look at how many had reported since the beginning in 1914 and there were just short of 200 who have reported continuously over the 50 years, so I think it is an indication that they are the users in large measure of the data and they are anxious to have us do the work. That is responsible for many of these good response rates.

Mr. OLSEN. In the case of the quarterly pig reports and the cattle feeding reports, now, there the people furnishing the information do not get the bulk of the benefit. The bulk of the benefit is for those who are marketing.

Dr. TRELOGAN. This is a matter of judgment. We recognize that most of these reports are multipurpose reports. Now the farmers use these reports quite a bit in making their plans with respect to production. You recognize just in the last few months the cattle feeding people have been following these very closely, by virtue of the distressed conditions under which they are operating.

Mr. OLSEN. Explain for the record in what way will the cattle feeding people be interested in your report?

Dr. TRELOGAN. The report calls for the number of cattle that are on feed in the feedlots, classified by time on feed and by weight, as I recall. This gives the cattle feeding people an indication of what prospective supplies of feed cattle are going into the markets over the next several months because in our reports we try to get the data out in such way that they can anticipate the supplies that will be coming into the market over the next few months.

The man who is considering feeding cattle can look at these data and have an indication of whether the supply is going to be higher or lower. Consequently, he makes his judgment as to whether he can afford to buy the feeders at the current prices, pay the feed prices that are in prospect and come out with a remunerative operation in the time period he has in mind.

Mr. OLSEN. This is by the States that feed.

Dr. TRELOGAN. The major feeding States now have monthly reports. They are California, Arizona, Colorado, Nebraska, and Texas. The marketing people, too—I don't want to digress from what you said—use these data because the people who process the cattle and others are very anxious to know what their prospective supplies are.

Mr. OLSEN. People on the range in Montana, do they furnish you any information of any kind?

Mr. TRELOGAN. Oh, yes. You see, for 27 States we prepare quarterly reports on cattle feeding. Montana is one of these quarterly States.

Mr. OLSEN. When you say cattle feeding, you are talking about all the cattle in the State, whether they are in a feedlot or on the range?

Dr. TRELOGAN. In these reports we include cattle on grain feeding or other concentrated feed for slaughter markets.

Mr. OLSEN. Do you include cattle on the range on grass feeding.

Dr. TRELOGAN. No. Range and grass cattle would not be considered cattle feeding in the sense that we have used it here.

Mr. OLSEN. I see.

Dr. TRELOGAN. These range people are also interested because the number of cattle on feed in the feedlots gives them an indication of what their market is going to be for the feeder cattle they send to market.

Mr. OLSEN. They haven't got any place else to send them.

Dr. TRELOGAN. You recognize that they sometimes finish them themselves, or send them in as two-way cattle, or they may send them to the market strictly as feeders. It depends on what the prospective market is when they make these decisions. I know that a large number of them are committed to shipping feeder cattle, but others have discretion.

Mr. OLSEN. Most of them have to get some cash in order to stay alive, so it does not make much difference what the market is. They have to let go of them.

Mr. ABELE. What is the ordinary procedure for distributing that information? I mean how does the ordinary farmer that filled out one of the questionnaires get that information back?

Dr. TRELOGAN. The great bulk of the information goes back to him through public channels such as the news services, newspapers, TV, radio, and farm magazines. We do, upon request, mail the actual report to the farmers but this is a relatively slow process compared with what he gets through the trade press, the news press that comes out of the markets, as well as the regular newspapers.

Mr. ABELE. Does he have any chance on the questionnaire to remark that he would like to receive a copy of the report?

Dr. TRELOGAN. Yes. We do not put it on all the questionnaires. I think we periodically get this information from them.

Mr. ABELE. Does he have any way in advance to know that when the information is going to be put out to the newspapers?

Dr. TRELOGAN. Yes, sir. In our system in December of each year we put out a schedule of all the releases we will put out in the forthcoming year by day and frequently by hour of the day.

(The schedule of releases faces this page.)

Dr. TRELOGAN. You may recall that we have a heavy security guard on many of these reports so that there will be no inequality in the release of information and the markets and the farmers and all the news media know this. For example, at 3 o'clock on the 10th of the month, which is the normal time for our general crop report, the reporters and others will be there in our release room and, right on the mark at 3 o'clock they get the report and start sending information out over the wires, et cetera.

Mr. OLSEN. Off the record.

(Discussion off the record.)

Mr. OLSEN. I would ask you, Dr. Trelogan, to summarize the rest of your statement so we may proceed to the rest of the witnesses. Without objection, the remainder of your prepared statement will be made a part of the record at this point.

(The remainder of Dr. Trelogan's statement follows:)

In summary, there has been some increase in repetitive survey activity in SRS, due largely, as noted, to specific programs for which Congress has provided funds. In view of increased demand for data about U.S. agriculture, we believe the increase is a relatively modest one. All surveys are frequently evaluated—annually in most cases—to determine if they are necessary to carry out the legislative directives and to provide the data necessary for the functioning of today's agricultural economy.

UNITED STATES DEPARTMENT OF AGRICULTURE
STATISTICAL REPORTING SERVICE
WASHINGTON, D. C.

CROP REPORTING BOARD

1964

REPORTS

1964

RELEASE HOURS: Cotton Production - 11:00 A.M. All Livestock Reports Except Commercial Slaughter - 12:00 Noon
Cold Storage Reports - 2:00 P.M. Cranberry Production - 1:30 P.M.
All Other Listed Reports - 3:00 P.M.

DAY	JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE	JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER	DAY
1	Holiday	Saturday	Sunday	Poultry Slaughter & Processing	Fruits, Non-Citrus - Prod., Use & Value, Part I & II		Fruits, Non-Citrus - Prod., Use & Value, Part I & II; Poultry Slaughter & Processing	Saturday	Rice Stocks	Poultry Slaughter & Processing	Sunday	Apples by Varieties; Poultry Slaughter & Processing	1
2		Sunday			Saturday			Sunday	Poultry Slaughter & Processing	Citrus Fruits-Prod., Use & Value			2
3	Poultry Slaughter & Processing	Com. Broiler Prod. in 22 States		Regional Cold Storage Holdings; Turkeys-Farm Prod., Disp., Cash Receipts, & Gross Income	Sunday		Holiday	Tree Nuts-Prod., Use & Value; Soybean County Estimates		Saturday			3
4	Saturday	Celery Report	Celery Report; Poultry Slaughter & Processing; Broiler Chicks Placed Weekly - 22 States-May	Saturday	Field & Seed Crops - Prod., Disp. & Value; Celery Report	Celery Report; Poultry Slaughter & Processing	Saturday	Celery Report	Bentgrass Seed; Celery Report		Celery Report	Celery Report	4
5	Sunday	Shipments of Stocker & Feeder Cattle & Sheep Into Selected N. Cent. States - Year 1963	Layers, Potential Layers & Egg Production, 1962 & 1963	Sunday			Sunday			Celery Report		Saturday	5
6	Celery Report			Celery Report		Saturday	Celery Report	Field Seed Stocks	Sunday			Sunday	6
7			Saturday			Sunday		Crimson Clov. (O) & Stocks of Ryegrass Seeds	Holiday		Saturday		7
8	Saturday	Sunday		Cotton Production Rev.			Cotton Acreage (Planted)	Saturday	Cotton Production	Cotton Production; Honey Production & Stocks	Sunday	Cotton Production	8
9	Sunday		Range & Livestock	Saturday	Range & Livestock	Orchard Trees & Mill Pests (South Sta. Seeds); Range & Livestock	Sunday	Potato Utilization	Crop Production; Farm Labor; Veg.-Processing & Fresh Market	Cotton Production	Range & Livestock	Crop Production; Farm Labor; Veg.-Processing & Fresh Market	9
10	Crop Production; Farm Labor; Veg.-Processing & Fresh Market	Crop Production; Farm Labor; Veg.-Processing & Fresh Market	Crop Production; Farm Labor; Cattle & Calves on Feed; Veg.-Processing & Fresh Market	Crop Production; Farm Labor; Veg.-Processing & Fresh Market	Sunday	Crop Production; Farm Labor; Veg.-Processing & Fresh Market	Crop Production; Farm Labor; Veg.-Processing & Fresh Market	Cotton Production; Potato Disposition; Range & Livestock	Crop Production; Farm Labor; Veg.-Processing & Fresh Market	Saturday	Crop Production; Farm Labor; Veg.-Processing & Fresh Market	Crop Production; Farm Labor; Veg.-Processing & Fresh Market	10
11	Saturday	Milk Production; Cattle & Calves on Feed; Range & Livestock	Milk Production; Range & Livestock	Saturday	Crop Production; Range & Livestock	Milk Production	Saturday	Crop Production; Farm Labor; Veg.-Processing & Fresh Market	Sunday	Sweetlover Seed; Milk Production; Cattle & Calves on Feed; Range & Livestock	Holiday	Milk Production; Cattle & Calves on Feed	11
12	Sunday			Sunday	Milk Production; Range & Livestock; Cattle & Calves on Feed	Cattle & Calves on Feed; Blue Sun & Orange Pastures	Sunday	Milk Production; Cattle & Calves on Feed	Saturday	Milk Production; Range & Livestock	Milk Production; Cattle & Calves on Feed	Saturday	12
13	Milk Production; Sheep & Lambs on Feed, Jan. 1; Range & Livestock	Livestock & Poultry Inventory, Jan. 1; Turkey Breeder Hens, Jan. 1; Potato Stocks	Potato Stocks; Sheep & Lambs on Feed-Early Lamb Crop	Milk Production	Saturday		Milk Production	Redtop, Marion Ky. Bluegrass, & Fascium (West. Sta.) Seeds	Sunday	Redclover & Alsike Clover Seeds; Wheat Pasture	Sheep & Lambs on Feed; Wheat Pasture; Hatchery Prod.	Sunday	13
14		Cold Storage; Pullet Chicks for Broiler Supply Flocks; Hatchery Prod.						Cold Storage; Pullet Chicks for Broiler Supply Flocks; Hatchery Prod.		Wheat Pasture		Wheat Pasture	14
15	Potato Stocks; Onion Stocks; Cold Storage; Pullet Chicks for Broiler Supply Flocks	Saturday	Sunday	Cold Storage; Pullet Chicks for Broiler Supply Flocks	Annual Naval Stores; Cold Storage; Pullet Chicks for Broiler Supply Flocks; Hatchery Prod.	Cold Storage; Pullet Chicks for Broiler Supply Flocks	Cold Storage; Pullet Chicks for Broiler Supply Flocks	Saturday	Cold Storage; Pullet Chicks for Broiler Supply Flocks	Cold Storage; Pullet Chicks for Broiler Supply Flocks; Hatchery Prod.	Sunday	Cold Storage; Pullet Chicks for Broiler Supply Flocks	15
16	Hatchery Prod.; Fluid Milk & Cream	Sunday	Pullet Chicks for Broiler Supply Flocks	Saturday	Bush Berries Indicated Acreage; Hatchery Prod.; Cattle & Calves on Feed	Hatchery Prod.	Ky. Bluegrass Seed; Hatchery Prod.; Fluid Milk & Cream	Sunday	Hatchery Prod.	Fluid Milk & Cream; Cattle & Calves on Feed	Pullet Chicks for Broiler Supply Flocks	Hatchery Prod.	16
17	Naval Stores; Farm Numbers; Cattle & Calves on Feed (Incl. quarterly Rev.); Turkeys & Chickens Tested	Turkeys & Chickens Tested	Hatchery Prod. (Incl. Rev. by Months)	Naval Stores; Fluid Milk & Cream; Turkeys & Chickens Tested	Sunday	Fluid Milk & Cream; Turkeys & Chickens Tested	Naval Stores; Cattle & Calves on Feed; Turkeys & Chickens Tested	Turkeys & Chickens Tested	Ladino & White Clover Seed; Fluid Milk & Cream; Turkeys & Chickens Tested	Saturday	Fluid Milk & Cream; Turkeys & Chickens Tested	Naval Stores; Fluid Milk & Cream; Turkeys & Chickens Tested	17
18	Saturday	Naval Stores; Fluid Milk & Cream	Prospective Plantings; Fluid Milk & Cream	Saturday	Naval Stores; Turkeys & Chickens Tested	Naval Stores	Saturday	Naval Stores; Vetch Seeds; Fluid Milk & Cream	Sunday	Naval Stores	Naval Stores	Crop Prod., Annual Summary; Annual Sum.-Seeds (Incl. lespedeza); Potato Stocks; Crop Values-Season Av. Price & Values; Annual Sum.-Veg. Fresh & Processing	18
19	Sunday	Naval Stores; Turkeys & Chickens Tested; Wool Prod. & Value; Mohair Prod. & Value	Naval Stores; Turkeys & Chickens Tested	Sunday	Fluid Milk & Cream	Naval Products-Prod. & Sales; Nut Flowers-Prod. & Sales	Sunday	Veg. Seed Stocks	Saturday	Naval Stores; Turkeys & Chickens Tested; Turkey Breeder Hen Intentions	Saturday	Saturday	19
20	Milk Prod. & Dairy Products, Annual Stat.Sum., Calf Crop	Veg. Seed Acreage & Prod.; Hop Stocks; Pig Crop	Milk Prod., Disp. & Income; Veg.-Processing	Saturday			Saturday	Timothy Seed	Sunday	Vinals & Sudan-grass Seeds	Sunday	Sunday	20
21	Holiday	Saturday					Sunday	Chickens-Number Raised, Prel. Est.		Hop Stocks	Saturday	Winter Wheat & Rye Seedings	21
22	Saturday	Sunday	Chickens & Eggs, Incl. Com. Broilers-Prod., Disp. & Income	Veg.-Processing	Sour Cherries Prod. & Utilization; Pig Crop	Sour Cherries Prod. & Utilization; Pig Crop	Saturday	Calif Crop	Saturday	Pig Crop	Shipments of Stocker & Feeder Cattle & Sheep	Sunday	22
23	Shipments of Stocker & Feeder Cattle & Sheep	Sunday						Lamb Crop, 1964; Veg.-Processing; Peanut Stocks & Processing; Shipments of Stocker & Feeder Cattle & Sheep	Sunday	Stocks of Grain in All Positions; Rice Stocks; Peanut Stocks & Processing		Pig Crop (Incl. Dec. 1 Inventory of hogs); Supply & Disappearance of Field Seeds; Peanut Stocks & Processing	23
24	Stocks of Grain in all Positions; Rice Stocks; Peanut Stocks & Processing; Egg Products-Liquid, Frozen, Solids Prod.	Lamb Crop, 1964	Peanut Stocks & Processing	Stocks of Grain in all Positions; Rice Stocks; Egg Products-Liquid, Frozen, Solids Prod.; Livestock Slaughter-Com. Slaughter-Com. Meat & Lard Prod., Farm & Total Slaughter	Sunday		Stocks of Grain in all Positions; Bush Berries Prod. (Blackberries Incl.); Egg Products-Liquid, Frozen, Solids Prod.	Saturday	Peanut Stocks & Processing	Peanut Stocks & Processing	Saturday	Shipments of Stocker & Feeder Cattle & Sheep; Egg Products-Liquid, Frozen, Solids Prod.	24
25	Saturday	Peanut Stocks & Processing; Egg Products-Liquid, Frozen, Solids Prod.	Hyegrass Seed Intentions; Egg Products-Liquid, Frozen, Solids Prod.	Saturday	Peanut Stocks & Processing; Egg Products-Liquid, Frozen, Solids Prod.	Lupine & Crimson Clov. Seeds (Southern Sta.); Bush Berries Prod. (except Blackberries); Egg Products-Liquid, Frozen, Solids Prod.	Saturday	Cranberries Indicated Prod.; Egg Products-Liquid, Frozen, Solids Prod.	Sunday	Shipments of Stocker & Feeder Cattle & Sheep; Egg Products-Liquid, Frozen, Solids Prod.	Holiday	Peanut Stocks & Processing; Shipments of Stocker & Feeder Cattle & Sheep; Egg Products-Liquid, Frozen, Solids Prod.	25
26	Sunday	Shipments of Stocker & Feeder Cattle & Sheep	Shipments of Stocker & Feeder Cattle & Sheep	Sunday	Shipments of Stocker & Feeder Cattle & Sheep	Shipments of Stocker & Feeder Cattle & Sheep	Sunday	Shipments of Stocker & Feeder Cattle & Sheep	Saturday	Egg Products-Liquid, Frozen, Solids Prod.	Holiday	Saturday	26
27	Honey Annual Summary						Saturday	Shorn Wool Prod.; Honey-Colonies of Bees, July 1	Sunday	Smooth Bromegrass, Crested Wheatgrass, Austrian Winter Peas Seeds		Sunday	27
28		Agri'l Prices (Incl. Veg. Price Rev.); Evap., Condensed & Dry Milk; Com. Livestock Slaughter & Meat Prod.	Saturday		Agri'l Prices; Evap., Condensed & Dry Milk; Com. Livestock Slaughter & Meat Prod.		Sunday	Turkeys Raised			Saturday		28
29		Saturday	Sunday	Meat Animals-Farm Prod., Disp. & Income; Poultry Slaughter & Processing	Holiday			Saturday		Poultry Slaughter & Processing	Sunday		29
30	Meat Meal & Tankage; Poultry Slaughter & Processing; Turkeys Raised (Incl. 1963 Rev.)			Agri'l Prices; Evap., Condensed & Dry Milk; Com. Livestock Slaughter & Meat Production	Saturday	Agri'l Prices; Evap., Condensed & Dry Milk; Com. Livestock Slaughter & Meat Prod.	Meat Meal & Tankage; Prod. of Mfrd. Dairy Products; Poultry Slaughter & Processing	Sunday	Agri'l Prices; Evap., Condensed & Dry Milk; Com. Livestock Slaughter & Meat Prod.	Agri'l Prices; Evap., Condensed & Dry Milk; Com. Livestock Slaughter & Meat Prod.	Agri'l Prices; Evap., Condensed & Dry Milk; Com. Livestock Slaughter & Meat Prod.	Agri'l Prices; Evap., Condensed & Dry Milk; Com. Livestock Slaughter & Meat Prod.	30
31	Agri'l Prices; Evap., Condensed & Dry Milk; Com. Livestock Slaughter & Meat Prod.			Agri'l Prices; Evap., Condensed & Dry Milk; Com. Livestock Slaughter & Meat Prod.	Sunday	Agri'l Prices; Evap., Condensed & Dry Milk; Com. Livestock Slaughter & Meat Prod.	Agri'l Prices; Evap., Condensed & Dry Milk; Com. Livestock Slaughter & Meat Prod.	Saturday				Evaporated, Condensed & Dry Milk; Com. Livestock Slaughter & Meat Prod.	31

* Part I--Apples, Sweet & Sour Cherries, Figs, Grapes, Nectarines, Peaches, Pears, Persimmons, Plums, Pomegranates & Prunes. Part II--Apples, Avocados, Cranberries, Dates & Olives. (O)-Oregon

2. *Effectiveness of Federal Reports Act.*—It is our belief that, as far as SRS is concerned, existing legislation is adequate for the protection of respondents against unreasonable or burdensome requests for information. Clearance regulations and review procedures of the Office of Statistical Standards, Bureau of the Budget, adequately provide for full consideration of each request for data from the public. The need for information, its availability on the part of respondents without undue burden, frequency, sampling plans, and clarity of questions are all thoroughly reviewed before approval is granted. There are no records retention requirements imposed by SRS on the public.

3. *Administrative controls.*—Review procedures for controlling public inquiry forms have been established and carefully followed in the Statistical Reporting Service and its predecessor agencies since the enactment of the Federal Reports Act in 1942. Personnel of the SRS field offices all may contribute recommendations on any public inquiry form mailed by their own offices. These recommendations are then reviewed by commodity specialists in the appropriate branch organizations of the Washington office of SRS. The entire operation is coordinated by the Office of the Secretary of the Crop Reporting Board where recommendations are reviewed as to need, appropriateness of questions, and relationship to other surveys. Prior to submission to the Bureau of the Budget for final review, clearance requests are reviewed by the Department Clearance Office for conformance with established policies and standards and for necessary intradepartmental referral and coordination.

Essentially the surveys conducted by SRS are of the repetitive type. The Statistical Reporting Service has had a continuing reporting relationship with a large number of respondents for many years and must give careful thought to probable respondent reaction to all questionnaires. We endeavor to avoid radical changes in any 1 year so as not to confuse respondents who are accustomed to particular questions, as well as to protect the continuity of our statistical series. Questionnaires are reviewed to eliminate any unnecessary questions, to insure proper and clear phrasing of questions to obtain the desired data, and to develop formats that provide for ease of reporting and summarization.

The studies of consumer preferences and attitudes, conducted by the Special Surveys Branch, are on a personal interview basis. Only a few studies are made each year. In 1963, for example, three consumer surveys were conducted, one relating to views toward various types of fluid milk; a second relating to young people's use and appraisal of natural and competing fibers; and a third relating to purchase and use of noncitrus fruits. In each case, the questionnaires are developed after consultation with subject matter specialists in the Department and in the interested industries. Preliminary questionnaires are then pretested with small groups of consumers to assure that questions are clearly understood and answerable and that survey procedures are workable.

4. *Current agency program for reducing the paperwork burden.*—In addition to the control procedures outlined above, the agency has several standard practices which it follows to reduce the burden on respondents. Master files of mailing lists of farm operators, dealers, processors, and other respondents are maintained in all field offices for the purpose of avoiding surveying any one individual too frequently. Cooperative arrangements are maintained with 46 of the States for the purposes of making more efficient use of the statistical services available, coordinating Federal-State interests, and eliminating duplication when similar data are needed by both the Federal and State Governments. To avoid conducting new surveys or requesting additional items of information on existing surveys, every available source of useful data collected by State and Federal regulatory agencies is utilized.

SRS is currently engaged in a special review of all of its reporting requirements, pursuant to a Presidential directive and Bureau of the Budget Bulletin 64-11, to reconsider needs for data and reduce burden on respondents through simplification or elimination of unnecessary items. This is an extensive project, involving referral of questionnaires that include items related to State programs to the field offices concerned for review and determination of State needs. The review is progressing satisfactorily, and will be completed as requested by the end of this calendar year. To date, we have reported to the Bureau of the Budget the simplification of six reports.

5. *Cost to agency for statistical work.*—The entire program of SRS is devoted to collecting, compiling, processing and publishing statistical reports. The SRS appropriation for fiscal 1963 was \$10,022,000. In addition, reimbursements from other agencies for collection and compiling data amounted to \$532,000, bringing the total in 1963 fiscal year to \$10,554,000.

6. *Man-hours devoted by public to completing reports.*—The amount of time devoted by respondents to completing SRS questionnaires during fiscal year 1963 is estimated at 840,000 man-hours. These man-hours are contributed by more than 1 million individuals who are contacted at one time or another throughout the year. This is based on an estimated average of about 15 minutes per mailed inquiry returned, and about 30 minutes per personal interview. For the mailed inquiry to farm operators, which represents the largest proportion of the SRS requests for data, the report can, of course, be completed at a time of the operator's choosing. Presumably that would be at a time that would least interfere with his farm operations.

7. *Internal records management program.*—The Office of Management Services of the Department provides support for the installation and upkeep of uniform records creation, filing, and disposition systems in SRS.

Since May 1961, the records disposition program has resulted in the retirement of 2,498 cubic feet of Washington, D.C., records from office space to the Federal Records Center. Requests for purchases of file cabinets are reviewed to determine need for new equipment. This review gives records personnel the opportunity to encourage records transfer to the Federal Records Center.

Uniform filing systems have been installed in several Washington offices and in most of the State statistician's offices in the field. The systems are updated yearly to meet new requirements and reviewed periodically.

Comprehensive disposition schedules have been developed for the Washington, D.C., and field office records and have received congressional approval. A schedule has been developed for automatic data processing input and output material. This ADP schedule covers the cards, tapes, and so forth, created by the SRS Data Processing Center for all USDA agencies.

In summary, we want to assure the committee of our full cooperation with its efforts to assure that reporting requirements are carefully reviewed to eliminate excessive paperwork and burden. We believe that the review and control procedures currently in effect are effectively meeting these objectives.

Mr. OLSEN. Generally, you do the work for the States?

Dr. TRELOGAN. Yes. They pay for it. Sometimes they contribute by putting their people in the office with our people. It is difficult to say who does what for whom. I am just saying we do it jointly. This is some of the administrative control that we engage in to avoid duplication of effort.

Mr. OLSEN. What chance is there that you could more rapidly report the results of your statistics through automatic data processing?

Dr. TRELOGAN. We are working on that, but there is considerable work required in developing the best system for converting data in field offices into media interpretable by machines, then transmitting it to Washington for final processing and preparation of reports. We believe that automatic data processing has a potential to speed up our work, but this will involve considerable expense to convert our present system and we have had no appropriations made for this particular purpose.

Mr. OLSEN. Do you have any supervision over the forms of the cooperating State agencies?

Dr. TRELOGAN. No; not over the State agency as such. Our statisticians work very closely with the State agencies and we give them benefit of professional help, but we have no authority over it.

Mr. OLSEN. If it is Federal funds, to the States or some contractor, do you have authority over them?

Dr. TRELOGAN. Yes. There we have to get Bureau of the Budget clearance whether we do it directly or indirectly.

Mr. OLSEN. Whether you do it directly or indirectly, if there are Federal funds, it has to have Bureau of the Budget approval?

Dr. TRELOGAN. Yes.

Mr. ABELE. Mr. Chairman, I would like to say I have heard just in the short time I have been in Congress a lot about the different studies that have been made. I am aware that you fellows have made a study or request that went out to the retail florists.

Dr. TRELOGAN. Yes.

Mr. ABELE. That was a profile of the retail florist industry. Did you or your department approve that study?

Dr. TRELOGAN. Yes. This was in Mr. Koffsky's Economic Research Service, if I recall.

Mr. KOFFSKY. That is right.

Mr. ABELE. Who received the benefit of that study?

Mr. KOFFSKY. This was an area in which there was a lot of interest. It is a growing area of importance and in this particular instance the florist association itself came to us and contributed \$40,000, which paid the entire cost of the work that we do for them. This was an instance where the industry itself wanted the information and where, of course, all the members were aware that the information was being requested.

Mr. OLSEN. Was it purely the florist interest or was there some public interest?

Mr. KOFFSKY. There is a public interest in this because this is an important and growing area in the economy and in times where farmers have difficulty in maintaining farm income, we are very much interested in those areas which are related to agriculture and which are growing. There is a real potential market here. But, as I say, the entire cost of this was borne by the Florist Telegraph Delivery Association and I just received notice last week that they wanted to contribute \$40,000 again next year.

Mr. OLSEN. Can't they do it themselves?

Mr. KOFFSKY. No; they don't have the survey facilities nor do they have what we would call the complete disassociation that our agency has. We are a factfinding agency, an analytical agency, and they prefer to have us do it than to go out into the public contracting field.

Mr. ABELE. They furnish all the mailing lists and everything?

Mr. KOFFSKY. Yes. We have the mailing list of their members.

Mr. OLSEN. Are those people who you survey just their members?

Mr. KOFFSKY. The sample also included some other members of related organizations.

Mr. OLSEN. This is a real difficult question as to public interest or whether it should be strictly the trade association's interest.

Dr. TRELOGAN. As a matter of policy, we have no interest unless we feel there is a public interest. We do not cooperate with them unless we feel there is a public interest in doing so. In this instance we regard this as related to the research work that we are charged to do in the field of marketing where we are trying to expand markets for American agricultural products. As Mr. Koffsky said, we are concerned with the surpluses of agricultural products.

We are looking for other ways of producing things that will give farmers a remunerative living without adding to the burden of our surpluses in the grains and cotton. This looks to us like one of the potential markets for agricultural resources that is not bound by the size of the human stomach, so to speak. We think it has potential for wide growth. We would like to get a better understanding of these markets and the directions they should go from the standpoint of in-

creasing the consumption and therefore the markets for our agricultural resources. That is the public interest that we see in this.

Mr. ABELE. Were the funeral directors interested in this information?

Dr. TRELOGAN. Not the funeral directors as such, no. They are customers. We were thinking here in terms of people who are in the production and distribution side that we are cooperating with.

Mr. OLSEN. Now, can we hear from Mr. Koffsky? If you will, highlight your presentation, and without objection, your entire statement will be made a part of the record at this point.

(The statement in full follows:)

PREPARED STATEMENT OF NATHAN M. KOFFSKY, ADMINISTRATOR, ECONOMIC RESEARCH SERVICE, U.S. DEPARTMENT OF AGRICULTURE

Mr. Chairman and members of the subcommittee, before turning to the seven specific items for which this subcommittee has requested information, I would like to clarify the role of the Economic Research Service, particularly as it relates to the collection of information from the public.

The Service conducts a long-established broad program of research concerned with the economic forces and developments affecting American agriculture and its people. Decisions are made every day based on data and other economic information furnished by the U.S. Department of Agriculture. This information is vital to the individual farmers planning their operations, to those in high places developing national agricultural policy, to the businessman concerned with the farm market both as a customer and as a source of supply and equally to American consumers who are concerned with food supplies and food costs.

The research program is concerned, therefore, with the economics of farm production focusing on the farm as the operating unit under the variety of conditions that prevail across the Nation. It is concerned with the use and development of resources used in agriculture such as land, water, labor, machinery, and fertilizer. It is concerned with the economic aspects of marketing farm products from the farm gate to the consumer. Finally, it is the source for a wide variety of economic information essential to evaluating the agricultural situation and outlook in this country, and the export opportunities for U.S. farm products.

With this in mind there are certain points I would like to bring to the attention of the subcommittee.

First, most of the ERS statistical activities are analytical in nature and based on data collected by other agencies and for other purposes. For example, the statistics collected by the Statistical Reporting Service on crop and livestock production and prices received by farmers for major commodities are used to estimate farm income. In certain areas of research, where statistical programs of other agencies do not meet our needs, we do collect supplemental information. But out of total expenditures of roughly \$5½ million for statistical activities by ERS, direct collection by this agency and costs associated with it account for about \$500,000. In addition, another \$100,000 is spent for collection and analysis of data through other agencies, usually as supplemental questions attached to periodic surveys.

Second, some of our studies involving primary data collection are carried out in response to requests from other agencies and financed by them. In 1963, for example, surveys were made for the Agricultural Stabilization and Conservation Service relating to the operation of the feed grain program and to the costs of handling and storing price-supported commodities. A study of food distribution in schools and through public welfare agencies was made for the Agricultural Marketing Service. The Florists Telegraph Delivery Association provided funds to collect information from their members on the structure of their industry.

Third, in every instance our requests for information for ERS programs from farmers, or marketing firms or the public are voluntary. No one is required to supply information.

Now I will turn to the specific items requested by the subcommittee.

1. *Volume of paperwork.*—The number of reports requested of the public by the Economic Research Service and its predecessor agencies has been substantially reduced since 1955. Individual responses to questionnaires requested dropped from 76,102 in 1955 to 47,339 in 1963. Most of the decline resulted from the elimination of a weekly report on poultry slaughter. This report was

initiated as a research project, and upon completion of the research phase the survey was conducted by Poultry Market News (AMS). This report became unnecessary when similar information became available from poultry inspection activities. Otherwise, the reporting needs for ERS programs in total were about the same in 1963 as in 1955.

Of the 47,000 responses to questionnaires in 1963, about 14,000, or 30 percent, were in response to personal interviews and 33,000 were in response to mailed inquiries.

2. *The effectiveness of the Federal Reports Act of 1942.*—So far as this agency is concerned, the Federal Reports Act of 1942 has been highly effective in guarding against the growth of unnecessary paperwork. We do not feel the need for additional legislation along these lines. We do not impose any requirements for records retention on the part of respondents in our studies.

3. *Administrative controls to protect the public.*—First of all, as indicated previously, all of our inquiries for ERS programs are voluntary so far as the public is concerned. Potential respondents are free to refuse participation, which they frequently do. Secondly, all survey plans involving 10 or more respondents must be cleared with the Office of Statistical Standards, Bureau of the Budget. Third, the Department of Agriculture has its own clearance officer who must review and approve, or suggest modification or withdrawal of all such plans before they are sent to the Bureau of the Budget. Fourth, each research project is subject to approval by the Administrator of the agency, or his deputy, after clearance by other interested agencies through the Department's Central Project Office. And finally, each survey plan is reviewed by competent and experienced professional personnel within the research branch and division before it is sent forward for further clearance. The survey plan at each stage of review is carefully scrutinized to detect and delete any unnecessary burden on the public. Moreover, as shown below, new techniques are developed to minimize the burden on individual respondents. In general, we firmly believe the administrative controls we now have are fully adequate for the purpose.

4. *Current agency programs for reducing the paperwork burden.*—A special review of all current reporting requirements is underway in response to Bureau of the Budget Bulletin No. 64-11, dated March 16, 1964. The purpose is to simplify and eliminate reporting requirements. Following are examples of ways in which reporting requirements have been reduced.

Periodic surveys of farmers are made to obtain information on farm practices and production expenses as a basis for our series on costs and returns of typical commercial family farms. Recently a reduction of 30 percent in coverage and of 25 percent in items included in the schedule were effected for surveys of northeast dairy farms. Comparable reductions of coverage and items included are planned for surveys of dairy farms in eastern Wisconsin, and in western Wisconsin and southeastern Minnesota; cotton farms in the High Plains of Texas; broiler farms in the Delmarva Peninsula; and western livestock ranches. This will represent a substantial decrease in the number of farmers interviewed and a reduction in interview time because of the elimination of a number of questions previously asked.

Currently, experiments are being conducted regarding sampling techniques for obtaining basic information on farm real estate taxes. If the experiments prove successful, it will be possible to reduce the number of questionnaires by 20 percent, or 800, beginning in 1966. This will represent a substantial reduction in the reporting load of county tax officials.

Mail questionnaires have been used to determine the number of days' supply of food products in inventory in retail food stores and in wholesale food warehouses. The surveys were initiated at the request of the Office of Civil Defense. To minimize the burden of response a technique was used in which each respondent was asked to count only a part of his inventory. Thus, retailers included in the sample were asked to report inventories of only four commodities. The commodities varied from store to store so all commodities having significant food value were covered. In the wholesale study, each establishment was asked to furnish physical inventory information for a sample of commodities, usually six or less.

A national mail survey of retail florists in process provides another example of how we are taking measures to reduce the burden of work for respondents in our research. The sample and questionnaire were divided into two parts. One subsample of respondents received one part of the questionnaire, and the other subsample received the other part of the questionnaire. Thus, the burden of respondents was reduced approximately 50 percent. In addition, prior to

splitting, the questionnaires were carefully reviewed to eliminate all questions that could be answered from published sources.

5. *Estimated cost to ERS.*—As of June 30, 1963, some 605 people in the Economic Research Service were engaged in statistical activities. The estimated annual personal service cost for statistical work was \$4,761,026. Usually, personal service accounts for 83 to 85 percent of total cost. On this basis, the total cost for statistical activities in ERS in fiscal year 1963 was \$5.6 to \$5.7 million. However, much of this had to do with analyses and report preparation based on data obtained from other Federal agencies and other sources including trade papers and journals.

Exact records are not available of costs associated with data collecting, compiling, processing, publishing, filing, storing or disposing of forms, records, and reports. But with a total of less than 50,000 individual responses to questionnaires in 1963 the cost associated with data collection, processing, and publishing amounted to only about 10 percent of the cost of all statistical activities. Many questionnaires were short and were collected by mail. The cost per schedule for such questionnaires, including processing and publication, ranged from \$3 to \$4. At the other extreme, some questionnaires used in enumerative surveys cost as much as \$40 per schedule. The average cost for all schedules was \$10 to \$11. The total cost of data collecting and reporting in ERS in fiscal 1963 is estimated at around \$500,000. In addition, \$100,000 was expended for data collection by other agencies and associated costs.

6. *Estimated man-hours required by respondents to complete reports.*—An estimated 25,000 man-hours were required to complete all report forms sent out by ERS to industry, business, and the public in 1963. The average time required per mailed inquiry response was about 20 minutes and for personal interviews, about 1 hour, resulting in an average time per form of slightly over 30 minutes. About 14,000 man-hours were required for personal interviews and 11,000 man-hours for mailed responses. Studies for other agencies or organizations accounted for 4,000 man-hours of the total.

In addition to the foregoing, the Economic Research Service requested other Federal agencies to use their regular data-gathering facilities specifically for data collection for ERS. Since this was usually added on to existing surveys, the average duration of the responses was short—only about 9 minutes per respondent. Approximately 25,000 man-hours were required to complete the portion of the report forms devoted specifically to ERS inquiries.

7. *Records management program for the Economic Research Service.*—The Office of Management Services provides for the installation and upkeep of uniform records creation, filing, and disposition systems in ERS. This includes studies and inspections both in the District of Columbia and the field offices to improve records management activities.

Uniform filing systems have been developed and are being installed throughout the Service under a strict time schedule.

Since May 1961 when ERS was established, the records disposition program has resulted in the retirement of 915 cubic feet of Washington, D.C., records from office space to the Federal Records Center. Generally, basic records of studies or surveys including schedule forms, punchcards, tabulations, and correspondence are retained for periods ranging from 6 months to 2 years after final reports or tabulations are published. This provides opportunity for checking if that becomes necessary and in some instances for further research analysis. These records do not have to be maintained on site but can be and sometimes are stored in the Federal Records Center or attic depository in the U.S. Department of Agriculture for the remainder of the retention period.

In conclusion, we are cognizant of the problem of the reporting burden resulting from the increasing statistical needs of our society. We believe we have an effective program in ERS to hold these needs to a minimum consistent with our responsibilities.

Mr. KOFFSKY. Our situation reports are an illustration of how ERS uses the data collected by SRS.

Mr. OLSEN. How often are your reports published?

Mr. KOFFSKY. We put out over 80 situation and outlook reports per year covering various commodity groups, farm income, marketing, et cetera.

Mr. OLSEN. Are they regularly published?

Mr. KOFFSKY. Yes, sir. Here, too, we have a schedule which is

established before the beginning of the new year and indicates the dates on which these reports will be released.

Mr. OLSEN. I wanted to commend you for your keeping the decision about statistical gathering at a high level and not permitting forms to be approved and required at very low level. I think it is well that these decisions be made by the leadership in the Department.

I think if you have better control you are less apt to get into areas where you are requiring too much.

I am reminded that we have had some criticism by private business people that a Department of Labor report required 36 hours of work, to transpire from the bookkeeping of the businessman and put it into a form. The BLMR said that the form only took 36 minutes, so I wondered how accurately do you know your figure of 20 minutes to be the required time for the response to be made.

Mr. KOFFSKY. Well, we keep rather accurate records in terms of the personal interviews, where the person who is doing the interview marks down the time he started and the time he finished. These are all tabulated and that estimate of 1 hour on the personal interview, Mr. Ogren tells me, is quite good.

On the mail inquiries, of course, the average of 20 minutes was based on our judgment, or in terms of what we consider the time it would take to fill them out.

Mr. OLSEN. If people are doing it or have been doing it for years, it should be quite simple.

Dr. TRELOGAN. In our case they are quite familiar with it. We try to keep the format the same. They can put the numbers in rather simply.

Mr. ABELE. I imagine it is quite a job to get the questionnaire in the form so that the respondent will have in mind the same question. I imagine it takes a lot of work to get that actual question worked out.

Dr. TRELOGAN. That is correct, sir. It is far more complex than appears on the surface because in agriculture we have a considerable divergency between the weights and measures that are used, between qualities and things of that sort. We try to get these standardized in a way that we do not shift the basis on which respondents report.

Mr. ABELE. It would be very difficult to figure out after you get the completed form that this particular respondent was thinking the same thing that the neighbor was.

Dr. TRELOGAN. That is right. One of our problems is we have to tailor some of these questionnaires according to area of the country in order to communicate in the language commonly used by farmers in each area.

Mr. OLSEN. One thing we ought to have for the record is a diagram that would describe the activities of the Statistical Reporting Service and of the Economic Research Service and also the Agricultural Marketing Service, a diagram that will show where they overlap and where they serve each other without duplication.

Could you give us such diagram?

Dr. TRELOGAN. I think I can give you such a diagram, but I can assure you ahead of time there is no overlap in the sense of repetition. That is one of the reasons for the agencies being organized as they are, to avoid any overlap of activity.

(Organization charts, showing responsibilities of Statistical Reporting Service, Economic Research Service, and Agricultural Marketing Service follow:)

Mr. OLSEN. Just to dwell on it for a minute. You gather all the statistics?

Dr. TRELOGAN. We are a statistical gathering agency. We confine our activity to that; yes.

Mr. KOFFSKY. We do the economic research for the Department.

Mr. OLSEN. You do not gather statistics?

Mr. KOFFSKY. We gather supplemental statistics for the research program.

Dr. TRELOGAN. We give them grist for their mill. On additional research studies we may not get the data they need in our regular data-gathering process. If they can do it cheaper, they may do it themselves.

Mr. OLSEN. You say that at times it is not practical, for ERS to ask SRS for the information?

Dr. TRELOGAN. At times it would be more expensive for us to do the job than for them to do it themselves, particularly on a one-time survey.

Mr. KOFFSKY. For example, where we have a very small number of respondents, but the survey involves a rather detailed questionnaire on the organization and practices of wheat farms, our own people would be more qualified to do it.

Mr. OLSEN. ERS can sometimes gather statistics cheaper, but for the most part SRS is the statistical gathering agency.

Mr. KOFFSKY. That is correct.

Mr. OLSEN. When you say "for the most part," you are talking about more than 90 percent?

Dr. TRELOGAN. Yes.

Mr. OLSEN. Is there a particular reason why all of this activity isn't just at one place?

Dr. TRELOGAN. Purely efficiency. We feel sometimes that the research man for a particular job can get it better than we actually can retrain our staff. It becomes quite a training job to prepare for a one-time survey, especially a highly specialized survey which obtains information from a relatively few people.

Mr. OLSEN. Is it necessary for you to have more than one office? You have an economic research service, as well as a statistical reporting service, and you have two different offices.

Dr. TRELOGAN. Historically these have been combined and separated and put back together again, and this goes through cycles over the years, and in the most recent reorganization we were established in this way.

Now, generally, what has happened is that the statistical gathering function in the past has sometimes been appended to the economic analytical work, and sometimes to the agricultural marketing work. They finally reached the conclusion that there was a distinct, specialized function in itself that merited separate administration rather than to try to get different people administering it at different times. That was the conscious decision of the current administration in establishing this agency.

Mr. OLSEN. Mr. Corcoran, our staff counsel, has a question on this point.

Mr. CORCORAN. Last year when the subcommittee did a study of statistical activities in the Federal Government, I think we had our greatest trouble with the Department of Agriculture, because of this

MAY 29 1961

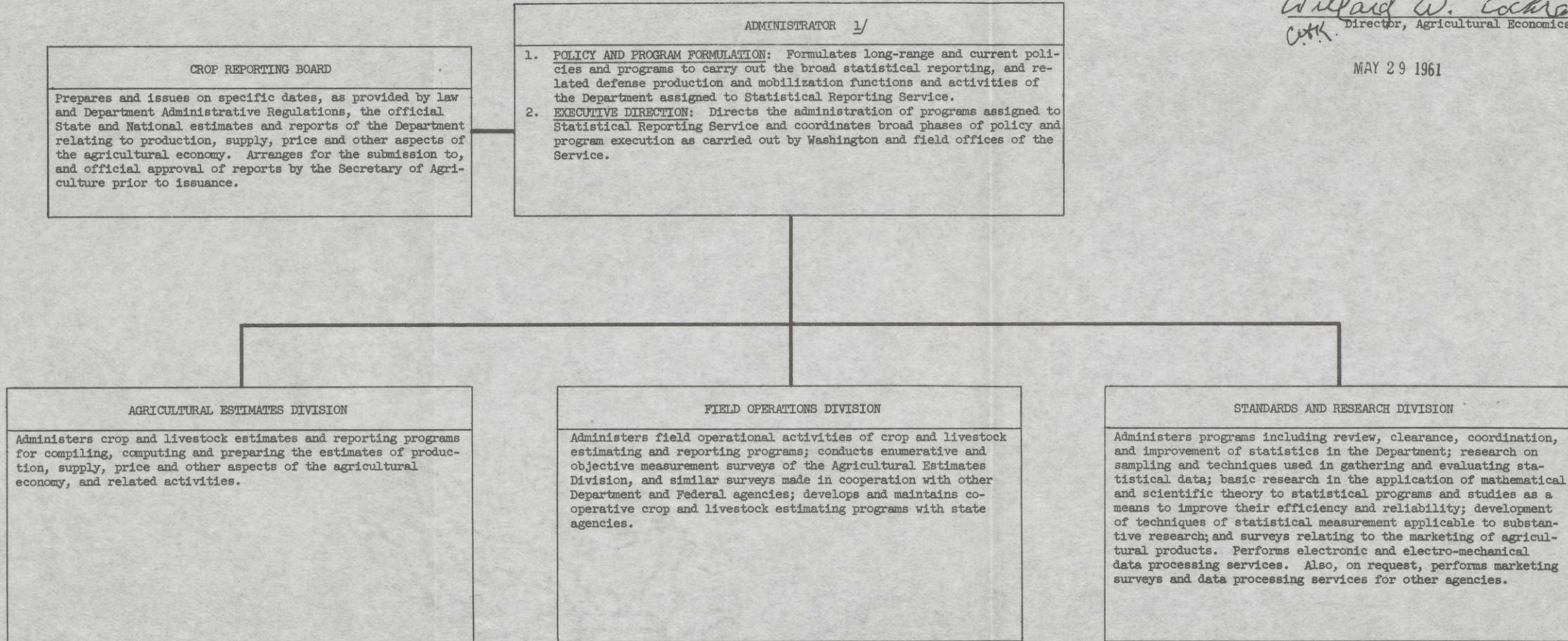
RECOMMENDED:

Harry C. Trelogan
Administrator, Statistical Reporting Service

APPROVED:

Willard W. Cochran
Director, Agricultural Economics
W.W.C.

MAY 29 1961



1/ Management services are provided by the Management Operations Staff.

New Chart.

Introduction
The purpose of this report is to provide a comprehensive overview of the project's objectives, scope, and methodology. It details the research process, data collection methods, and the analysis of results. The report is structured to guide the reader through the project's progression from initial goals to the final conclusions.

Methodology
The methodology employed in this study is a combination of qualitative and quantitative research methods. Data was collected through a series of interviews and surveys, which were then analyzed using statistical software to identify trends and correlations. The research design was chosen to ensure the reliability and validity of the findings.

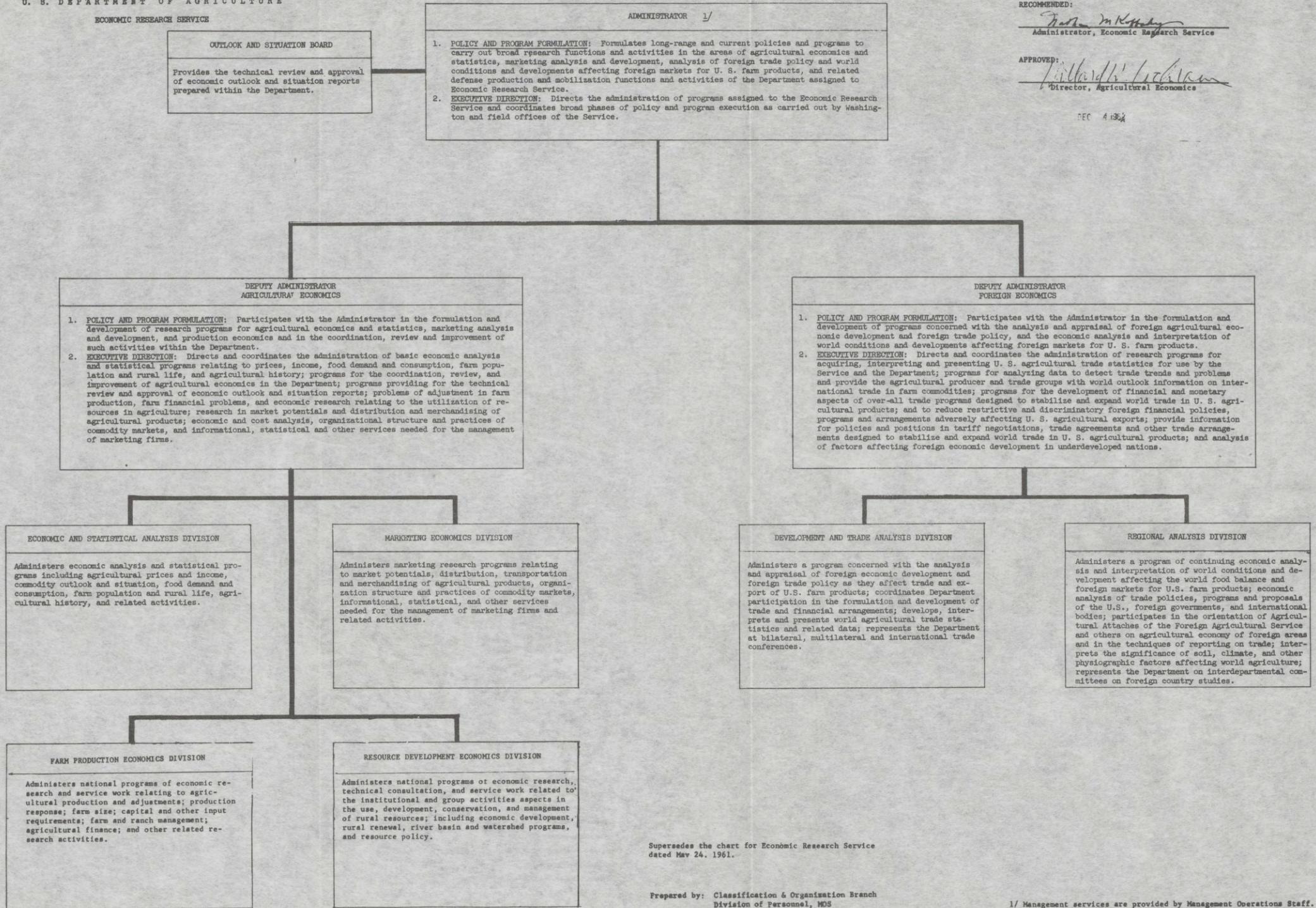
Results and Discussion
The results of the study indicate a significant correlation between the variables investigated. The data shows that as the independent variable increases, the dependent variable also tends to increase. This finding is supported by the statistical analysis, which shows a strong positive correlation. The discussion explores the implications of these results and compares them with existing literature in the field.

Conclusion
In conclusion, the study has successfully identified the relationship between the variables under investigation. The findings suggest that there is a clear and significant link between the two variables. Further research is recommended to explore the underlying mechanisms of this relationship and to test the results in a broader context.

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The following references were consulted during the research process:
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U. S. DEPARTMENT OF AGRICULTURE

ECONOMIC RESEARCH SERVICE



OUTLOOK AND SITUATION BOARD

Provides the technical review and approval of economic outlook and situation reports prepared within the Department.

ADMINISTRATOR 1/

- POLICY AND PROGRAM FORMULATION:** Formulates long-range and current policies and programs to carry out broad research functions and activities in the areas of agricultural economics and statistics, marketing analysis and development, analysis of foreign trade policy and world conditions and developments affecting foreign markets for U. S. farm products, and related defense production and mobilization functions and activities of the Department assigned to Economic Research Service.
- EXECUTIVE DIRECTION:** Directs the administration of programs assigned to the Economic Research Service and coordinates broad phases of policy and program execution as carried out by Washington and field offices of the Service.

RECOMMENDED:
John M. Kennedy
 Administrator, Economic Research Service

APPROVED:
Richard L. Johnson
 Director, Agricultural Economics

DEC 4 1964

DEPUTY ADMINISTRATOR AGRICULTURAL ECONOMICS

- POLICY AND PROGRAM FORMULATION:** Participates with the Administrator in the formulation and development of research programs for agricultural economics and statistics, marketing analysis and development, and production economics and in the coordination, review and improvement of such activities within the Department.
- EXECUTIVE DIRECTION:** Directs and coordinates the administration of basic economic analysis and statistical programs relating to prices, income, food demand and consumption, farm population and rural life, and agricultural history; programs for the coordination, review, and improvement of agricultural economics in the Department; programs providing for the technical review and approval of economic outlook and situation reports; problems of adjustment in farm production, farm financial problems, and economic research relating to the utilization of resources in agriculture; research in market potentials and distribution and merchandising of agricultural products; economic and cost analysis, organizational structure and practices of commodity markets, and informational, statistical and other services needed for the management of marketing firms.

DEPUTY ADMINISTRATOR FOREIGN ECONOMICS

- POLICY AND PROGRAM FORMULATION:** Participates with the Administrator in the formulation and development of programs concerned with the analysis and appraisal of foreign agricultural economic development and foreign trade policy, and the economic analysis and interpretation of world conditions and developments affecting foreign markets for U. S. farm products.
- EXECUTIVE DIRECTION:** Directs and coordinates the administration of research programs for acquiring, interpreting and presenting U. S. agricultural trade statistics for use by the Service and the Department; programs for analyzing data to detect trade trends and problems and provide the agricultural producer and trade groups with world outlook information on international trade in farm commodities; programs for the development of financial and monetary aspects of over-all trade programs designed to stabilize and expand world trade in U. S. agricultural products; and to reduce restrictive and discriminatory foreign financial policies, programs and arrangements adversely affecting U. S. agricultural exports; provide information for policies and positions in tariff negotiations, trade agreements and other trade arrangements designed to stabilize and expand world trade in U. S. agricultural products; and analysis of factors affecting foreign economic development in underdeveloped nations.

ECONOMIC AND STATISTICAL ANALYSIS DIVISION

Administers economic analysis and statistical programs including agricultural prices and income, commodity outlook and situation, food demand and consumption, farm population and rural life, agricultural history, and related activities.

MARKETING ECONOMICS DIVISION

Administers marketing research programs relating to market potentials, distribution, transportation and merchandising of agricultural products, organization structure and practices of commodity markets, informational, statistical, and other services needed for the management of marketing firms and related activities.

DEVELOPMENT AND TRADE ANALYSIS DIVISION

Administers a program concerned with the analysis and appraisal of foreign economic development and foreign trade policy as they affect trade and export of U.S. farm products; coordinates Department participation in the formulation and development of trade and financial arrangements; develops, interprets and presents world agricultural trade statistics and related data; represents the Department at bilateral, multilateral and international trade conferences.

REGIONAL ANALYSIS DIVISION

Administers a program of continuing economic analysis and interpretation of world conditions and development affecting the world food balance and foreign markets for U.S. farm products; economic analysis of trade policies, programs and proposals of the U.S., foreign governments, and international bodies; participates in the orientation of Agricultural Attaches of the Foreign Agricultural Service and others on agricultural economy of foreign areas and in the techniques of reporting on trade; interprets the significance of soil, climate, and other physiographic factors affecting world agriculture; represents the Department on interdepartmental committees on foreign country studies.

FARM PRODUCTION ECONOMICS DIVISION

Administers national programs of economic research and service work relating to agricultural production and adjustments; production response; farm size; capital and other input requirements; farm and ranch management; agricultural finance; and other related research activities.

RESOURCE DEVELOPMENT ECONOMICS DIVISION

Administers national programs of economic research, technical consultation, and service work related to the institutional and group activities aspects in the use, development, conservation, and management of rural resources; including economic development, rural renewal, river basin and watershed programs, and resource policy.

Supersedes the chart for Economic Research Service dated May 24, 1961.

Prepared by: Classification & Organization Branch
 Division of Personnel, MOS

1/ Management services are provided by Management Operations Staff.

THE UNIVERSITY OF CHICAGO
DEPARTMENT OF CHEMISTRY
RESEARCH REPORT NO. 1000
BY
J. H. GOLDSTEIN AND
R. F. W. WILSON
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organizational problem. We had, as I remember, about three different divisions of Agriculture. The Economic Research Service, the Statistical System Reporting Service, and the Agricultural Marketing Service.

Dr. TRELOGAN. The AMS would be primarily for market newswork, I guess.

Mr. CORCORAN. Right.

To pull out the people we would characterize as being statistical in nature. That is, statistical employees.

Mr. TRELOGAN. Yes.

Mr. CORCORAN. We were also put into difficulty because we could not make any historical comparison—we were working on 1963 figures at that time—with your earlier data because you, in the meantime, had made some split in these functions, assigning these people into other units.

It was probably very proper and let us say administratively sound practice to divide. On the other hand, to the outsider it looked as though you were trying, to some extent, to spread the number of statistical employees over a wider organization base, for the first point, and the second point, it made it difficult for us here to find out how many statistical people you had.

Dr. TRELOGAN. The last part would not be a conscious intention, but this goes to the point I was making a while ago. There are various ways of organizing all the activities of the Department and the statistical work is a very good illustration since over the years it has been appended to one type of activity, and then another. The principal data collection activity of SRS is at the farm level.

Now, the Agricultural Marketing Service maintains the Market News Service, because their employees work in the major market places. We try to establish our offices at the State capital or wherever the State statistical agency would be, and it is rare to find the major market and the State capital in the same city. So the Agricultural Marketing Service reporting the data from the market can organize that work separately, in the judgment of the administration, quite as efficiently as if it were included in with the rest of the statistical work in this agency.

Now, as I indicated to you a while ago, in the Economic Research Service, it is purely a matter of economy, as we look at it, to have them do some of these kinds of services.

Mr. OLSEN. How many different forms do you use?

Dr. TRELOGAN. I will ask Mr. Grant to respond to that.

Mr. GRANT. The Department has approved, on record with the Bureau of the Budget, some 790 different repetitive reporting requirements. In addition to that, we have every year about 150 single-time studies involving collection of data from the public. The number 790, however, needs to be clarified to the extent that we have consolidated relatively homogeneous types of forms under single numbers, in order to cut down the paper flow between the Department and the Bureau of the Budget and recordkeeping in both agencies. The actions that take place then may, for each approval number, represent several forms.

Mr. OLSEN. The Bureau of the Budget shows a net increase of 154 forms or reports in the Department of Agriculture.

Mr. GRANT. I believe that was a decrease, Mr. Chairman.

Mr. OLSEN. I am sorry.

Mr. GRANT. This, I may say, was the result of a conscious effort to cut down this paper flow. It represented for the most part a consolidation of these closely related forms under single numbers, rather than having separate numbers, separate clearance request, and separate pieces of paper going through—

Mr. OLSEN. You still have the same number of forms?

Mr. GRANT. Approximately. As indicated in the statement of Dr. Trelogan.

Mr. ABELE. Have you figured out what is the number of forms the average farmer would receive during the year?

Dr. TRELOGAN. I didn't get a chance to treat that but generally what we do is keep master files of the lists of farmers so we make sure that we don't go too often to the same farmers. One reason for the number of forms, our agriculture is changing quite drastically to a much more highly specialized business. You will recognize we have many fewer farms today than 20 years ago. We have much larger farms, but more importantly, much more highly specialized farms.

Now, this means that the old general-purpose surveys that we used to be able to send to farmers generally, who were much more alike and homogeneous than they are today, are not efficient. These would waste the farmers' time, and ours, too. And consequently we try to tailor make our forms to the specializations in which the farmers are engaged. We take our samples directly from them. It makes for shorter forms and fewer questions, getting right to the heart of subjects that we are interested in.

Mr. ABELE. On the one pamphlet that you have there—would you hold that up a moment—that is "Commercial Wheat Farms"?

Mr. KOFFSKY. Yes.

Mr. ABELE. What is your definition of a commercial wheat farm?

Mr. KOFFSKY. Commercial would be a farm with over \$2,500 in annual sales. Actually, this level is moving on up so that most of these farms sell much more than \$5,000. In this work, we attempt to determine a typical commercial producer.

Mr. OLSEN. For the record, I think we should have from Mr. Grant a list of the forms that were eliminated. Could you supply that?

Mr. GRANT. Yes, sir.

(Listing of forms discontinued or simplified under special review pursuant to Budget Bureau Bulletin 64-11, to June 1, follows:)

Department of Agriculture reports discontinued to June 1, 1964, under President's Mar. 10, 1964, memorandum, "Simplification or Elimination of Reports to the Government"

Agency	Budget Bureau number (code 40-R)	Title	Annual number of responses
Agricultural Marketing Service.....	435	Request for cotton price quotations and market information.	(¹)
	3243	Inspection of manufacturing and use of cotton bagging for cotton bales.	15
Agricultural Research Service.....	2099	Report of USROP matings and turkey reproduction tests.	3
	3163	Application for classification of U.S. performance-tested parent stock.	45
Agricultural Stabilization and Conservation Service.	2615	Report and penalty receipt for wheat not marked by marketing card, certificate, or intermediate buyer's record.	5,000
	2616	Wheat marketing certificate.....	10,000
	2617	Intermediate buyer's record and report....	25,000
	2770	Mainland sugar production and marketing report.	48
Economic Research Service.....	2879	Credit and financial situation, grade A dairy operators; Wisconsin Hog, Beef, Corn Belt.	200
	3158	Production labor costs.....	150
	3263	Grain storage and handling costs in commercial warehouses.	45
	3299	Retail store audit study of superconcentrated apple and grape juices.	270
Forest Service.....	2498	Forest tree nursery inquiry.....	110
Rural Electrification Administration.	1963	Operating budget—REA co-ops buying TVA power.	55
	3058	Tabulation of low bid for general contract.	450
	3322	Rural areas development survey.....	1,880

¹ Minor.

Department of Agriculture reports simplified Mar. 10 to June 1

Agency	Budget Bureau Number (code 40-R)	Title	Annual Number of responses	Equivalent reduction
Agricultural Marketing Service.	437	Request for Cotton Price Quotations and Market Information.	1,800	180
	3074	Application for Inspection Services on Poultry Products Not Frozen in Official Plants.	200	150
Economic Research Service.	3087	Fresh Pork Survey.....	240	36
	3173	Beef Operations Survey.....	280	42
Farmer Cooperative Service.	3261	Pork Operations Survey.....	60	30
	149	Survey To Identify Farmer Cooperatives.	500	Minor
Federal Crop Insurance Corporation.	3308	Annual Study of Farmer Cooperatives.	1,200	180
	2644	Combined Crop Insurance Acreage Report.	5,500	550
Forest Service.....	2929	Endorsements to FCI Regulations....	750	Minor
	1809	Pole Receipts at Yards.....	21	4
Rural Electrification Administration.	3097	Progress Report, Cooperative Forest Management.	100	50
	3186	REA, Central Office Equipment, Acceptance Test Results.	150	Minor
Statistical Reporting Service.	047	June Livestock Survey.....	212,000	51,000
	123	Fall Acreage Survey.....	213,433	4,268
	302	Potato and Sweetpotato Inquiries....	14,038	2,800
	132	Peanut Inquiries (April and November.)	3,315	265
	134	December Livestock Survey (10 States).	218,000	54,000
	1491	Survey of Wheat, Barley, and Sorghum Growing Practices.	31,056	4,660

Mr. OLSEN. Now, this isn't something to heckle you with, but I have often been on the receiving end of the criticism of Government that there are more employees in the Department of Agriculture than there are farmers in the country. Do you have any statistics on this?

Dr. TRELOGAN. Do you mean for our work?

Mr. OLSEN. Do you know whether or not there are more employees in the Department of Agriculture than there are farmers reporting to you?

Dr. TRELOGAN. That is facetious. We are getting several million reports from farmers, and we don't have millions of employees.

Mr. OLSEN. In the Department of Agriculture, how many employees are there?

Dr. TRELOGAN. Under 100,000, as I understand it—it varies seasonally. Sometimes it goes over.

Mr. OLSEN. I am serious.

Dr. TRELOGAN. I am serious, too.

Mr. OLSEN. I want to be serious in my answer to people who say this to me. There are a lot of people in the country who describe the Federal Government as though it was a foreign power. I am going out on the firing line pretty soon now. Perhaps you could send up a short note we could put in the record showing the number of employees in the Department of Agriculture, and perhaps you could even show us some ratio over a number of years. The number of employees in the Department of Agriculture and how many farmers. The number of farmers is going down.

Mr. KOFFSKY. A great many of the activities of the Department are not involved with farmers.

Mr. OLSEN. You can make some mention of that.

(The information follows:)

Comparison of number of farms in the United States with average annual employment in U.S. Department of Agriculture, 1954-63

Year	Number of farms in the United States ¹	Average annual employment U.S. Department of Agriculture (man-years) ²	USDA employees per 100 farms
1954.....	4,798,200	63,609	1.3
1955.....	4,653,800	64,191	1.4
1956.....	4,514,100	69,423	1.5
1957.....	4,371,700	74,215	1.7
1958.....	4,232,900	77,264	1.8
1959.....	4,097,300	79,998	2.0
1960.....	3,949,000	81,585	2.1
1961.....	3,811,000	85,238	2.2
1962.....	3,688,000	89,168	2.4
1963.....	3,572,700	94,527	2.6

¹ Excluding Alaska and Hawaii.

² Fiscal year.

(The following table is also supplied, in response to Congressman Olsen's last statement. This classification of the Department's employees indicates the considerable extent to which programs provide benefits to consumers, businessmen, and the general public.)

U.S. DEPARTMENT OF AGRICULTURE

Man-years of employment, fiscal year 1963 (as financed from all sources of funds including appropriations, advances and reimbursements, trust funds, corporate and revolving funds, and allocations from other departments and agencies)

Programs which clearly provide benefits to consumers, businessmen, and the general public:

Programs having foreign relations and defense aspects:

Sales of surplus agricultural commodities for foreign currencies.....	}	193
Emergency famine relief to friendly peoples.....		
Long-term supply contracts.....		
International wheat agreement.....		13
Transfer of bartered materials to supplemental stockpile.....		56
Payments to Veterans' Administration and armed services under sec. 202 of the Agricultural Act of 1949, as amended, for milk and other dairy products used in excess of normal requirements.....		1
Total.....		263

Food distribution programs:

Purchase and distribution of surplus agricultural commodities.....	263
Pilot food stamp plan.....	116
School lunch program.....	129
Special milk program.....	57
Total.....	565

REA and FHA loan programs:

REA loan programs.....	974
FHA loan programs.....	5,400
Total.....	6,374

Long-range programs for the improvement of agricultural resources, including research, meat inspection, disease and pest control, education, market development and services, protection of soil and water resources, and forest and public land management:

Forest Service.....	28,098
Agricultural Research Service.....	17,923
Soil Conservation Service.....	16,922
Federal Extension Service.....	244
Cooperative State Research Service.....	88
Agricultural Marketing Service, marketing research and service and related activities.....	7,486

Other:

Accelerated public works (funds allocated by Department of Commerce).....	3,343
Statistical Reporting Service.....	1,210
Federal Crop Insurance Corporation.....	984
Economic Research Service.....	957
Office of the Inspector General.....	829
Foreign Agricultural Service.....	605
All other.....	1,896
Total.....	80,585
Total.....	87,787

Man-years of employment, fiscal year 1963 (as financed from all sources of funds, including appropriations, advances and reimbursements, trust funds, corporate and revolving funds, and allocations from other departments and agencies)—Continued

Other programs which are predominantly for stabilization of farm income, but which also benefit others:	
Agricultural conservation program.....	567
Conservation reserve program.....	157
Cropland conversion program.....	14
CCC price-support, supply, and related programs:	
CCC price-support program.....	3, 994
Acreage diversion and price-support payments on feed grains and wheat.....	595
National Wool Act program.....	41
Other activities, principally acreage allotments and marketing quotas and grain storage.....	1, 246
Total.....	5, 876
Sugar Act program.....	126
Total ¹	6, 740
Grand total ¹	94, 527

¹ Excludes committeemen and employees of the ASCS county committees since they are not Federal employees.

Mr. OLSEN. There are still less than 150,000 employees?

Dr. TRELOGAN. I think a more appropriate number would be under 100,000, but it varies seasonally.

Mr. OLSEN. On the question of your statistics on pigs, you know there are more statistics on cattle and pigs and milk cows than there are on people. I wondered specifically with respect to pigs, do you have the inventory of pigs in the country, and the various brackets?

Dr. TRELOGAN. You are correct in what you say, sir. Every January 1 we estimate the entire hog inventory. During the year we estimate the pig crop quarterly in 10 important States and semiannually in the remainder.

Mr. OLSEN. Is it under 1 year, 2 years, 3?

Dr. TRELOGAN. We estimate the hogs now by weight groups. We find this is more accurate for the purpose we have in mind. We have just changed this year to a weight-group classification, rather than an age classification. We also have the breakdown by sex, but not by breeds.

Mr. OLSEN. This is for marketing purposes; of course?

Dr. TRELOGAN. For marketing purposes; that is correct.

Mr. OLSEN. And the same for cattle?

Dr. TRELOGAN. The same would be true, I think, for cattle. It used to be many years ago we could get by with just an annual inventory for cattle. The first breakdown that agricultural interests wanted was the breakdown between dairy cattle and beef cattle. The next thing needed, in order to estimate milk production on the one hand and meat production on the other, was to know whether they were males or females. Then we had to know what age classification they were in, for example, heifers under 2 years of age, and cows 2 years of age and over.

Now, for cattle we not only need to know the type of the cattle and age of cattle, we need to know how long they have been on feed, their sex, what part of the country they are in, any information that is

indicative as to when they are going to come to market, and about what weight they will be.

Mr. OLSEN. We are making some effort toward increasing paperwork, ourselves, in a committee I am on, and another committee I know of believes we should have a mid-decade census.

Dr. TRELOGAN. We are sympathetic with some of your problems. The Bureau of the Census has a 5-year agricultural census, which has provided the basis for making revisions in our current estimates, but we have found that agriculture is changing so fast that it does not give us appropriate benchmarks for some of our estimates within the 5-year period. Further, an additional year or two can elapse before we get the new benchmark data, when you consider the time it takes to process and publish the data.

Within 6 or 7 years, a drastic change takes place in American agriculture. Between the 1954 and 1959 census the number of farms keeping dairy cattle was reduced by about 40 percent. The same is true of the farms keeping chickens. Now, this is a drastic change. We have never had anything like this in history. We who are trying to estimate the crop and livestock production, with these kinds of changes going on, have to get a reading more rapidly than once every 5 years, as to what is happening. That is why we are changing, as I have pointed out, to some newer methods of estimating in order to keep up with rapidly changing conditions.

Now, the whole tempo of life in our society is presently speeding up, and it affects population data, and the kind of marketing problems you were talking about in the industrial area, quite as much as it would us, in many ways.

Mr. OLSEN. In the agriculture census, are you counting the number of persons on the farm?

Dr. TRELOGAN. We are more concerned with the agricultural labor. We have left it to the population survey, generally, to get the number of people, per se.

Mr. GRANT. In the current 1964 census that is being planned—that is the census of agriculture—there will be a section relating to persons in households of farm operators.

Mr. OLSEN. 1964?

Mr. GRANT. Yes. That will be taken this fall. This is a new section in the census that is coming up.

Mr. OLSEN. You won't do that, the Bureau of the Census will.

Mr. GRANT. That is correct, but we work closely in the planning, and we have a Farm Population Branch, in Mr. Koffsky's service, that is very much concerned with the farm population estimates.

Mr. OLSEN. Why do we want to know the farm population?

Mr. KOFFSKY. As you know, Mr. Chairman, agriculture has been a problem area for many years. It is important to know how many people are affected. We need to know, for example, the per capita incomes of those who remain on farms as compared with the rest of the economy. We are also interested in how many people can afford to make a living in agriculture. That is a real question, and one we'd like to answer.

Mr. OLSEN. Will that give you the answer?

Mr. KOFFSKY. It will give you part of the answer—the denominator. It will tell you how many are involved with agriculture; what

opportunities there will be in agriculture for farm youths coming of age and how many will need to find employment elsewhere. As a matter of fact, some Federal funds for Extension work and for vocational training are distributed on the basis of farm-population statistics.

I agree with the chairman that we do know an awful lot more about pigs and cattle than we do about the people.

Mr. OLSEN. You will understand that I am not critical of what you are doing, but I think it is well if we have it in the record, why do we want a farm census, or a census of the people on the farm? It is good to have that in the record.

Dr. TRELOGAN. I would like to expand on that a little more. We might not be giving it due consideration. When you are thinking about providing the rural educational facilities, the rural medical and hospital facilities, the rural accommodations in terms of farm-to-market roads, in terms of market facilities for the products coming off, the number of people who are involved are always an essential factor.

In current programs like the rural area development program and the Appalachian program and the poverty program, the number of people involved in these different rural areas is an essential piece of information to start with. And any time we are trying to do such a thing as attract industry to rural areas, it is quite important to know how many people there are within the available range from which labor can be drawn. So these data by counties, generally in the agricultural census, are extremely important for this kind of program.

Mr. OLSEN. Thank you very much. This has been most enlightening, and I am sure it is good for our record.

I think we will be successful in curbing the growth of paperwork, if not reducing it. We are going to find increasing resistance on the part of the public to furnishing statistics unless we are a good deal more clever, and exercise a good deal more judgment in designing these forms for the gathering of statistics.

Dr. TRELOGAN. We are anxious to cooperate with you.

Mr. OLSEN. Mr. Corcoran reminded me that it is the office of our committee to assist you and all statistics gatherers, and when we are in this kind of effort to reduce paperwork, we are really trying to assist you. Ultimately we want better cooperation from the public, and if we gather statistics more sensibly and with better understanding of the burden involved, the public will cooperate.

Thank you, very much.

(Whereupon, at 12:40 p.m., the subcommittee adjourned, to reconvene at 10 a.m. Monday, June 22, 1964.)

THE FEDERAL PAPERWORK JUNGLE

MONDAY, JUNE 22, 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 recess, at 10 a.m., in room 215, Cannon House Office Building, Hon. Arnold Olsen of Montana (chairman of the subcommittee) presiding.

Mr. OLSEN. The subcommittee will come to order.

I have no special announcements to make this morning, other than to tell those of you who may be with us for the first time that this is a continuation of hearings by the Subcommittee on Census and Government Statistics into a subject which is costly, time consuming, and burdensome to almost everyone—Federal Government paperwork.

Our witnesses today are Mr. E. M. MacCoy, manager of Federal Government sales, the Standard Register Co.; Dr. Bowen C. Dees, Associate Director (Planning), the National Science Foundation; and Hon. Abe McGregor Goff, Chairman of the Interstate Commerce Commission, accompanied by Managing Director Bernard F. Schmid.

We will start with Mr. MacCoy.

STATEMENT OF E. M. MacCOY, MANAGER, FEDERAL GOVERNMENT SALES, THE STANDARD REGISTER CO., WASHINGTON, D.C.

Mr. OLSEN. I want to say, Mr. MacCoy, it is good of a company in the business of producing paper forms and related products to come here and testify in behalf of reducing the paperwork the Federal Government requires of the public. We welcome you and want you to proceed as you wish.

Mr. MacCOY. It is a pleasure to be here.

I represent the Standard Register Co. of Dayton, Ohio. Our business is designing, manufacturing, and selling timesaving business forms and related mechanical devices. These specialties are effective means of paperwork simplification. We design and apply these products so that the customer gets the maximum value in the simplification of his paperwork.

I realize that this committee has been holding hearings on all phases of Government paperwork. Today, however, I want to confine my comments to the subject of paperwork and paperwork simplification within the agencies of the Government themselves, without reference to the various questionnaires, et cetera, that are sent to the public.

During the period of time that I have directed my company's business activities with the Federal Government, there have been several investigations into the problem of paperwork in the Federal Govern-

ment starting with the Hoover Commission. There can be no question that in this period of time there has been a tremendous improvement in forms handling and forms design within the Federal Government, but there is still a great deal of work to be done.

Paperwork simplification in essence means, the proper combination of business forms and machines designed to coordinate with each other so as to accomplish a preconceived aim; namely, a system. To accomplish this several forms may be consolidated into one, or the form may be simplified, or some forms may be eliminated entirely.

As I look through the various reports that have been made to this and other committees, there can be no question but that the business machine or "hardware" men have been the glamour boys of this team of work simplification. Also, again, there can be no question, but that the use of ADP and EDP in the Government has made great achievements in both speeding up the production and reducing the cost of producing many of the Government's records; in fact, it is because of the very great abilities of our electronic "monsters" that our paperwork has increased.

When the computer came along many people saw it as a sort of electronic messiah that would deliver them from their paper woes. Unfortunately, they are not a cure-all. In fact they sometimes magnify or complicate the problem by generating more paper, and in turn, by requiring more paper and reports to keep operating. The underlying trouble all along may be indifferent paperwork analysis, and no computer has the solution to that.

In private industry, this problem was quickly recognized and a solution established. The solution is a simple one: first, a committee is established with a chairman being one of the top executives responsible directly to the president of the company and composed of permanent members representing both the forms management as well as the machine sections of their methods and systems department. In addition to these people, a permanent member of the committee is always a senior representative from the purchasing department and from time to time various department heads, as their departments are being investigated, are added to the committee. This committee, in the early stages, is generally assisted by a representative of one of the major continuous forms companies.

The first function of this committee is to survey the existing paperwork and systems, to determine, first of all, if they are functioning properly and if they are creating the kind of data that is necessary. At times it has been found through this type of preliminary survey that computerized equipment is not even necessary. What generally comes out of it, however, is a refinement of the source document or input data which will eventually go into the computer system to eliminate unnecessary paperwork. The principles applied at this point are: first, is the form and system necessary, and if it is decided that it is, it is then looked over to see whether or not it can be changed or combined and what parts of it can be eliminated.

After the corporation's "paperwork house" has been set in order they are then in a position to determine the areas in which the computer can best serve their needs and what reports can be most economically obtained from its use.

For example, as in the case of one very prominent corporation, it was found that a properly designed sales order created all the input

data needed to enable the computer to produce the necessary forms for production, shipping, invoicing, and cost accounting, without the necessity of any one of these departments creating any further source document records or, as a matter of fact, creating additional records whatsoever.

Obviously, with the amazing abilities of our computers today, many management records become available, that either were unobtainable before or else could be obtained only at so great a cost and loss of time that they were not worth the effort. It, therefore, should not be considered, merely because computers produce more forms that they are merely contributing to an increase in the so-called paperwork explosion.

Actually, what industry has done is to take the not-new principle of value analysis and apply it to their paperwork problem. Since the very basis of value analysis is teamwork between the various departments who will be in any way concerned with the product being considered, you not only achieve the contributions of numerous and varied approaches to the problem, but you at the same time educate all of those people as to the value of the product in its total concept.

It is my opinion today, that this is one of the basic problems with the paperwork explosion in the Federal Government. That is, that there is not a complete team approach to forms and the systems in which these forms are involved. We have in the Federal Government agencies, one unit of forms management, one unit having to do with machines or "hardware" and in the case of forms, one or two units, the printing and publications division and/or the purchasing of printing, as separate units. All too frequently, there is no recognition of the problems of one of these departments by any of the others.

It may be determined that a computer will be utilized for certain systems such as payroll and the peripheral accounting, such as time and attendance, leave records, et cetera, but not until all of the computer systems and procedures have been established, is a forms management man called in. When he is called in, he generally is given a rough draft of a form and told to design a finished form in accordance with it. His knowledge of form design construction, his knowledge of systems analysis insofar as forms usage is concerned is not used at all in such a circumstance.

In this situation, after the form has been designed, it is then passed to the printing and publishing section who either attempts to purchase it or passes the purchase need on to the Government Printing Office without any knowledge as to the importance of this form to a highly expensive computer system.

Under such circumstances, it can hardly be expected that anything other than a price and delivery approach is used in purchasing the form.

The average form to be used over a computer system may cost as little as one-half cent or in some rare cases as much as 3 cents or 4 cents a set. But what is the relative value of the cost of this form when measured against the cost of the machines and manpower which will utilize it?

The computer systems today can vary in costs from \$50 an hour to \$500 an hour depending upon the complexity of the equipment involved.

One of these 3-cent forms improperly designed or manufactured can

create a problem during its processing that may stop equipment and cause reruns varying in time anywhere from 5 minutes to 5 hours. The improper design or construction of the form can result in devitalizing the system and making the information that the computer issues of much less worth than contemplated. Because of improper or incomplete systems work, prior to the design of the form, it may never serve the purpose for which it was intended. It can cause the creation of additional paperwork by the making of other copies or still additional reports due to improperly located data or data that was not put on there.

Therefore, it appears that, although forms management has been recognized in principle throughout the Government, it has not been given the full partnership that it deserves in the overall paperwork planning throughout the agencies. Because of this and because of the lack of communications, there is not as much recognition of the importance of this phase of management in effecting overall economies in Government operations.

I recognize that we currently have three Government agencies having overall responsibility in regard to Government forms. The General Accounting Office has control on forms having to do with financial transactions. The Bureau of the Budget and the General Services Administration have, between them, the authority over the balance of forms used by the agencies.

I know that both the General Accounting Office and the Bureau of the Budget are staffed to be of assistance to the agencies and have worked with many of them in designing various systems. GAO, of course, is primarily concerned with insuring that sound fiscal accounting practices are followed in forms involving financial transactions and the Bureau of the Budget has published in past years some books on form design. Aside from these activities relating to the forms, it is my observation that these agencies seem best fitted to give advice on types of computer equipment to be utilized, and recommendations on how to establish service agencies within an agency to utilize most efficiently the capacity of the computer equipment obtained.

General Services Administration through the Bureau of Archives, has a program to further educate forms management people throughout all Government agencies. They have, in my opinion, been carrying out a very excellent program in this field but it is of necessity a slow one. In addition to the assistance they offer through trained personnel as well as various workshops that they hold, they have solicited aid and assistance from the forms industry in a continuing program of education in this field.

The most recent example of this is the recent Symposium on the Impact of Automation on Forms Management which was held April 21 to 23 of this year, here in Washington.

This assistance of the forms industry to Government forms management people, is a very necessary and important factor if control of paperwork is to be maintained. The constant evolution of office machines, and form designs and features to utilize the utmost efficiency of these machines, is of ever-increasing importance. Right now, our company has held a series of conferences between our experimental engineering department, the Internal Revenue Service, and the Social Security Administration, together with the IBM Corp. on the application of optical scanning equipment to certain of their paper-

work problems. We are satisfied that out of this coordinated approach to a common problem will come answers that will result in real economy in the handling of some of their reports.

This is an excellent example of value analysis and the modern approach to the solution to paperwork problems.

Unfortunately, when it comes time to make a purchase of forms needed for this system, the Government's procurement policy in the purchase of printing will result in the award of the forms order to the lowest bidder.

I have no quarrel with competitive bidding on an equal basis, and would be the last to recommend its elimination, yet because of the cumbersome requirements for purchasing printing, these agencies will have to take a product from the lowest bidder who says he can meet the specifications, which in this case will be quite stringent down to three one-thousandths of an inch or less, and the success or failure of a tremendously expensive system will hinge entirely upon the ability of the low bidder to meet those specifications.

It is perfectly possible that my company may be the low bidder, it is equally possible that some company who has done no research, who has little if any idea of the actual requirements of optical scanning equipment, but is courageous, will be the low bidder. Since he does not operate any research engineering, does not train any analyst or systems procedure people, obviously, his costs of doing business should be lower than that of a company who does all of those things and maybe his forms will work.

This is a good example of why it is important that a member of the purchasing department be a member of any value analysis committee, systems procedure committee, or what have you. It is also a very excellent reason why a responsible member of top management be a member of such a committee. Until there is a complete understanding from top to bottom of the job that needs to be done in developing these systems and a true value analysis approach applied, we are not going to have any effective control of paperwork volume.

To sum up my comments, I believe that until steps are taken in two areas, there can be no real effective control of paperwork and the resulting economies that this committee is searching for.

The first of these areas, is the recognition of the importance that forms management plays in the control of paperwork. Forms management should be taken out of the field of merely cataloging form numbers and assigning type sizes and styles, and kinds of paper that can be used. It should receive top management recognition within the agencies and be given the authority to put into effect systems and procedures which will really control paperwork.

Forms management should be consulted in all early stages of sweeping systems changes, whether computers or other types of office machines are involved, and not called in at the "eleventh hour."

Some one agency, such as General Services Administration, should be given full authority for forms management throughout the Government with the General Accounting Office retaining its control on all forms dealing with financial transactions.

Second, the assistance and participation of the Forms Industry should be encouraged, and recognition of their contributions be made in the procurement policies of this product. This can certainly be assisted by bringing the printing procurement officials into the overall

agency team action so that they can become aware of the importance of properly designed and constructed forms and their effect on the total overall cost of any paperwork system.

Our company stands ready to cooperate with this committee, or any Federal agency so designated, in working toward a solution that will lead to an effective control of the Government's paperwork problems. We believe the work of this committee in spotlighting these problems will result in tangible savings and a greater economy in this field.

Mr. OLSEN. That is an excellent statement, Mr. MacCoy. We are very much indebted to you, and thank you again for coming.

You speak of the General Services Administration and the National Archives, and the program they have to educate forms management people.

Are you acquainted, or have you ever consulted with the Bureau of the Budget about the problems related to forms management in Government?

Mr. MACCOY. Not in recent years. Probably 12 or 13 years ago I assisted one or two of their people in putting on some workshops, primarily in the Social Security Administration and one or two other agencies whose names I do not remember now, but not in recent years.

Mr. OLSEN. We received considerable testimony from Archives last week, and also from other agencies. We find that the only real control over forms is in the Bureau of the Budget. The General Services Administration, through Archives, give advice and assistance, but they have not any authority to direct any correction.

Mr. MACCOY. It is true there seems to be quite an area of doubt as to who does what to whom.

Mr. OLSEN. We are finding that out. I think we finally do have it determined that the Bureau of the Budget should be exercising their authority in at least the creation of forms. The staff who are giving advice on forms management are from the Archives, we believe.

Mr. MACCOY. I think so, too.

Mr. OLSEN. I like your approach of applying the teamwork system to forms management and certainly to the management of computers so that they do not create more paperwork. There has to be teamwork among the people who create the paper as well as those who use it.

Mr. MACCOY. There is a decreasing tendency, it is true, but it has been the tendency to get a computer and then say, "Let us see what we can do with it." That tendency is decreasing. It is a good thing to find out what it can do before you buy it.

Mr. OLSEN. To your knowledge, are there some outstanding examples in which the Federal Government has already used the teamwork system to solve paperwork problems?

Mr. MACCOY. Yes. In 1948, when the Internal Revenue Service started the revision of their income tax accounting program there was a good deal of this teamwork that took place. This has continued over the years, I think to a lesser extent now. They have worked out, as you are no doubt aware, a very fine master plan for the implementation of their tax accounting program in their regional setups. They did, in my opinion, a very excellent job of teamwork within their organization. Today they still consult with most of us in industry to make sure they are not being left out in any of the new developments. We worked with engineers in St. Louis on this, too.

Mr. OLSEN. Thank you very much, Mr. MacCoy. We appreciate your coming here and appreciate your testimony.

Mr. MacCoy. Thank you.

Mr. OLSEN. Now from the National Science Foundation we have Dr. Bowen C. Dees, Associate Director (Planning).

You may proceed as you will, Dr. Dees.

STATEMENT OF DR. BOWEN C. DEES, ASSOCIATE DIRECTOR (PLANNING), NATIONAL SCIENCE FOUNDATION; ACCOMPANIED BY DR. MILTON LEVINE, STUDY DIRECTOR, NATIONAL REGISTER OF SCIENTIFIC AND TECHNICAL PERSONNEL; EDWARD M. McCORMICK, HEAD, DATA COLLECTION AND PUBLICATION UNIT; KENNETH P. SANOW, HEAD, RESEARCH AND DEVELOPMENT STUDIES SECTION; DR. THEODORE SURANYI-UNGER, STAFF ASSOCIATE, ECONOMIC GROWTH, AND HOWARD TIHILA, HEAD, OFFICE SERVICES

Dr. DEES. Good morning, Mr. Chairman.

I have a rather brief prepared statement, Mr. Chairman, which I would like to present first and then I will be happy to answer any questions that I can.

I also have with me some members of the staff of the Foundation who are experts in some problem areas.

Mr. OLSEN. Would you care to have them step up to the table and sit with you here.

Dr. DEES. Thank you, sir.

1. The National Science Foundation was created by Public Law 507, 81st Congress, in 1950.¹ Section 3(a) of the act prescribes the functions of the Foundation in nine subparagraphs. In subparagraph (1), the Foundation is authorized and directed "to develop and encourage the pursuit of a national policy for the promotion of basic research and education in the sciences * * *"; in subparagraph (8), "to maintain a register of scientific and technical personnel and in other ways provide a central clearinghouse for information concerning all scientific and technical personnel in the United States, including its territories and possessions"; and in subparagraph (2), "* * * appraise the impact of research upon industrial development and upon the general welfare * * *."

In partial fulfillment of these functions and others required by several Executive orders issued over the past decade, the National Science Foundation embarked on a program of studies. Many of these studies necessitate the conduct of recurring or one-time surveys designed to gather information from industry, colleges and universities, research institutions, private foundations, and professional societies. Also, the Foundation is often requested by Congress, the executive offices of the President, private industry, and the academic world, to compile and to furnish factual information on the scientific effort of the Nation.

The surveys and analyses carried out by NSF are of fundamental importance to those who determine national policy regarding science and technology. Until the Foundation launched its series of studies,

¹As amended through Aug. 15, 1963, and as modified by Reorganization Plan No. 2 of 1962, effective June 8, 1962.

there was no systematic effort being made by anyone to determine, on a national basis, the nature and characteristics of our efforts in research and development, in the training of scientists and engineers, or in many other areas of concern which are of crucial significance to the continued scientific and technological health of the Nation. Any reference to the literature dealing with science and public policy will demonstrate the unparalleled degree to which NSF studies are relied on to furnish background data and illuminating analyses. As Congress and the executive branch continue their efforts to obtain a fuller understanding of the present and probable future role of science and technology in maintaining and increasing our national welfare, information of the kind NSF has been assembling will continue to be essential.

Presently, the National Science Foundation is engaged in the collection of information on professional and other relevant characteristics of scientists and engineers; expenditures for research and development; the production and dissemination of scientific and technical information; the organization of education in the sciences and in engineering; and the use of professional journals and citations in the sciences. Some of the data are collected by means of statistical surveys undertaken by the staff of the Foundation. Other surveys are conducted for the NSF, under contract or other appropriate arrangement, by other Government agencies or by private institutions. Still others are essentially private scholarly efforts, pursued under grant from the National Science Foundation.

Currently, the number of surveys in all categories is 18 (listed in appendix A). The number of recipients of questionnaires is 430,515. A decade ago, the nature of survey activities was similar and, with the exception of the production and dissemination of scientific information and the use of professional journals and citations, the subjects covered were essentially the same. In 1955, there were six surveys—listed in appendix B—sent to 153,400 potential respondents.

The increase in the number of surveys and the number of recipients of questionnaires has been in response to increased public interest and to more extensive public, congressional, and executive demands for information pertaining to the scientific activities of the Nation.

2. As applied to the surveys and reports under present discussion, the Federal Reports Act of 1942 has proven to be effective. There appears to be no need for new legislation.

3. Since the inception of NSF statistical activities, the amount of paperwork requested from the public has always been a subject of close concern. There is a Foundation directive that requires all reports and forms falling within the scope of the Federal Reports Act of 1942 to be administratively cleared by a designated forms clearance officer. Another control device consists of a review of the "Daily Listing of Forms Submitted to the Bureau of the Budget for Approval." If the listing includes an item of possible interest to the National Science Foundation, appropriate staff members are so notified. A third means of controlling the initiation of forms and survey entails a strict review of all requests for printing.

In addition to these general administrative measures, several specific endeavors on the program level may be cited. For example:

(a) In a followup study of scientific and technical personnel from

the 1960 census, specific coordination was effected with other Government agencies, including the National Institutes of Health, the Office of Education, the Bureau of Labor Statistics, the Veterans' Administration, and others, to insure the use of a single questionnaire form to meet the needs and requirements of all groups participating in this study.

(b) To avoid the use of a separate questionnaire by the Public Health Service for sanitary engineers, a coordinated effort was undertaken in which the National Register of Scientific and Technical Personnel used its questionnaire to collect information on sanitary engineers during 1956-58.

(c) In 1963, the National Institute of Mental Health was interested in conducting a special study to determine whether psychologists were engaged in the field of mental health. The use of a special questionnaire and an additional mailing to psychologists was avoided with the inclusion of one question in the National Register questionnaire, thus meeting a requirement of the National Institute of Mental Health.

4. At the request of the Bureau of the Budget, the Foundation is participating in a special review of all current reporting requirements. In our initial statement of May 1, 1964, to the Bureau of the Budget, we reported the elimination of 11 surveys and the simplification of 16 others. In one case, five forms were consolidated into one.

The special review will cover all repetitive public-use forms for the purpose of:

- (a) eliminating items of information now deemed unnecessary;
- (b) reducing the frequency of reporting;
- (c) reducing the number of potential respondents by use of sampling techniques;
- (d) adopting a short or simplified form where possible; and,
- (e) where appropriate, by applying the cutoff principle, i.e., excluding recipients below a minimum size or exclusions under other specified conditions.

5. The total cost of all surveys conducted or sponsored by the National Science Foundation in fiscal year 1964 is estimated to be \$1,459,639. Of the 18 surveys, one is conducted intramurally at a cost of \$9,441; 14 are conducted under contract at an outlay of \$1,395,817; and 3 are efforts pursued under NSF grants, at an estimated expenditure of \$54,381. A comparable picture for 1955 shows that the Foundation spent a total of \$356,200 for surveys addressed to the public. Of these, one survey was conducted intramurally at a cost of \$9,500; three under contract at an outlay of \$225,000; and two under grants amounting to \$122,000.

6. It is estimated that the total number of man-hours required to complete all questionnaires by the individual recipients in the current fiscal year is 171,088. Of this number, 494 hours are spent answering surveys conducted intramurally by the Foundation; 154,885 conducted by NSF contractors; and 15,709 hours to answer private surveys financed by NSF grants.

In 1955, the number of total man-hours required to answer NSF-originated questionnaires was 236,662 hours. Intramurally conducted surveys required 4,000; NSF contractor surveys, 187,000 hours; and surveys conducted by NSF grantees needed 45,662 hours for completion. The sharp drop in the number of man-hours required to answer NSF questionnaires, despite the substantially larger number

of surveys and of recipients between 1955 and 1964, may be attributed to improved sampling and survey techniques.

7. The Head of Administrative Services of the National Science Foundation is responsible for the management of records. This responsibility is discharged through a Record Management Section. Activities of this section are in conformity with the operating and training requirements of the General Services Administration. The records management program of the Foundation is judged effective in view of the following criteria:

(a) Appropriate instructions have been issued which provide the authority and responsibilities for establishment and operation of the program.

(b) Appropriate schedules for retention and disposal have been developed and approved by the Foundation, the Joint Committee of the Congress on the Disposition of Executive Papers, General Accounting Office, and the National Archives.

(c) Supplemental guidelines in the form of handbooks have been prepared which contain the "how-to-do" details of files operations.

(d) Recurring training opportunities are made available and utilized.

(e) Controls on the use of filing equipment, supplies, and space have been established to limit the expansion of files and filing systems.

(f) Surveys of specific problem areas are conducted when the need is identified through the use of the controls.

At this time, the Foundation has no specific recommendations to improve its own operations. However, within the Foundation itself, continuous efforts are made to improve the recordkeeping practices of offices and to expedite the process of record disposition. Within the limits of the resources available to the Foundation, satisfactory progress is being made. No specific recommendations are made for improvement other than to press for a better understanding of the need for good recordkeeping and disposition practices.

At the present time, the disposition of many records common to all agencies is controlled by general records schedules prepared by the General Services Administration. These schedules, prepared by skilled professionals in GSA, reduce the need for the development of individual schedules by each agency. Also, the approach that can be taken by someone outside the operating agency permits, in our view, a more objective appraisal of the need for keeping records. The agency's job of scheduling and effecting the disposition of records could be eased somewhat if these general schedules could be advanced to a point where they covered virtually all the records generated by an agency. A central approach from an overall Government standpoint could reduce the number of records individual agencies believe must be retained.

Another significant problem that has received considerable attention from the National Archives and Record Service, but has not yet been fully solved, is the need for a schedule of records required to be retained by Government contractors. This is particularly true of extensive facilities with programs to be continued indefinitely. Guidance to all agencies on the extent of records retention requirement would be most helpful in reducing the volume of files kept by the Government.

Thank you.

(The following attachments were submitted for the record:)

APPENDIX A
Surveys conducted or sponsored by the National Science Foundation, requiring reports from the public, fiscal year 1964

Title	Nature of the survey				Cost information				Time required of the public to report—total number of man-hours required to respond to the survey	
	Description of contents	Repetitive (R) or one-time (O-T)	Frequency of reporting	Number of recipients	Method of conduct, intra-institutional (I), contract (C), transect (T), grant (G)	Total cost to NSF	NSF staff salaries ¹	Amount of contract (C), or grant (G) (if applicable)		Printing and other costs (if applicable)
National Register of Scientific and Technical Personnel.	A comprehensive program for the registration of U.S. scientists used as (1) a means of identification and location for emergency use, (2) a source of statistical information in estimating supply, level of training, and other characteristics needed for planning activities related to the scientific and technical manpower program of Government, industry and educational institutions.	R	Once every 2 years.	250,000	C	\$640,000	\$17,000	\$615,000 (C)	\$8,000	62,000
National Engineers Register of the National Register of Scientific and Technical Personnel.	A sample survey of U.S. Engineers (1 of every 6 members of some 40 national engineer societies). Purpose: Same as above.	R ²	Once every 2 years.	65,000	C	127,000	6,000	121,000 (C)	-----	16,000
Oceanographic Manpower Study.	A study of all known oceanographers employed by Government, industry, educational institutions, to develop a definition of qualified oceanographers and provide statistical information in estimating supply, level of training and other characteristics needed for planning activities related to the national oceanographic program.	O-T	-----	4,000	C	13,700	700	13,000 (C)	-----	1,000
National Registry of Junior College Science and Mathematics Teachers.	To assemble a list of junior college science and mathematics teachers and collect selected educational characteristics.	O-T	-----	700	G	6,000	500	5,500 (G)	-----	350
Survey of Professional Scientific Societies.	Survey designed to get information on membership, journals published by the society, sources of income, cost, meetings and activities of scientific societies.	R	Occasional.	250	C	5,921	1,000	3,900 (C)	1,021	94
Survey of Professional Scientific Journals.	Survey on the amount, type, cost, distribution, editorial policies of professional scientific journals.	R	Occasional.	450	I	9,441	1,500	-----	7,941	404

¹Footnotes on p. 607.

Surveys conducted or sponsored by the National Science Foundation, requiring reports from the public, fiscal year 1964—Continued

Title	Nature of the survey			Cost information				Time required of the public to report—total number of man-hours required to respond to the survey		
	Description of contents	Repetitive (R) or one-time (O-T)	Frequency of reporting	Number of recipients	Method of conduct, intra-mural (I), contract (C), grant (G)	Total cost to NSF	NSF staff salaries (if applicable)		Amount of contract (C) or grant (G) (if applicable)	Printing and other costs (if applicable)
Specialized Science Information Services Questionnaire.	Questions designed to reveal broad nature of the services being offered and the publications on an organization-by-organization basis.	R	Annual	500	C	\$81,905	\$4,000	\$86,095 (C)	\$11,000	1,708
Survey of the Genetics Citation Index Pre-test and User Survey of Genetics Citation Index.	This survey explains citation indexes and the indicated nature of information required. A follow-through survey was conducted on use made of citation index after user had index for 3 months.	O-T	-----	525	C	28,280	700	27,400 (C)	160	683
Subscriber Utilization of Soviet Physics.	Questions designed to ascertain the possible effect of a citation index on the use of Soviet physics.	O-T	-----	3,600	C	15,300	300	15,000 (C)	-----	250
Study of June 1958 College Graduates.	A study to determine the career and advanced study adjustments made by college graduates 5 years after receipt of degree in order to discuss relationship between courses and subsequent careers.	O-T	-----	23,000	C	166,750	750	166,000 (C)	-----	11,500
U.S. Registry of Junior and Senior High School Science and Mathematics Teaching Personnel.	To establish a current mailing list of science and mathematics secondary school teachers which can be used to distribute information on NSF teacher training institutes and other programs designed to improve teacher qualifications. Also used to provide a universe for the selection of a sample of teachers.	R	Once every 12 months.	30,000	G	47,650	500	47,150 (G)	-----	15,000
Survey of Earned Doctorates.	To secure data on specialized fields and characteristics of recipients of third level academic degrees to provide names for additions to National Register and provide statistical information.	R	Once every two years.	-----	C	41,500	500	41,000 (C)	-----	-----
High School Background of 1959-62 Doctorates.	To provide information on secondary school class standing, courses studied, and type of community of doctorate recipients.	O-T	-----	40,000	C	50,500	500	50,000 (C)	-----	20,000
Survey of Graduate Education. (Note: The American Council on Education is conducting the survey, supported in part by NSF, USOE, and NIH.)	A study of the effectiveness of science and engineering graduate training in the United States and the changing pattern in the educational system.	O-T	-----	5,000	C	38,850	350	38,500 (C)	-----	3,750

Offerings of Introductory College Courses Combining Physics and Chemistry	O-T	3,700	731	3,100	700 (G)	359
Information for assistance to one institution for evaluation of combining physics and chemistry.						
Grantee, American Society for Engineer Education will obtain information on education and work activities of 240 engineers to provide data for a study of the goals of engineering education.	O-T	240	20,131	131	20,000 (C)	40
See title.						
Research and Development in Industry, 1963	R	3,400	146,000	25,000	115,000 (C)	36,000
Survey of Costs of Scientific and Technical Information and Activities in Industry, 1963.	R	150	20,000	4,000	15,000 (C)	1,500

¹ First time.
² Under \$100.

¹ Includes prorated salaries of staff members either conducting the survey and writing the report or serving as monitors for contracts or grants. Staff salaries are also prorated for processing returns, publishing findings, and storing or dispersing of manuscripts, where applicable.

APPENDIX B

Surveys conducted or sponsored by the National Science Foundation, requiring reports from the public, fiscal year 1955

Title	Nature of the survey	Cost information				Time required of the public to report—total number of hours required to respond to the survey
		Method of conduct, intra-mural (I), contract (C), grant (G)	Total NSF cost to NSF	NSF staff salaries ¹ (if applicable)	Amount of contract (C), or grant (G) (if applicable)	
National Register of Scientific and Technical Personnel.	<p>Repetitive (R) or one-time (O-I)</p> <p>Description of contents</p> <p>To carry out the mandate in sec. 3(A)(8) of the National Science Foundation Act of 1950, the Foundation established and maintained a "register of scientific and technical personnel and in other ways provide a clearinghouse for information concerning all scientific and technical personnel * * *". For the 1st time the Foundation collected information on scientists during the period 1954-55 on such factors as field of employment, professional specialization, type of employer, level of education, age, sex, and salary information.</p>	Number of recipients	\$108,000	\$8,000	\$100,000 (G)	42,329
	<p>Frequency of reporting</p> <p>Once every 2 years.</p>	127,000				

Footnote on p. 608.

Surveys conducted or sponsored by the National Science Foundation, requiring reports from the public, fiscal year 1955—Continued

Title	Nature of the survey			Cost information				Time required of the public to report—total number of man-hours required to respond to the survey		
	Description of contents	Repetitive (R) or one-time (O-T)	Frequency of reporting	Number of recipients	Method of conduct, intra-mural (I), contract (C), grant (G)	Total NSF cost to NSF	NSF staff salaries ¹ (if applicable)		Amount of contract (C), or grant (G), (if applicable)	Printing and other costs (if applicable)
National Engineers Register..	Representatives of the engineering profession at this time, advised against a register in engineering fields similar to the one in the sciences. Instead a "finders list" of some 20,000 engineers representing different geographic areas and engineering specialties was established to meet mobilization purpose of the National Register.	R	Once for back-ground information. One, 6 months for inquiry as to current address. Annual	10,000	G	\$13,700	\$2,000	\$11,700 (G)	\$8,000	3,333
Science and Engineering in America, 1953-54.	-----	R	-----	11,600	C	119,000	22,000	90,000 (C)	7,000	120,000
Scientific Research, and Development in Colleges and Universities, 1953-54.	-----	O-T	-----	1,100	C	58,000	27,000	20,000 (C)	11,000	45,000
Research and Development by Nonprofit Research Institutes and Commercial Laboratories, 1953.	-----	O-T	-----	2,700	C	48,000	1,000	44,000 (C)	3,000	22,000
Research Expenditures of Foundations and Other Nonprofit Institutions, 1953-54.	-----	O-T	-----	1,000	I	9,500	9,000	-----	500	4,000

¹Includes prorated salaries of staff members either conducting the survey and writing the report or serving as monitors for contracts or grants. Staff salaries are also prorated for processing returns, publishing findings, and storing or dispersing of manuscripts, where applicable.

Mr. OLSEN. That is a splendid statement, Dr. Dees. We are very grateful to you for coming here and bringing your experts with you.

Let me refer you to your statement where you refer to surveys that are essentially private, scholarly efforts. Are these surveys or the information used for the surveys submitted for approval to the Bureau of the Budget?

Dr. DEES. Yes. We provide the grantees with the standard forms, they return them to us, and we clear them in the usual way.

Mr. OLSEN. We have information from the Bureau of the Budget that the National Science Foundation has 45 more forms in circulation now than in 1955. Could you furnish a list of these new forms for inclusion in our record?

Dr. DEES. Yes, sir. May I comment, however, Mr. Chairman, on this point?

Mr. OLSEN. Yes.

Dr. DEES. AS we sought further information in connection with preparing these materials, we were under the impression that we were only to submit the kinds of forms where we actually go out to the public to seek information in other than operational matters. The bulk of the 45 forms of which you speak—and, in fact, there are 26 others in the category I wish to describe—are in connection with our own operations within NSF; we have forms for fiscal reporting, for example, for grantees, a form that is filled out by individuals who apply to us for fellowships, et cetera. All of these totaled up, actually, amount to more than 45 by a factor of 2 or 3, but we were under the impression you did not want us to submit information on forms of this kind.

Mr. OLSEN. Your impression is correct. We wanted the forms circulated, generally, among the public for information.

Dr. DEES. The ones we list in our appendix A are the only ones that fall under that category.

Mr. OLSEN. This committee has heard a number of complaints about the questionnaires sent out by professional societies under the National Science Foundation program. According to our records, you are spending over one-half million dollars a year on this list. Can you tell us what the reasons are that would justify this kind of expenditure?

Dr. DEES. In commenting on this question, Mr. Chairman, I would first like to reiterate one point I made in the prepared statement. We are, as you well know, under a mandate in our statute to maintain a register of scientific and technical personnel and in other ways provide a central clearinghouse for information covering all scientific and technical personnel in the United States, including its territories and possessions.

In 1959, the Committee on Science and Astronautics of the House of Representatives conducted a series of hearings in regard to the Foundation's activities in this particular area, and it might be of interest to your committee for me to read a very brief portion of a resolution which that committee presented to the Foundation in connection with this matter, asking that we provide a report—which was later provided. This is pertinent to your question because it actually is, in a sense, a further mandate beyond the original legislative mandate.

The resolution reads in part :

Whereas the legislative history of the act shows that Congress attached high urgency to this matter ; and

Whereas testimony before the committee indicates that Congress directive has not been adequately implemented thus far and that this fact has been recognized by the National Science Foundation as well as other executive agencies and private organizations ; and

Whereas testimony before the committee suggests that the register of scientific and technical personnel and its companion manpower studies have not been allowed the priority granted to other programs of the National Science Foundation ; and

Whereas nearly a decade has gone by since the National Science Foundation was created and charged with responsibility in this general area ; and

Whereas the world situation today makes an effective tabulation of scientific and technical manpower more critical than at any time in the history of the country : Now, therefore, be it

Resolved, That the Committee on Science and Astronautics of the House of Representatives request the National Science Foundation to submit to the committee on or about January 4, 1960, a comprehensive report covering (A) the status of the scientific and technical manpower register and the scientific manpower studies and (B) the projected plans for the future, short range and long range, in these areas.

I wanted to mention this because after this report was requested we actually have stepped up—as in fact the data I have just given you indicates—the support of the register by a considerable amount and the register now does in fact contain over 200,000 names and data in considerable detail on the scientists of the United States as well as a small fraction of the engineers.

The major thrust of this report that we were asked for was in connection with the possibility of utilization of the register for national emergency. The basic question was: How can the United States find and make use of its scientific resources in case of a grave national emergency? We now have available as a mobilization tool a tremendously important source of information. By the end of this year we will have over 300,000 fully documented sets of information with respect to approximately 250,000 scientists and 65,000 engineers.

In addition, however, this source of information proves to be the most complete single source for information on the detailed characteristics of the work force in science in the United States. We have information ranging all the way from age, type of degree, place of degree, the type of work that the individual is doing, the scientist's language competence and whether or not the individual has any special area competency—that is, information with regard to particular areas of the worlds, and so forth.

We publish each year several documents that provide background of the kind that a variety of industrial users and Government users like to make use of in connection with their analyses of the characteristics of the scientists that report to the national register. We publish what we call Scientific Manpower Bulletins and we publish documents such as you have before you that give the kind of fully documented information that simply was not available prior to the existence of the register.

Mr. OLSEN. Were you directed by the Committee on Science and Astronautics to conduct such surveys every 2 years or is that something within your discretion?

Dr. DEES. The timing has been under continuous considerations since 1952, when we began this work. On several occasions we have been

requested to conduct our recircularizations annually; others have suggested that we conduct this survey less frequently than biennially. We have chosen the 2-year cycle on the basis of advice given us by a number of Government agencies as well as the professional societies with whom we work.

Mr. OLSEN. The frequency of reporting, not just with your agency but with others, is what we get the most complaints about. Do you find any particular reason why you would use professional organizations or professional societies to gather this information?

Dr. DEES. Yes, sir. In the initial study that was carried out for the foundation as a way of positioning it when we were trying to determine exactly how we would do this job, we were made aware of the fact that the professional societies in the sciences and engineering have a very real interest in the nature of the makeup and constituency of their disciplines. What we learned, therefore, was that—due to this community of interest on the part of the Foundation and the professional societies—we could make use of the societies in the sense that they could house the operation of sending out and receiving and, to a considerable extent, editing the questionnaires that we make use of in this connection. They are essential in any event as partners in this operation because we need the advice and guidance of the profession in getting, for example, the lists of specialties that we must include in order to understand who these people are.

The societies in turn gain from this operation because they are able to know their constituency better; not only those who belong to a given society but all those who are professionally qualified in the fields covered by that society.

Mr. OLSEN. Are you just buying their lists or are you subsidizing the societies?

Dr. DEES. We pay them only their costs. Since these operations—which cost something like \$40,000 to \$50,000 per year—are, for such societies as the American Institute of Physics, fairly costly operations, the societies will probably never have that kind of money to do that job. Without the cost reimbursement that the contracts we make available to them provide, the job would not be done. These are cost reimbursement contracts that provide no profit, and since these are nonprofit-making entities, that is the proper thing.

Mr. OLSEN. You have a list and the professional society has a list. This is something you can do directly yourself, is it not?

Dr. DEES. The Government could do the job itself. May I point out, however, that the listing of the typical society directory, for example, only contains the name, address, professional affiliation, and maybe one or two other items concerning those listed. Furthermore, these are just for the membership of the society. The register contains not only the members of the professional society but all those who are professionally qualified in the field and further—and this is, I am sure, the reason people complain—we get a great deal more information than would be provided in the directory of a professional society.

Mr. OLSEN. As a matter of fact, if a scientist belongs to more than one society he gets more than one questionnaire?

Dr. DEES. Yes, and that is also a reason for complaint. However, all he needs to do in this case is indicate where he filed the first complete

questionnaire and return the duplicate form to the society from which he received the duplicate questionnaire.

Mr. OLSEN. We are going to have a witness tomorrow who will testify to having received four questionnaires. Does the questionnaire state that it is authorized by law and therefore impresses the person in question with some kind of compulsion?

Dr. DEES. We attempt very sincerely to avoid any kind of compulsion in this kind of thing and we do not, in any of the information that we send out, imply or otherwise indicate that this is a mandatory registration activity. The very fact that the questionnaires are sent out by the professional societies helps, if you please, insulate against that particular point. For example, the American Institute of Physics begins its forwarding letter as follows:

DEAR COLLEAGUE: I am writing to ask your cooperation in bringing up to date the National Register of Scientific and Technical Personnel compiled by the National Science Foundation.

On your other point the letter ends:

Because many scientists have interests that cross several disciplines and because they may belong to more than one professional society cooperating with the National Register, you may receive more than one questionnaire. If feasible, please send your completed form to the society that represents your primary interest.

To make it easier for them and make it clear, we state right on the form:

If you have received and completed a National Register questionnaire from one of the other organizations listed above since March 1, 1964, please write the name of the organization here (blank), also, please complete item 1, and on the back of the questionnaire, give your social security number, date, and signature, and return in the enclosed envelope.

We have tried, in other words, to make it as simple as possible to avoid any difficulty because of duplication, and I assure you we also try to avoid any hint of compulsion.

Mr. OLSEN. Could I see that standard form?

Dr. DEES. Indeed so, sir.

Mr. OLSEN. This particular one is in the field of physics. Of course you have similar forms for other fields?

Dr. DEES. That is right.

Mr. OLSEN. How many fields do you register?

Dr. DEES. You will find listed on the form, right under the heading, the various cooperating societies, and there are 12 altogether. This is in very small type under the heading.

Mr. OLSEN. I see.

I think at this point we will make this form part of the record.

(The form referred to follows:)

**NATIONAL REGISTER
OF SCIENTIFIC AND TECHNICAL PERSONNEL**
IN THE FIELD OF **PHYSICS AND ASTRONOMY** CONDUCTED BY THE
AMERICAN INSTITUTE OF PHYSICS
335 EAST 45TH STREET, NEW YORK, NEW YORK 10017
AND THE NATIONAL SCIENCE FOUNDATION

And in other fields of science by the American Chemical Society, American Economic Association, American Geological Institute, American Institute of Biological Sciences, American Mathematical Society, American Meteorological Society, American Psychological Association, American Sociological Association, Federation of American Societies for Experimental Biology, and the Center for Applied Linguistics of The Modern Language Association of America.

PLEASE PRINT ANSWERS IN DARK INK OR TYPE
IF YOUR NAME OR ADDRESS AT LEFT IS INCORRECT,
PLEASE ENTER CORRECT INFORMATION BELOW.
PLEASE GIVE FULL NAME

PLEASE BE SURE YOUR POSTAL ZIP CODE IS INDICATED.

NOTE: If you have received and completed a National Register questionnaire from one of the other organizations listed above since March 1, 1964, please write the name of the organization here also, please complete item 1, and on the back of the questionnaire, give your social security number, date and signature, and return in the enclosed envelope.

VITA:

1. DATE OF BIRTH: Month | Day | Year 2. STATE OR COUNTRY OF BIRTH 3. STATE OR COUNTRY OF SECONDARY SCHOOL GRADUATION 4. SEX
 1. MALE
 2. FEMALE

5. CITIZENSHIP (check one)
 6. USA 8. NON-USA, permanent resident (specify country) _____
 7. USA APPLIED FOR 9. NON-USA (specify country) _____

6. I regard myself professionally as a (an): (check only one)
 X0 - Astronomer 40 - Chemist 60 - Linguist 90 - Psychologist
 20 - Biologist 50 - Economist 70 - Mathematician B0 - Sociologist
 38 - Medical Scientist X9 - Engineer 00 - Meteorologist 7B - Statistician
 10 - Geologist 80 - Physicist XX - Other (specify) _____

EDUCATION:

7. COLLEGE, UNIVERSITY, OR OTHER INSTITUTION (Include city and state)	EARNED DEGREE, IF ANY	YEAR OF DEGREE	MAJOR	MINOR

CURRENT PROFESSIONAL EMPLOYMENT:

8. Please check the box which most fully describes your current employment status. Check only one.
 1 - Full-time professionally employed 4 - Student, part-time employed (Graduate Assistants use this code) 7 - Not employed, and not seeking employment
 2 - Part-time professionally employed 5 - Student, not employed 8 - Employed, but not in professional work part-time student
 3 - Full-time professionally employed, part-time student 6 - Not employed, and seeking employment 9 - Retired

9. Please give name of present principal employer and actual place of employment. (If not employed currently, omit Items 9 through 16. Begin again with item 16.)
Name of present principal employer: _____ Actual place of employment (city and state): _____

10. Check the box of the category which is most appropriate for your present principal employer. Check only one.
 1 - PRIVATE INDUSTRY OR BUSINESS C - USPHS—COMMISSIONED CORPS
 A - SELF-EMPLOYED L - MILITARY SERVICE—ACTIVE DUTY
 2 - COLLEGE OR UNIVERSITY, OTHER THAN MEDICAL SCHOOL (specify department or other organizational unit) _____ U - OTHER GOVERNMENT AGENCY (specify) _____
 K - MEDICAL SCHOOL 5 - NONPROFIT HOSPITAL OR CLINIC
 B - SECONDARY SCHOOL OR SCHOOL SYSTEM E - NONPROFIT ORGANIZATION, OTHER THAN HOSPITAL, CLINIC, OR EDUCATIONAL INSTITUTION
 3 - FEDERAL GOVERNMENT—CIVILIAN EMPLOYEE 9 - OTHER (specify) _____

11. Please give the principal service you perform or product on which you work: _____

12. From the accompanying specialties list, select the scientific specialization most closely related to your PRESENT employment and enter both the number and specialty title on the lines below.
Number: _____ Specialty Title: _____

Mr. OLSEN. The National Science Foundation has financed a number of studies among high school and college graduates. We are familiar with the research program of the Office of Education. I am wondering if your studies have not in effect been competing with the research program of the Office of Education?

Dr. DEES. I am not absolutely certain, Mr. Chairman, what studies you are referring to here. Among our various science education programs at the Foundation we have a considerable number of activities that have to do with secondary school science education, and it may be some of the standard reporting forms we use in our own active program are what you are thinking of here.

The two survey or research projects we have supported that could have been thought of as having some duplication with the Office of Education were studies we conducted with the Educational Testing Service and the College Entrance Examination Board which were to give us and the Nation some information about what it was that was preventing students from going on to college. I might say these studies were done with the full knowledge of the Office of Education. The results of these studies have, in the intervening period, proved to be extremely useful to the Office of Education and I think I can state categorically that we are in no sense duplicating any of their effort because we work very closely with them in all these matters.

Mr. OLSEN. I see one here, a survey of offerings and enrollments in secondary schools. You awarded the contract to the Office of Education.

Dr. DEES. This was a transfer of funds to the Office of Education. We do this in a number of instances where, because of our own interests, we are deeply concerned, and this is simply to help round out the picture of studies that the Office of Education is engaged in.

I might point out that in the very early days of the Foundation one of the major areas we needed information on was the number of degrees by field of science being awarded in this country, and at that time the U.S. Office of Education was getting information on degrees but not in as much detail as seemed to be necessary for our purposes. We were able, by making a transfer for 1 or 2 years, to make it possible for them to get these data earlier than they otherwise could have, and later they incorporated this kind of study in their own operation so that we are not any longer involved in a transfer of funds for this survey.

Mr. OLSEN. Then you have another contract to the National Research Council, a study of the high school background of doctorates, 1959 to 1962.

Dr. DEES. This was in no way a duplication of the Office of Education and it grows out of a study the Office of Education and the Foundation jointly support, a study which is designed to make sure that we have data with respect to all Ph. D.'s awarded in the United States in science and in all other fields.

Out of that stockpile of information a substudy, this small study you have referred to, has been carried out by Dr. Lindsey Harmon to determine what were the characteristics of the individuals and schools and localities that led them, as far back as high school graduation, to go on for terminal degrees at the Ph. D. level.

Mr. OLSEN. Here is a standard question we ask all witnesses: To your knowledge, has the Bureau of the Budget ever refused clearance on a survey proposed by the National Science Foundation?

Dr. DEES. No, sir. We have looked into this matter. We find there are two that are still pending because of questions that have been raised by the Bureau.

I can from personal knowledge say there have been a large number they have raised questions about. We have modified and changed around until we saw things eye to eye. There have been none on which we have been told, "No, you may not have approval."

Mr. OLSEN. In your opinion, do you think the Bureau of the Budget has done a good job of policing the survey questionnaires that have been issued by the Government?

Dr. DEES. From our experience, there is no doubt that the Bureau has, on the one hand, able people looking after this problem, and is doing a fair job—fair in the sense of equitable—in looking at both the agency problems and the problems of the respondents. On a number of occasions I personally have dealt with reviewers who very obviously were attempting to make sure we were not including more than we really needed to include, that we were raising the questions in an understandable and germane way, and looked at from the standpoint of a citizen, and I like to do that, too, I think they are doing a good job.

Mr. OLSEN. In your own department, is it you as the Director of Planning that reviews the particular survey questionnaire; or who is it?

Dr. DEES. In the studies that go out for large numbers of respondents as contrasted with our own operational forms, such as fiscal reports from grantees, yes; it is my responsibility to review such questionnaires as the one that you saw a few minutes ago. Obviously, on occasions this sort of thing is delegated downward to office heads who report to me, but it is my responsibility.

Mr. OLSEN. After you approve the form, it has to go to the Bureau of the Budget?

Dr. DEES. Yes, and Mr. Tihila at the end of the table is our forms clearance officer.

Mr. OLSEN. That is all. Thank you very much, Dr. Dees. Thanks to your colleagues for coming here with you.

I might say I think you discharged yourself very well in justifying the work you are doing.

Dr. DEES. Thank you.

Mr. OLSEN. Chairman Goff, we are very happy to have you here. You may proceed.

STATEMENT OF HON. ABE McGREGOR GOFF, CHAIRMAN, INTER-STATE COMMERCE COMMISSION; ACCOMPANIED BY BERNARD F. SCHMID, MANAGING DIRECTOR; ERNEST WEISS, ASSISTANT MANAGING DIRECTOR; HAROLD McCOY, SECRETARY; MRS. BERTHA F. ARMES, ASSISTANT SECRETARY; MATTHEW PAOLO, DIRECTOR, BUREAU OF ACCOUNTS; CHARLES N. GRAHAM, CHIEF, SECTION OF REPORTS, BUREAU OF TRANSPORT ECONOMICS AND STATISTICS; ROBERT L. ABARE, SPECIAL ASSISTANT TO MANAGING DIRECTOR; MRS. AGATHA L. MERGENOVICH, CHIEF, PAPERWORK MANAGEMENT BRANCH; AND HIRAM H. SPICER, CONGRESSIONAL LIAISON OFFICER

Mr. GOFF. I am pleased to appear before your committee, Mr. Chairman. It is a particular pleasure as you are a graduate of the State University of Montana, and I am a graduate of the University of Idaho. Each has a law school, but there is now, and has been for a great many years, a very friendly athletic rivalry between the two institutions. I played football at Missoula several times and have played against Montana at Moscow, Idaho. It was the custom of my wife and myself to always drive over to Missoula in the years that the annual football game was played there.

As I think you know, Mr. Chairman, the ICC has the regulation of all domestic surface transportation in intersate commerce that falls within the scope of the act. That includes all the railroads, the bus and truck lines, the barge lines operating on canals and rivers, the interstate oil pipelines, the freight forwarders, transportation brokers, and those special services like the Railway Express Agency, and the car companies who rent to railroads.

Mr. Olsen, I do not know how you want to proceed, as I have a fairly long prepared statement. I can summarize it if you prefer.

Mr. OLSEN. Chairman Goff, I think it would be best if you could highlight it. We will at this point place your full statement in the record as though read.

Mr. GOFF. Mr. Chairman and members of the committee, I am pleased to testify before you today on a subject which has been of great interest to the Commission which it is my privilege to represent. The Interstate Commerce Commission strongly supports your continued efforts to cut down on paperwork-reporting requirements on the part of Government agencies. During the past few years, the Commission has made what we consider significant progress in this area. We intend to continue our efforts. We are well aware of the natural tendency to collect information from persons or concerns which is needed at the time and then to lose track and continue the required reporting after the need has passed.

Recognizing this, back in 1959, we established a Commission Reduction of Paperwork Burden Committee. This staff committee continuously has reviewed, along with the bureaus concerned, the Commission's reporting requirements to determine whether the information gathered is necessary to our regulatory processes in the light of existing conditions and needs. In the past 3½ years carriers under ICC jurisdiction have been relieved from filing more than 450,000 reports annually; and more than 22,000 pages of data have been eliminated from annual reports filed by carriers. Altogether, carriers have been relieved from filing approximately 34 million items of information formerly collected. As a result of this reduction in data collected we have been able to discontinue the preparation and printing of 110 publications. I assure you that we intend to continue this effort to guard against the danger of collecting information which is outmoded or unnecessary in our regulatory process. We want to eliminate any unnecessary burden on the carriers and we will use our own resources conserved to advantage in other Commission functions.

In my testimony today, I am prepared to report on the seven items that you set forth in your letter of April 28, 1964, as follows:

1. The volume of paperwork presently required of the public by departments and agencies of the Federal Government as compared with the volume at the time of the Hoover Commission report in 1955, and the principal reasons for the increases and decreases.

Before specifically answering, I note that the Budget Bureau, in testimony before your committee on June 1, 1964, reported a reduction of 52 in number of repetitive forms approved for use by ICC on December 31, 1955, as compared to December 31, 1963. The Budget Bureau figures include application forms and other administrative forms that are public-use forms but are not considered by us to be reporting requirements imposed upon carriers. Therefore, the following figures are limited to increases and decreases in carrier reporting requirements as administered by the Interstate Commerce Commission.

ICC reporting requirements and reports filed 1956 compared to 1963-64

Reporting requirements 1956-----	121
New-----	28
Discontinued or consolidated-----	40
Net change (+ or -)-----	-12
Reporting requirements 1964-----	109
Carrier reports filed 1956-----	1, 386, 368
Carrier reports filed 1963-----	867, 301
Net change (+ or -)-----	-519, 067

As you can see, here has been a decrease of more than a half million in reports filed by carriers under ICC jurisdiction since 1956.¹ The decreases in reporting have largely been accomplished by eliminating reports no longer considered essential; by substituting reporting in summary form for reporting individual occurrences; by increasing dollar criteria when used as a reporting base; and by reducing reporting frequency.

Increases in reporting have also occurred. These are mainly the result of valid needs for information to assess growth and changes in the transportation industry. Typical of these needs are the "piggy-

¹ 1956 has, with the permission of your committee, been substituted for 1955 because more complete records were available for 1956.

back" reporting requirements which became effective in January of this year. Other increases have resulted from amendments to the Locomotive Inspection Act and the Railroad Accident Reports Act. Some changes are the result of changes in the size of the industry, due to mergers, consolidations, new authority, and other such matters.

2. The effectiveness of the Federal Reports Act of 1942, and the need for legislation which may be required to guard against the growth of unnecessary paperwork in the agency, including records retention requirements.

The Interstate Commerce Commission believes the Federal Reports Act of 1942 (5 U.S.C. 139) has effectively served to coordinate Federal reporting services among agencies, to eliminate duplication, thus reducing the cost of such services, and accordingly has minimized the cost to industry of furnishing information. Adoption of the Bureau of the Budget's Commodity Classification for Transportation Statistics, as a basis for carrier reporting of freight commodity statistics to the Commission, is a good example of our working with the Bureau of the Budget and the Advisory Council on Federal Reports to eliminate unnecessary duplication of effort in compiling statistics and minimizing burden on the transportation industry. This effort resulted in adoption by the Commission of a new commodity classification code (order of Sept. 13, 1963, docket No. 34206) providing compatibility between Commission compiled commodity data and related census of transportation.

The coordination of our reports, particularly those filed by small motor carriers of passengers and of property, for use in the census of transportation exemplifies the usefulness of the Federal Reports Act of 1942. With limited modification of our report forms, the reports filed by motor carriers subject to the Commission's reporting requirements are being used as source documents for the census. It was unnecessary for the Bureau of the Census to require further reports from these carriers, thus minimizing the paperwork burden upon industry and at the same time reducing the cost to the Government of gathering data for the census of transportation.

Insofar as guarding against the growth of unnecessary paperwork in the agency is concerned, the Interstate Commerce Commission believes this responsibility can most effectively be exercised by the constant vigilance of responsible agency officials. We are grateful that your committee has recognized the progress the Commission has made in the last few years in reducing its public reporting requirements. While this progress did not stem directly from the administration of the Federal Reports Act, per se, the activities of your committee and the Budget Bureau have each served to emphasize the need for reducing Federal paperwork imposed upon the public. The program carried out by the Commission, as I stated earlier, has resulted in reduction of reporting by the carriers and more efficient administration of agency resources.

On our part we are not aware of the need for additional legislation to guard against unnecessary paperwork and see no particular advantage to be gained by subjecting records retention requirements promulgated by regulatory agencies to clearance procedures similar to those exercised by the Budget Bureau in administering the Federal Reports Act. New or revised records retention regulations were issued by the Commission in 1957 for railroads and water carriers;

in 1958 for persons which furnish cars or protection services to railroads and for ratemaking organizations; and in 1962 for pipeline companies. Regulations relating to retention of records by freight forwarders are now in the process of being revised. This work is being done in cooperation with the Civil Aeronautics Board and the Federal Maritime Commission in an effort to standardize and coordinate as far as practicable, rules and procedures prescribed by these agencies in their respective areas of jurisdiction. ICC records retention requirements are prescribed only after consultation with industry committees and other interested parties, followed by rulemaking procedures which permit carriers and others an opportunity to present their views.

Prescribed retention periods are designed to keep available those records that are required by the Commission in its regulatory work. Permanent retention is prescribed principally for such records as general journals, general ledgers, and corporate minute books. It is common practice in all industries for companies to retain such records permanently or until such time as the corporate entity is terminated. In practice we have found that carriers maintain many records for their own needs beyond our requirements. Commission requirements permit the microfilming of certain records to relieve storage problems. We are continuously considering changes that are occurring as the result of innovations in recordkeeping resulting from applications of automatic data processing. ICC requirements concerning retention of carrier records are being reviewed and revised as necessary.

3. The administrative controls which exist in the agency to protect the public from excessive Federal Government paperwork. The success or lack of success of these arrangements in accomplishing this objective, and the reasons therefor.

As stated earlier, the Commission appointed a staff committee in 1959. That committee's purpose was to undertake an overall study and analysis of Commission reporting requirements to assure that all statistical and related accounting information collected is essential in the conduct of its regulatory work, and that the need for such information justifies the expense to the Commission and to industry to prepare, receive, and process the data collected. Further, we wanted to make certain that the forms and procedures prescribed are efficient and appropriate. In June 1963, we decided to accelerate our evaluation of reporting requirements, particularly the annual reports filed by carriers, and fortunately were able to avail ourselves of the expert services of a recently retired committee member, the former Director of our Bureau of Accounts. This was C. W. Emken who had served the Commission for 36 years before his retirement and whose long experience and personal qualities eminently qualified him for the undertaking.

I believe the effectiveness of this approach can best be judged by the results it has produced. As I indicated in my opening remarks, since 1959 carriers under ICC jurisdiction have been relieved from filing more than 450,000 reports annually, and reports continued have been reduced in size. The attached letter from the Express Freight Lines, Inc., of Milwaukee, Wis. (attachment No. 1), and the resolution recently passed by the National Accounting and Finance Council of the American Trucking Associations, Inc. (attachment No. 2), are examples of the effect the Commission's actions have had on industry.

The Commission's staff committee is continuing its review of reporting requirements. The committee will continue as a permanent organization to review future changes to existing reporting requirements, and we are considering establishing an auxiliary forms management program to give more careful attention to the design and printing of public use forms.

4. Current agency programs for reducing the paperwork burden on the public, and the small businessman, including a description of specific problem areas and suggested solutions.

In addition to the study being continuously conducted by the Commission's staff committee discussed in response to item 3, above (which has been devoted to the review of public reports), a special review is now underway pursuant to the President's memorandum of March 10, 1964, and Budget Bureau Bulletin 64-11. This review will encompass all of the Commission's public forms, including applications and other administrative forms. The special review is being conducted under the guidance of the Staff Committee on Reduction of Paperwork Burden. We believe some further progress will be made.

Aside from the staff committee work and the special review which are underway, continuing programs to review and improve methods for obtaining and processing necessary data are underway in Bureaus of the Commission and the Office of the Managing Director. As pointed out earlier, there is a constant exchange of ideas between originating bureaus and other Government agencies, trade associations, and the industry under regulation which contributes toward many improvements. For example, members of our staff in cooperation with carriers and their representatives are investigating and experimenting with methods that we hope eventually will lead to simplification of the reporting program. We are continuing to explore the feasibility of carriers submitting statistical data by one or another mechanical or electronic means.

Further, on the chance we may be requiring more copies of pleadings than are now needed due to improved procedures for handling proceeding cases effected within the last 3 years, we intend to explore reducing such requirements.

The reduction in filing of some 450,000 reports annually which has taken place in ICC since 1959 has largely been accomplished through reducing reporting frequency; such as changing monthly reports to quarterly reports, eliminating data no longer needed, and changing the dollar criteria used as a reporting basis. A legislative change has been proposed respecting section 19a of the Interstate Commerce Act to further reduce valuation reporting. This has to do with the property owned by carriers and other matters which we now do not consider as really necessary. The staff committee is also reviewing the matter of reclassification of carriers for reporting and accounting purposes, which would bring further relief to a number of carriers.

5. Estimated cost to the agency for collecting, compiling, processing, publishing, filing, storing, or disposing of forms, records, reports, etc. (Include here, in addition to regular programs, reporting requirements undertaken in behalf of Presidential committees, interdepartmental committees, and other public and private committees and groups staffed or served by the agency.)

In 1963 figures were furnished your committee showing total annual salary costs for data collection activities as \$675,672. Following is an example of major reports filed with the Commission, and the time and expense involved in processing these reports. Information respecting the cost to industry to furnish this data is included under item 6.

ICC cost and man-hours expended in processing 6 selected reports

	Type	ICC cost ¹	ICC man-hours ¹
Railroads (147)-----	Form A, annual report-----	\$27,647	7,279
Railroads (103)-----	Form R. & E., quarterly report-----	2,297	844
Motor carriers (1,148)-----	Form A, annual report-----	22,724	6,453
Motor carriers (642)-----	Form QFR-I-G-F, quarterly-----	11,443	3,719
Freight forwarders (60)-----	Form F-a, annual report-----	1,047	311
Water carriers (62)-----	Form K-a, annual report-----	4,657	664

¹ Man-hours and related costs represent direct labor without allowance for supervisory or administrative expenses; typing, mailing, and storage costs are not included. However, costs include equipment rental and costs other than salary for man-hours expended.

6. Estimated man-hours required by industry, business, and the public to complete all reports (voluntary and compulsory) sent out by the agency to 10 or more persons. (Include here, in addition to regular programs, reporting requirements undertaken in behalf of Presidential committees, interdepartmental committees, and other public and private committees and groups staffed or served by the agency.)

In order to gather information in this area by the deadline established, we contacted several carrier organizations, such as the Association of American Railroads, outlining our needs. The carrier representatives contacted several member companies requesting they furnish the best estimate available of man-hours required in the preparation of selected reports filed with the Commission. Because of the need to develop usable information quickly, six of the Commission's report forms were selected for the purpose of illustration. Man-hour estimates of carrier time generally are limited to the actual time required to put the material into reportable form and to complete the form itself. Included are allowances for machine tabulations, clerical labor, typing, proofreading, sorting, binding, and mailing. It was necessary to assume that most of the information required by our reports would be accumulated by the carriers for internal use even if the reports were not required by the ICC. We believe this to be a realistic general assumption regarding our reporting system. If carriers found this assumption untrue, some estimate of extra man-hours necessary to the preparation of special data for reporting purposes was to be included. Therefore, different management policies respecting data collection may account for some of the variances in the figures shown below. The information furnished is as follows:

Carrier man-hour estimates for completing 6 selected ICC reports

	Man-hours per year and re port title	
	Annual report, form A	Revenues and expenses, form R. & E.
Railroads (class I):		
Carrier A.....	757	16
Carrier B.....	3,500	4
Carrier C.....	1,596	12
Carrier D.....	2,023	16
	Annual report, form A	Revenues, expenses, and statis- tics, form QFR-I-GF
Motor carrier (class I carriers of general freight):		
Carrier A.....	80	20
Carrier B.....	72	12
Carrier C.....	164	96
Carrier D.....	132	20
Carrier E.....	30	15
Carrier F.....	365	9
Carrier G.....	62	11
		Annual report, form F-a
Freight forwarders (class A):		
Carrier A.....		14
Carrier B.....		30
Carrier C.....		3
Carrier D.....		32
		Annual report of inland and coastal water carriers, form K-A
Water carriers: Carrier A.....		201

The above man-hour estimates are intended only as general information, and are not represented as a sample based upon mathematical procedures; therefore, industrywide projection of these data to a total number of man-hours required for preparing reports is not recommended.

7. Effectiveness of the agency's internal records management program and recommendations for improvement.

The Interstate Commerce Commission's records management program is predicated upon the Federal Records Act of 1950 and subsequent GSA regulations contained in title 3, Federal Records Act.

Responsibility for conducting studies of records management activities throughout the ICC is assigned to the Office of the Managing Director and is exercised through its Paperwork Management Branch which was established in 1959. The Secretary of the Commission, as custodian of official records, is responsible for the proper documentation of Commission actions and their preservation. The Commission recognizes the Government-wide responsibilities of the General Services Administration for improved records management and calls upon that agency for assistance as needed.

In 1959 an intensified records disposition program was commenced. Since then, I am proud to say, more than 56,000 cubic feet of non-current records have been disposed of through destruction or transfer to Federal records centers for storage. Equipment and space valued at an amount in excess of \$250,000 have been released for other use. Probably the best criteria for judging the effectiveness of the program lies in the fact that 12,410 square feet of storage space in the central office within the last 5 years has been converted to office use through records and space management activities. Altogether, file space within the building has been reduced by 44,725 square feet. This is equivalent to more than one floor of our seven-story building.

With the assistance of GSA's National Archives staff, comprehensive records disposal schedules were prepared, and have subsequently been enacted, for each of the Commission's 10 bureaus. By the end of this year we expect that all ICC records will have been scheduled. As experience is gained under the new schedules, we may find areas where records retention periods provided are longer than warranted and will take steps to shorten them.

There follows a summary of ICC's record holdings reported to the Hoover Commission in 1954 as compared to 1964.

ICC records holdings

	1954	1964 estimate ¹
Total agency records holdings.....	114,905	59,820
Scheduled for retirement and disposal.....	35,525	30,680
Considered permanent.....	79,380	² 29,140

¹ Includes estimated figures for some field offices.

² Includes official docket files which have not yet been scheduled and are for the time being considered permanent.

As you can see from the above comparison, in spite of the steady growth of the transportation industry, an increase over the years in proceedings filed before the Commission, 13,057 in 1954 compared to 21,372 in 1964, and an increased staff, the volume of records on hand in the Commission has been reduced by almost one-half since the Hoover Commission report of 1955. Work under the ICC records disposition program is continuing. An intensive review of field office records practices is planned for later in the year.

In other areas of paperwork and records management we have also made some headway. A subject filing system for administrative

records was issued by the Office of the Managing Director in 1961. The U.S. Government Correspondence Manual has been adopted for agencywide use. Various paperwork management surveys have been conducted which have reduced effort and duplication in recordkeeping. A joint GSA-ICC survey of central office mail and messenger operations was made in 1961. Implementation of survey recommendations resulted in more efficient service and a saving of 11 positions. Improvements in the preparation (automatic typing) and printing of Commission decisions, stemming from related paperwork and records management activities, have been made in the last 2 years which have reduced the Commission's printing costs by more than \$50,000 annually.

While we believe we have made progress, we intend to further improve our records and paperwork management activities to the maximum extent possible. For example, we are continuously looking for ways to reduce the number of copies of correspondence made and filed within the agency; to improve internal and external use of forms and form letters; and to improve internal and external reporting procedures. Also, we are exploring duplicate or overlapping record-keeping and automation of paperwork tasks.

In closing, I want to emphasize again that the Commission will continue to explore avenues for reducing the paperwork burden on carriers under its jurisdiction. We will continue to review our reporting requirements to guarantee that only necessary information is collected and that the methods for collecting and processing it are most efficient. It is becoming increasingly important, with an expanding economy and tighter fiscal policies, that we conserve our resources for the most critical programs. In my remarks today I have tried to give examples of the real progress we have made. Your committee, in focusing attention on the Federal paperwork burden, has been a constant source of encouragement to us in our efforts. We shall continue to cooperate in every possible way.

(The attachments referred to are as follows:)

EXPRESS FREIGHT LINES, INC.,
Milwaukee, Wis., April 8, 1964.

Mr. M. PAOLO,
Director, Bureau of Accounts,
Interstate Commerce Commission,
Washington, D.C.

DEAR MR. PAOLO: It gives me great pleasure to express to the Commission today our gratitude.

I am referring to the annual report for 1963 and specifically to schedule 1200, where not less than nine pages of schedules were eliminated. It is very seldom that a governmental agency reduces the reporting requirements, if and when such report is superfluous, inconsequential, impractical, or useless.

The progressive attitude of the Commission in this respect is greatly appreciated by us, and I am sure that many others in the industry feel the same way, since only in a "blue moon" are we able to save some clerical work and the costs connected with it.

Again, thank you very much.

Sincerely yours,

K. W. BERGER, *Treasurer.*

NATIONAL ACCOUNTING AND FINANCE COUNCIL,
 AMERICAN TRUCKING ASSOCIATIONS, INC.,
 Washington, D.C., June 11, 1964.

HON. A. MCGREGOR GOFF,
Interstate Commerce Commission,
 Washington, D.C.

DEAR CHAIRMAN GOFF: I am pleased to forward to you the below resolution which was passed unanimously at the recent annual meeting of the National Accounting and Finance Council, American Trucking Associations, Inc., in Cleveland, Ohio:

"A RESOLUTION

"Whereas the Interstate Commerce Commission in its efforts toward the reduction of paperwork has taken a real and tangible step forward in this direction by the elimination and consolidation of certain schedules in the Annual Reports of Motor Common Carriers of Property, Forms A and B; and

"Whereas there is need for a continuation of this effort: Therefore be it
 "Resolved, and it is hereby resolved, That the National Accounting and Finance Council, American Trucking Associations, Inc., in assembly in Cleveland, Ohio, express its appreciation and thanks to the Interstate Commerce Commission for the success of its efforts during the past year and request that the 'paperwork simplification' program be continued in the future.

"Approved: May 19, 1964.

"Attest:

"WALTON NICHOLS, *Executive Secretary.*

"JOHN L. TORMEY, *President.*"

Sincerely,

WALTON NICHOLS, *Executive Secretary.*

Mr. GOFF. In summary, I might say the ICC has been very much interested in this program of cutting down on paperwork. I was in the private practice of law at Moscow, Idaho, for about 25 years aside from my service in the Government, or the Army. I know some of the problems of the ordinary businessman. I was a director of the First National Bank of Moscow for many years and had a general practice in which I represented various kinds of regulated carriers and various kinds of businesses, all of which had to make some kind of report to the Government. I know what trouble it is. I not only appreciate this task personally, but I assure you that the Commission, which it is my honor to represent, has taken a very serious view in regard to it. Back in 1959, recognizing the necessity for accelerating the work of the bureaus in their normal review of operations to reduce paperwork, not only for the carrier that is regulated, but also in our own shop, we appointed a staff committee to review all our reporting requirements. This staff committee consisted of the Managing Director, the Secretary, the Director of our Bureau of Accounts, and the Director of our Bureau of Transport Economics and Statistics.

In addition, the staff committee, the directors of each of our bureaus served as exofficio members.

The staff committee commenced its more intensive review and by 1963 had reviewed 56 reports. These 56 constituted all of ICC's major reports except the annual reports filed by carriers. The annual reports required of carriers contain the bulk of the statistical data collected, analyzed, and published. In order to expedite the review of the annual reports, we employed for this work one of the original members of the staff committee who had since retired. He was the former Director of the Bureau of Accounts and was with the Commission for 36 years. This move proved very effective. He went over all our annual reports individually. He discussed them with the Bureau directors concerned. His purpose was to determine if the

information was absolutely necessary, if it was duplicated anyplace, also whether it was information that was needed by other Government agencies, and by the industry generally with the idea of cutting down on data collected.

Another area in which we have made progress is in disposing of records within our agency. That worked out very well. As a matter of fact, I think you would be surprised to hear what we saved by way of space right in our own plant. We actually found that more than 56,000 cubic feet of noncurrent records could be disposed of. It gave us space we needed very much. We only have the single building. We would have had to go out and rent additional space if we had not been able to dispose of these records. In fact, it amounted to more than one full floor of the building. You can see what an advantage it was to us.

Within the last 5 years, 12,410 square feet of storage space in the central office has been converted to office use for either personnel or other records we needed. We had a very serious situation with our hearing examiners and they had to occupy what we referred to as warm chairs. A man would have to go out on an itinerary and a hearing examiner just returning from one would occupy his office. Through disposal of noncurrent records and the resultant release of space, we have been able to give them full-time offices, which is very much better.

I might say, after going over the whole matter, and from our experience in cutting down the paperwork, we doubt if any new legislation is necessary. We think the present legislation is adequate. We feel there must be a containing effort and study.

Mr. Emken is no longer with us, but we still have the committee and we are still trying to reduce paperwork. I want to emphasize first the quantity we have been able to cut down in the past three and a half years.

Carriers under ICC jurisdiction have been relieved from filing more than 450,000 reports annually, and more than 22,000 pages of data have been eliminated from annual reports filed by carriers. Altogether, carriers have been relieved from filing approximately 34 million items of information formerly collected. As a result of this reduction in data collected, we have been able to discontinue the preparation and printing of 110 publications.

I assure you that we intend to continue this effort to guard against the danger of collecting information which is outmoded, or unnecessary, in our regulatory process. We want to eliminate any unnecessary burden on the carriers, and will use our own resources thus conserved to advantage in other Commission functions.

In closing, I will say we very much appreciate the emphasis that has been given by this committee. It has been a fine guideline for us. It has provided us with an incentive to move ahead in our own agency. The Commission will continue to explore every avenue for reducing the paperwork for carriers under its jurisdiction.

I do have here some examples of letters and resolutions that we have received commending us for our work in reduction of the paperwork burden. The ICC will continue to cooperate in every possible way with this committee.

That closes my summary.

Mr. OLSEN. Thank you very much, Chairman Goff.

The Bureau of the Budget has advised us that the ICC has eliminated 52 repetitive forms since 1955. I certainly want to commend the ICC for this excellent work. For the record, could we have a list of the forms that were eliminated?

Mr. GOFF. Yes, I will be glad to submit that.

There is a slight difference of figures with the Bureau of the Budget. As explained in my statement, the Budget Bureau figures include application forms and other administrative forms that are not considered by us to be reporting requirements imposed upon carriers. The following list is limited to the 40 reporting forms discontinued or consolidated with other forms, as shown in my prepared statement.

Mr. OLSEN. That will be made a part of the record at this point.
(The list referred to follows:)

ICC reporting forms discontinued or consolidated, from 1956 to 1964

ICC Form No.	Title	Reason for change	Frequency and type or respondents
B.V. 588, subschedule N.	Changes of Leases of Property	No longer essential.	Annually, roadroads.
B.V. 638	Purchases Made of Materials	do.	Annually, 42 selected class I rail carriers.
B.V. 588-B, subschedule L-P.	Land Owner or Used	Reduced and consolidated. Now ACV-2.	Annually, pipelines.
B.V. 588-R, subschedule M-P.	Lands Held.		Do.
B.V. 627	Physical Property		
B.V. 628	Cost data, line pipe		
B.V. 629	Cost data, fittings		
B.V. 630	Cost data, construction	Reduced and Consolidated. Now B.V. 8 and 9 B.V.	Annually, 34 selected pipelines.
B.V. 631	Cost data, oil tanks		
B.V. 632	Cost data, communication system		
B.V. 633	Cost data, rates of compensation		
	Dispositions of Loan Proceeds		
	Notifications of Payments	Part V, repealed in 1963	Railroads, irregular.
	Insurance Company Authorization Report.	Change in insurance rules permitted discontinuance.	Lending institutions, quarterly or semiannually.
	Hours of Service Report		
BMC-60	Report of Excess On-Duty and Driving Time.	Reduced and consolidated, now BMC-60. Summary reporting substituted for reporting of individual violations.	Monthly, all motor carriers except private carriers.
BMC-61	Report of No Excess On-Duty and Driving Time.		
BMC-62	Docket 2966, Per diem Agreements	Discontinued, no longer necessary	Irregular, railroads.
HOF5-1	Hours of Service Report, Summary		
HOF5-2	Employees on Duty	Reduced and consolidated into 1 report. Now SS-82.	Monthly, railroads.
HOF5-3	Employees Continuously on Duty		
HOF5-4	Employees at Continuously Operated Day and Night Offices.		
HOF5-5	No Excess Service	Discontinued negative reporting.	Do.
Signal Rept. No. 1	Block Signal Systems		
Signal Rept. No. 2	Train Operation by Signal Indication.		
Signal Rept. No. 3	Train Operation by Timetable and Train Orders.	Reduced and consolidated into 3 forms. Now Nos. 1, 2, and 3.	Annual, railroads.
Signal Rept. No. 4	Interlocking		
Signal Rept. No. 5	ATS, ATC, and Cab. Signals		
Signal Rept. No. 6	Train Communications	Discontinued, no longer necessary	Do.
QCL	Report of Car Lines	Discontinued, essential data reported elsewhere	Quarterly, car lines.
OS-A	Freight Train Performance		
OS-B	Passenger Train Performance	Reduced and consolidated into 3 forms. Now OS-A, OS-B, and OS-C. Changed from monthly to quarterly reporting.	Quarterly, railroads.
OS-C	Yard Service		
OS-D	Revenue Traffic		
OS-F	Motive Power and Car Equipment		
APT	Analysis of Passenger Traffic		
OS-E	Fuel and Power	Discontinued, no longer essential.	Do.
F	Accidents-Subsequent Fatalities	Discontinued, essential data reported on Form V	Monthly, railroads.
R	Accidents, Rail Failures	Discontinued, essential data reported on Form T	Do.
L	Report of Railroad Accidents.	Discontinued, electric railways to use railroad form.	Monthly, electric railroads.

Mr. OLSEN. I have a few questions.

Mr. GOFF. I will be happy to answer them. If I cannot, we have a very efficient staff here to take care of that.

Mr. OLSEN. Are you familiar with the work of the National Facilitation Committee in the Department of Commerce?

Mr. GOFF. I am in some degree familiar with it from the reports that I have had from our managing director and from his assistant. That, as I understand, has to do more with the Maritime Administration and ocean shipping. We have very little to do with that. We will have more to do with it as we get more into joint rates. We have had two staff members on a subcommittee who have kept track of it.

Our information is, when they think we can really do some meaningful work on it, they will ask us to designate someone to go on the committee. That has to do primarily with across-the-ocean shipping, over which we have no jurisdiction.

Mr. OLSEN. I realize that. I wonder if Mr. Weiss could tell us if the National Facilitation Committee is not trying to simplify the paperwork for both domestic as well as overseas shipping.

Mr. WEISS. As I understand it, the General Services Administration is assisting the Maritime Administration in simplifying some 300 or more bills-of-lading forms for oversea shipments. There is some hope this simplification of oversea bills of lading may be related to those bills of lading which are under the jurisdiction of the ICC.

Under the Interstate Commerce Commission Act, the Commission has authority now to prescribe standard bills of lading, and it has prescribed them for all modes under its jurisdiction.

As far as the Commission's jurisdiction is concerned, there is just one form of a bill of lading prescribed for rail, and the content is prescribed for motor and water carriers and freight forwarders.

We understand the GSA, after it finishes its work on the ocean bill of lading, will contact the National Facilitation Committee and suggest a new subcommittee to study the possibilities of a through bill of lading both for domestic and overseas shipping.

Mr. OLSEN. That is a good explanation.

I want to say that time and again we use the ICC as a good example when we are discussing the need for a reduction in paperwork. We also cite the example of the ICC so the other agencies will know it is possible to cut paperwork. You have done a splendid job. You are a wonderful example for us to point to.

Mr. GOFF. I appreciate your statement, Mr. Chairman. We have done this largely by cutting down, for instance, from monthly reports to quarterly reports, and by cutting down on things that we found were not absolutely necessary. For instance, we used to require motor carriers to report every accident involving property damage over \$100. It is now up to \$250.

We have done a lot that way. Also, the general income levels of the various types of transportation have increased, making it desirable to increase the dollar revenue reporting basis. A substantial reduction in reports filed has been made by cutting from monthly reports to quarterly reports.

Mr. OLSEN. I wonder if there is any thought to reporting only three times a year instead of quarterly?

Mr. GOFF. We had an employee suggestion on that and gave it very serious consideration. When we have suggestions that affect the frequency of reporting for the industry, we sometimes go to financial concerns, the carriers involved, and to employee organizations and discuss it with them. We gave serious consideration to that one, but finally determined—and this was the unanimous industry reaction—that business reports are generally made on a monthly, quarterly, or annual basis. If put on a three-times-a-year basis, it would not fit in with what is generally used in Government and industry. It would cut down reporting, but we think it would have a reporting frequency that would be difficult to use.

Mr. OLSEN. Maybe it would not fit the bookkeeping?

Mr. GOFF. That is right.

Mr. OLSEN. We understand there have been joint efforts between the ICC and the Civil Aeronautics Board and the Federal Maritime Administration to standardize records retention for freight forwarders. I wonder if one of your specialists could describe how this work is progressing.

Mr. GOFF. I want to say first, since the President's message some 3 years ago asking for as close cooperation as possible in all matters, the Chairman of the ICC, the Chairman of the Maritime Commission, and the Chairman of the CAB have held monthly meetings at which we discuss all the matters that could be of interest—rates, joint rate reports, and things of that kind—and we have had a working committee from our staff on this for a long while. We operate through working committees, but we keep track of it at the top level.

Mr. PAOLO. We selected two projects we thought would be of mutual benefit to the three agencies. One was a uniform system of accounts, and one a set of rules for destruction or preservation of records for freight forwarders. We are vitally concerned in this area because the three agencies have some individual carriers under common jurisdiction. We thought we would try to standardize our accounting rules and our records retention requirements, particularly for those carriers under common jurisdiction.

We have at this stage prepared and set up a rough draft of a uniform regulation for destruction of records by freight forwarders. We already have a first copy set up. The agencies are now reviewing it. There is a question as to whether we will issue it in one document with the orders of the three agencies appended thereto, or whether we might still issue it in three separate documents, but all the retention periods will be alike.

After the three agencies agree on a preliminary basis, we will, of course, go to the industry and get their comments and suggestions as is normal in any of our regulations.

Mr. GOFF. I might explain further, and I think I am correct in this, Mr. Paolo, that this arose originally, as I remember, in our meeting of staff heads, over our accountants coming into a concern and then possibly when they left an accountant would come in from the other agency. It easily became evident we were probably duplicating a lot of the work, and if we could have the auditing that was made by one agency operate for all three agencies, or the two agencies, we would save a great deal of time.

Mr. PAOLO. This is another area where, by cooperation in these three agencies, we are setting up a program so we do not duplicate efforts of examining accounts of carriers subject to our individual jurisdictions.

Mr. OLSEN. That is splendid. I was not thinking about that phase of it. I can understand where a business organization having three visits from three agencies of the Government would feel that he was being set upon pretty badly.

Mr. GOFF. That would only be where the freight comes by rail to Seattle and then goes by ship to Alaska and then is placed on a truck and goes from the port in Alaska to the final destination. That would be an example.

Mr. PAOLO. One of the examples is the Alaska Steamship Co. under the jurisdiction of the Maritime Commission and the ICC.

Mr. OLSEN. In any event, I think it is important. We have had several examples of record retention programs that really needed correction. One we have cited most often lately is the Internal Revenue Service. They do not put any limit on the record retention. Some of their records of business people and corporations must be kept as long as 30 years.

Mr. PAOLO. As I understand it, that depends on how long it has been since they made their last audit of a particular concern.

Mr. OLSEN. I think where there may be a suspicion of fraud, record retention is indefinite.

Mr. PAOLO. I am not familiar with that.

Mr. OLSEN. There is no limitation at all.

Just as you people tend to be moved right out of your quarters by records, so is it true with business people. And the smaller the business, the more danger there is he will get moved out by his records if he is being required to keep extensive records for long periods of time.

Mr. PAOLO. We feel, if I may make a statement, we are quite liberal in our approach. We discuss these things with the industry, with the public at large that might have some interest in these particular records, and we have never had a formal proceedings as far back as I can remember, some 25 years or so, that anyone has come into the Commission and made a formal complaint about the fact our recordkeeping periods are too long.

I generally found when I was out in the field examining records of carriers, that they, for their own purposes, maintain these records longer than we require. We make a continuing review of these regulations.

Mr. OLSEN. I must say you have a fine attitude in ICC with regard to paperwork. I commend you and I want you to continue your efforts. I think you have to fight this paperwork all the time.

Mr. GOFF. We appreciate your statement. We do not pretend to say what any other agency should do. Each agency has its own problem. What has worked for us might not work for them, as they might have different requirements. I make no criticism of any other agency. The general statement that you have made I think is the secret—you just have to make a continuing effort.

Mr. OLSEN. Actually, paper and paperwork are our tools. Some agencies need more of these tools than others. But the tools can very

nearly blur the scene. They will be spinning their wheels because they are buried with it if they are not careful.

Thank you again. I appreciate your coming here and contributing to our work. We are going to, of course, continue our particular fight in this field as long as our committee is in existence. We are going to keep returning to this subject simply because we think that there must be strong encouragement all the time to fight paperwork.

Mr. SCHMID. As a result of the very fine praise given to us by your committee, as well as the Budget Bureau commending us, we have had several agencies come over to see us.

Mr. OLSEN. We had the Archives here last week. They have been doing a really remarkable job of studying problems in various agencies. They have put out several publications that I am sure are of great value. I see they are doing a lot. They are the agency in GSA which is advising in the maritime field. There was one example where they had taken 14 different forms and worked on them until they got it down to 1 form. They are coming along with some really great contributions.

Mr. SCHMID. Incidentally, they have been helpful to us, too. They have been working with us over the past 4 or 5 years and have actually made studies with us in connection with paperwork reduction.

Mr. OLSEN. That is splendid. Thank you very much.

(Whereupon, at 12 noon, the subcommittee adjourned, to reconvene at 10 a.m. Tuesday, June 23, 1964.)

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THE FEDERAL PAPERWORK JUNGLE

TUESDAY, JUNE 23, 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 recess, at 10 a.m., in room 215, Cannon House Office Building, Hon. Arnold Olsen of Montana (chairman of the subcommittee) presiding.

Mr. OLSEN. The subcommittee will come to order.

To start today's session of our hearings on Federal Government paperwork, it is our pleasure to have with us the Honorable Elford A. Cederberg, a Member of Congress from the 10th District of Michigan, who will introduce our first witness.

Mr. Cederberg, it is good of you to come here this morning and I want you to know that we appreciate your interest.

STATEMENT OF HON. ELFORD A. CEDERBERG, MEMBER OF CONGRESS FROM THE STATE OF MICHIGAN

Mr. CEDERBERG. Mr. Chairman, it is a pleasure to be here and introduce my good friend and constituent, Dr. Lloyd.

It was my good pleasure to serve on this committee some years back and I enjoyed that service a great deal.

In my opinion, this is a very worthwhile subject having to do with the paperwork burden on businessmen, and being someone who was in business prior to coming to Congress, I certainly can appreciate the importance of this subject, and I appreciate the fact your subcommittee is studying the matter.

Dr. Lewis Lloyd is the chief economist, in charge of business research for the Dow Chemical Co. He is the author of three books and he has another one at the publisher's at the present time. He has appeared before many congressional committees on trade and foreign aid matters. He is an outstanding specialist recognized around the country as a very knowledgeable man on monetary policy.

He has been with the Dow Chemical Co. for 27 years and has a doctor of science degree from the University of Michigan. He is here representing the National Association of Manufacturers on a very important and timely subject and I know that you will find his testimony enlightening, interesting, and factual.

It is a pleasure to present to you Dr. Lewis Lloyd.

Mr. OLSEN. Thank you, Mr. Cederberg, and thank you, Dr. Lloyd, for coming here.

I am happy to know that Congressman Cederberg shares our interest in attempting to reduce the paperwork the Federal Government re-

quires of the public and we can use all the support we can muster in this effort because paperwork seems to be the measure of accomplishment; often it is the only accomplishment.

Doctor, you may proceed as you will.

STATEMENT OF DR. LEWIS E. LLOYD, CHIEF ECONOMIST, DOW CHEMICAL CO., MIDLAND, MICH., AND REPRESENTING THE NATIONAL ASSOCIATION OF MANUFACTURERS

Dr. LLOYD. Mr. Chairman, I have prepared a formal statement and if you would like, I will file it with the committee and orally review it in order to conserve more time for any questions that might arise.

Mr. OLSEN. Very well. Your prepared statement will be made a part of the record at this point. If you will, please, highlight it and then we will have some questions for you.

(The prepared statement of Dr. Lloyd follows:)

PREPARED STATEMENT OF DR. LEWIS E. LLOYD, ON BEHALF OF THE NATIONAL ASSOCIATION OF MANUFACTURERS

My name is Dr. Lewis E. Lloyd, economist and head of business research for the Dow Chemical Co., Midland, Mich. I am appearing here today on behalf of the National Association of Manufacturers.

The association is particularly grateful to this committee for undertaking to study the ever-growing paperwork burden which is enveloping all American businessmen. While my own personal experience is with one of America's larger corporate enterprises, I am sure that businessmen generally have found that this problem is unrelated to size. All companies are involved. It is a burden felt universally by the entire business community. Time spent in responding to unnecessary inquiries is time that could otherwise be devoted to a still greater contribution to our gross national product and the welfare of all our citizens.

The members of NAM recognize the need for, and approve the collection of, necessary and useful statistics regarding our economy. We do not feel, however, that all of the statistical efforts by the multitudinous Government agencies which deluge American industry can be justified.

As you can well imagine, the NAM has received many complaints from its membership regarding the paperwork overload currently imposed on business. While no compilation of statistics is possible, estimates which we have received indicate that numerous individual companies are filing reports numbering in the hundreds of thousands each year. Remember that most reports call for an answer for each plant of a company.

One circumstance often overlooked is that there is a substantial cost factor involved in maintaining files over the required retention period, employing file clerks, and providing storage. Many reports must be retained for years and range in size from post cards to those measured by the pound. One recent and well-known example weighed in at 14 pounds.

As economist and head of business research at Dow Chemical, the statistical reports which Dow makes to Government agencies are prepared under my supervision, and I have frequent occasion to use Government statistics, both overall aggregate statistics for the economy, and commodity statistics of various types. Thus, for many years I have had experience in preparing and in using a wide variety of Government statistics. I am aware of many of the problems and the cost involved in reporting, and of the value and the shortcomings of the final Government statistical reports.

For 10 years or more I have been a member of the Committee on Chemicals of the Advisory Council on Federal Reports, and during that period was chairman for 3 or 4 years. I was also a member of the Chemicals Committee of the Paperwork Task Force of the second Hoover Commission study. In that assignment I spent many hours over a period of months with other members of the committee examining the paperwork problem as to costs, and value of the assembled statistics.

It is my belief, and I am sure it is that of the NAM members, that one of the functions which Government can properly perform for a free enterprise economy is to collect and disseminate appropriate, useful information. The key word here is "useful." One factor to be considered in this connection is whether the value of the statistics exceeds the cost of collecting them. We believe that there is a growing evidence that the criteria is sometimes being neglected and that more statistics becomes an objective in itself. We are concerned about the ever-increasing amounts of Government reports, both as to the breadth, depth, and detail.

Lest it be inferred by our appearance before this committee that we are only critical of the various statistical agencies, let me take a moment to express a word of commendation. In my own personal experiences and in working with the Advisory Council on Federal Reports, as well as the second Hoover Commission study, I have found Government personnel generally cooperative and skilled. They are dedicated to developing the best statistics they can and making them available as speedily as possible. They strive to eliminate the inevitable errors and especially to develop clear definitions so that the data may be interpreted more meaningfully. However, notwithstanding the cooperative and helpful nature of Government personnel, there is room for improvement in carrying out the statistical gathering programs of the Government. It is our purpose in offering comments and suggestions to this committee that those Government statistics which are of value should be assembled at the lowest possible cost and that those which are of limited value be discontinued so that there will be a meaningful balance between costs and usefulness.

TYPES OF DATA

By one type of classification, Government statistics could be designated as "economic" and "social." By this classification economic statistics would include production, prices, trade, transport, communications, and finance; and social statistics would include population, health, nutrition, housing, education, literacy, standard of living, etc.

It will be more useful, however, to make a slightly different classification, referring to: (1) statistics on products and commodities, and (2) socioeconomic data.

PRODUCT AND COMMODITY STATISTICS

Statistics on products and commodities include data on production, sales, inventories, prices, exports and imports, and banking.

These data are generally useful to citizens and businessmen in making economic decisions. By studying production data on a given product and noting its growth trend, business management can judge probable future demand. This gives a basis for making decisions concerning inventory control, raw materials contracts, expansion of plant capacity, and financing. The quality of business decisions is related to the adequacy of pertinent facts. Adequate statistics on production and consumption has done much to improve business judgments. Commodity and product statistics are widely used by investment counselors to evaluate the growth potential in given industries and companies.

Under the Federal Reports Act of 1942, the Office of Statistical Standards of the Bureau of the Budget was given the responsibility of eliminating unnecessary and duplicate Government reports.

The then Director of the Budget, Harold D. Smith, invited five national business groups to form an advisory council of business experts to assist in this task. The function of the Advisory Council on Federal Reports may be summarized as follows:

- (1) to advise the Bureau of the Budget on ways to reduce the paperwork burden of surveys and recordkeeping requirements;
- (2) to suggest improvements in statistical classification systems;
- (3) to serve as liaison between Government and business in statistical and reporting activities;
- (4) to establish committees and panels of qualified businessmen to perform these functions.

Through the activities of the Office of Statistical Standards and the recommendations of the Advisory Council on Federal Reports, improvements have taken place and the reporting burden is less than it might otherwise have been.

In reviewing the statement of Mr. Walter F. Ryan, Deputy Chief, Office of Statistical Services, before this committee June 1, 1964, I note that there were

5,192 representative forms approved for use as of December 31, 1963. During 1963 alone, the OSS review program encompassed 2,510 forms, of which only 3.4 percent were not approved. During the entire period 1955-63, the lowest percentage of approval was in 1955 when it was approximately 95.8 percent. In every year since then the percentage has been higher.

The ACFR is not called upon to advise in all of these cases. Its advice is primarily sought on new forms or those involving major revisions. Even when an ACFR committee or panel advises the OSS on a particular proposed form, its suggestions are usually limited to the technical details of the report. More often than not, the committee is instructed that the decision has already been made, that the report is needed, and the only point at issue is how to design the form so that industry can most easily comply. Thus, there is seldom a review with industry to get its appraisal of whether the value of the report warrants the cost. The failure fully to utilize the ACFR, as stated above, may indicate to this subcommittee the need for a broader, more comprehensive, independent review as to the need for additional or revised governmental questionnaires.

In the past few years industry has experienced a substantial increase in the number and complexity of Government reports which it is requested to file. I see this clearly in the increase in our workload in filing Government statistical reports. Three years ago we listed all the reports which we file and found about 600 separate forms, exclusive of tax forms. Last October we updated the list and found that it had increased to about 1,000. Already this year there are still further increase. Moreover, many of the reports have increased greatly in the amount of detail required.

While the actual amount of increase will vary from company to company, and particularly from industry to industry, the experience of businesses generally shows a rapid and growing increase in statistical reports requested by the Government.

I would call attention especially to certain practices which increase the reporting burden.

1. Duplication not only increases the number of reports but sometimes confuses as well as burdens industry. Just to mention a few examples from our own experience—we report magnesium compounds on Bureau of Mines form 6-1232A and duplicate this information on Bureau of Census form MA-28E.1. Dow reports magnesium chloride on Bureau of Mines form 6-1229A and duplicates much of this information on Bureau of Census form MA-28E.1.

Another type of duplication involves preliminary reporting. During the last quarter of each year we get telephone calls from the Agriculture Department and from the Bureau of Mines, requesting estimated data on certain products for the full calendar year. These are the same products on which we will be giving actual data early in the new year. We understand that one of the reasons claimed for needing this estimated data is so that it can be used in compiling the President's state of the Union message.

Some duplication may be unavoidable, but constant vigilance is needed to keep it at a minimum. One of the reasons for duplication is related to the different purposes or objectives of different agencies. The Bureau of Mines wants its data by States and the USDA by counties. The Bureau of Census requests data on an establishment basis. The Tariff Commission and some Department of Commerce forms request data on a company basis. The SEC specifies a consolidated basis. Even in the second Hoover Commission study there was not sufficient time to give full attention to this diversity of approach. It may be that a full-fledged study would show that at least some of these differences could be eliminated. This would certainly simplify the reporting problem.

Another factor which increases the reporting burden has to do with the frequency of reporting. Some data is needed on a monthly basis. This is particularly true of general data on the economy and on major commodities. Where monthly reporting is established, the information is frequently requested from all producers. On a monthly basis it would be adequate to sample only the larger producers and factor in estimated production for the smaller companies. By enlarging the cutoff level in this way, small companies, and large companies who make or use only a small part of a given product, would be relieved of the burden of monthly reporting. By making the annual report comprehensive, information would be available to factor the monthly data from major producers and would show any significant changes in trend.

2. The urge for greater completeness and more detail has induced requests for chemical statistics down to products of only 1,000 pounds or \$1,000 worth in a given year.

When we try to determine the reasons for the proliferation of Government forms, we find that businessmen must take part of the blame. While the accounting department or others in companies who report the data, complain about the cost of assembling and reporting, others in the company are requesting more data from Government bureaus. Market researchers and salesmen are prone to ask for greater and greater detail in the Government reports. There is a tendency for the young market researcher, who is anxious to apply his high-powered statistical knowledge, to attempt to substitute statistical analysis for merchandising judgment. He does not hesitate to contact various Government bureaus and elaborate his "need" for more statistics. Seldom does top management bring together those in the reporting end of the business and the statistical users to establish a uniform policy on need versus cost.

Government also adds its influence for more reports. It is only natural for anyone who is assembling statistics to want to round out, complete, and elaborate the coverage. This urge becomes well-nigh irresistible if stimulated by industry requests. Bureau personnel cannot be expected to curb their own inclinations for expansion and completeness. An outside monitor is required.

I have observed that very often one-time or temporary reports tend to become permanent; that once this has happened more detail is added; and finally, the permanent report becomes mandatory. Also, there is a tendency to add new sections or supplementary reports once a form becomes established. This has been particularly true in connection with reports on transactions with foreign subsidiaries, research activities, and the annual survey of manufactures. In the case of the latter, questions covering fixed capital investment and rental of equipment were inserted in 1963. Incidentally, trying to harmonize the 1963 quinquennial Census of Manufactures with other product reports is burdensome because of the difference between establishment reporting and overall company figures to customers.

SOCIOECONOMIC DATA

In this area, of course, are the data on aggregate economic activity—business operations, labor, population, health, education, welfare, housing, etc.

This type of data is used primarily by Government. One of its uses is for economic planning. For example, our full-employment law authorized the establishment of an economic council to report on the health of the economy in order that Government action would stimulate full employment. This type of data is also used in many cases by regulatory agencies. For example, data on wages and hours and data collected by the SEC, Department of Agriculture, the Food and Drug Administration, and many others, are primarily used for regulatory purposes.

As our economy has moved away from private initiative and personal responsibility and away from free market decisions, Government has required more and more statistics and reports as a basis for carrying on its controls and regulations. As the area for private and individual decision shrinks, the Government statistics and paperwork mount.

There is one further use particularly for socioeconomic data and that is for public relations—speechwriting. The quotation of Government statistics to lend authenticity and prestige to a presentation is a common practice. There can, of course, be no objection to supporting points with valid and already available statistics. However, this should not be used as a valid reason for gathering new or additional statistics, especially since such statistics are normally of a transitory value.

Whereas companies generally prepare product and commodity data for their own use, they are not so likely to do so with socioeconomic data. Very often it has to be especially collected and prepared for Government reporting. This makes it more costly. This is especially true on one-time surveys, as no procedure will have been established for systematic collection of the data. As a result, many times, the requested breakdown is little more than an educated guess.

A few years ago when it became evident that computers would be widely used, it was supposed that this would reduce companies' reporting costs to approaching zero. Experience refutes this assumption. First of all, the blithe assumption of computer reporting has tended to relax any reticence toward new requests. This attitude has certainly been a factor in the growth of report forms.

More importantly, unless the data has been programed into the computer in precisely the way it was requested, it requires special programing and rerunning

to convert the data to the desired form. In our own case, we frequently find that it is cheaper to do this by hand than to use the computer for a one-time reworking of the data—the greatest value of a computer generally lies in repetitive operations.

Incidentally, to the extent that companies have gone to computer accounting, it often becomes impossible to supply data retroactively so that if a new form is sent out in January requesting data for the previous year, the data may not be available.

And finally, there is the question of small versus large business. To the extent that large businesses may have been able to reduce the reporting burden through computerization, it has only widened the gap in the burden between them and small business. Not enough attention has been given to this problem for the small businessman. There can be little doubt that Government-induced paperwork has been an important factor in causing small-owner businesses to go out of business or sell out to larger firms.

The socioeconomic area is particularly susceptible to increases in reports. In some cases it seems possible there is some political motivation. When a problem is suddenly elevated to national prominence for political purposes, there is forthwith a demand for supporting statistics. Studies and surveys and questionnaires are then designed. In some cases these are initiated in the bureaus. In other cases they may have been required by legislation.

More serious are duplications required from industry. One of the recommendations of the Paperwork Task Force of the Hoover Commission was that the employers quarterly tax return (form 941A) be discontinued and the withholding tax statement (form W-2) contain the necessary social security information. It is estimated that the proposed change would save employers more than \$50 million per year, plus sizable savings for the Federal Government. In spite of the fact that the executive department, the Internal Revenue Service, the Social Security Administration, the Bureau of the Budget, and the Advisory Council on Federal Reports all have endorsed this change, to my knowledge no bill to implement this recommendation has yet been introduced.

Another major reporting burden recently placed on industry is the requirement that industry report to the Government and the payee information on dividend and interest payments. For my own company, this requirement cost more than \$31,000 last year.

Requirements of this sort which enlist corporations in the Government's policing function are burdensome and are not a proper function of business. If Government wants to obtain this kind of service from industry, it should reimburse industry for the costs.

The Bureau of the Budget recently released a report to the Joint Economic Committee called "A Statistical Program for the 1960's." This document is said to reflect the thinking of top statisticians in the several agencies, as well as the Bureau of the Budget. It claims a need for expansion of statistical programs of many kinds and calls in particular for better statistics on cities and urban areas, as well as a rounding-out of our systems of national income and financial accounts. In this report we see a blueprint for systematically filling out the "gaps" and elaborating the detail of our whole system of statistics. This report suggests that much more extensive and elaborate report forms will be planned in the future with little or no attention given to the increased burden on respondents that could result.

Another concern of businessmen is the increasing frequency of what might be called "fishing expeditions" by Government bureaus through questionnaires. Regulatory agencies by this technique seek to find evidence of potential law violations or of behavior that could be thwarted by new restrictions. Not only are these reports a burden but in some instances might be construed as requiring the submission of possibly self-incriminating evidence.

Another concern of businessmen is the question of confidentiality of statistics. Some groups, like the Tariff Commission and the Bureau of the Census, have a fine record, but in some other cases the record is not so good. There is evidence that through lack of respect for the confidentiality of some information, businessmen may at times be called upon to reveal information which, in the hands of a competitor, either foreign or domestic, could seriously jeopardize a company's competitive position. Confidentiality seems to lessen in instances where information supplied to the Government is passed from one agency to another.

CONCLUSION

I hope, Mr. Chairman, that nothing which I have said here will be misunderstood. Businessmen, as I have noted, are in favor of the continuation of the Government's collection and collation of appropriate statistical information. What we are concerned about—and I believe what you are concerned about—is the growing body of unnecessary reports too often demanded of the already busy businessman.

From the reports I have heard of this subcommittee's hearings to date, and from the comments we have received within the NAM on this very important matter of paperwork burden, we have reached the conclusion that the prime difficulty is that the intended accomplishments of the Federal Reports Act of 1942 have never really been achieved. Rather than a lessening burden, the businessman finds a continually growing burden of forms to be filled out and filed. We feel that this subcommittee's inquiries will lead it to the conclusion that some further measures will have to be taken to bring a better recognition of the problem to all the various Government agencies. Some coordination of effort and some overall supervision beyond that presently existing seems to be indicated. We strongly recommend that this subcommittee give consideration to how this can best be achieved.

Pursuant to this, the following suggestions are offered for your consideration:

(1) We would like to suggest that the Federal Reports Act of 1942 be amended to make it clear that it covers all bureaus, including the regulatory agencies now considered exempt.

(2) Congress should establish some mechanism, possibly a joint committee of both Houses of Congress, which would be charged with the responsibility of examining new legislation to see what reporting burdens it may impose. It would appear that often when new legislation is proposed, someone notices that to make it work will require some new data and a section is added to authorize its collection. In this process the burden on industry may be overlooked.

(3) It is apparent that the present system is not adequate nor operating effectively. If Federal statistical programs are to be effectively supervised and controlled, then some strengthened new arrangement is needed which will regularly review all forms, old and new, with a prime interest in the value-to-cost factor. Such a group should include business representation, as well as disinterested Government members. The business representation should include those involved in the cost side, as well as the use. It would need to include representation from small firms as well as large ones.

It has been an honor to appear here today and express our viewpoint on this very important matter. I wish to thank you and extend best wishes for success in your endeavors here.

Dr. LLOYD. As Mr. Cederberg said and for the record, I am Lewis E. Lloyd, chief economist and head of business research at the Dow Chemical Co., which has its main offices in Midland, Mich.

I am appearing today not as a company representative but on behalf of the National Association of Manufacturers.

The association is particularly grateful to the committee for undertaking this study of the ever-growing paperwork burden which is enveloping all of our business community.

While my own experience has been with a large firm in the United States, there are many small businessmen who have also found this problem burdensome. In fact, perhaps they have found it more burdensome than the large companies since they are not so well equipped to handle it.

The time spent in reproducing, responding to, and filing unnecessary inquiries sometimes sent out by the Government is nonproductive time. It reduces productivity and hence the welfare of our whole Nation.

The members of the NAM recognize the need for, and approve the collection of, necessary and useful statistics regarding our economy.

We do not feel, however, that all of these statistical efforts by the many Government agencies can be justified. As you can well imagine, the NAM has received many complaints from its membership, from the companies it represents, regarding this growing paperwork burden and one circumstance which should not be overlooked is the substantial cost factor involved in maintaining the records from all of this paperwork, the filing clerks and the storage space which are all costly.

As an economist and head of business research at the Dow Chemical Co., the statistical reports which Dow makes to Government agencies are prepared under my supervision. In addition, I have frequent occasion to use Government statistics, both overall aggregate statistics for the economy and also product and commodity statistics in making various economic studies.

Thus, for many years, I have had experience both in preparing statistical reports for the Government and in using Government statistics which are reported to industry.

I am aware of the many problems of cost involved in preparing data and also the value and the shortcomings of the statistical data available. For 10 years or more, I have been a member of the Committee on Chemicals of the Advisory Council on Federal Reports and I actually was the chairman of that committee for 3 or 4 years.

I was also a member of the Chemicals Paperwork Task Force of the second Hoover Commission study and in that assignment I spent many hours along with other members of the committee in examining the paperwork problem, its costs and the value of assembled statistics.

It is my belief—and I am sure that of the NAM members—that one of the functions which Government can properly perform in a free enterprise economy is to collect and disseminate appropriate, useful information. The key word here is “useful.”

One factor to be considered in this connection is whether the value of the statistics assembled exceeds the cost of collecting them. We believe there is growing evidence that this criteria is sometimes being neglected and that statistics are being collected just for their own sake.

We are concerned about the ever-increasing amount of statistics both in breadth and depth and detail.

Mr. Chairman, lest it be inferred by our appearance before this committee that we are critical of the various statistical agencies, let me take a moment to express a word of commendation.

In my own personal experience and in working with the Advisory Council on Federal Reports, and before that with the Hoover Commission study, I found Government personnel generally cooperative and skilled. They are dedicated to developing the best statistics they can and in making them available as speedily as possible. They strive to eliminate the inevitable errors and especially to write concise definitions so as to make these statistics more meaningful.

The problem lies, rather, at the policy and objectives level.

It is our purpose in offering comments and suggestions this morning to this committee that these statistics which are of value shall be assembled at the lowest possible cost and those that are of limited value be discontinued so that there would be a meaningful balance between cost on the one hand and usefulness on the other.

As we examine this statistical reporting problem, I would like to divide it into two different types of statistics. One has to do with commodities and products. In this classification we are talking about

data production, inventory, sales, exports and imports, capacity for production, end-use distribution patterns and banking data, of course.

This type of data is generally useful to business firms. Management uses this kind of data to examine growth trends in the various products. From this they can then make more sound decisions about their inventory problems, about raw material commitments, about the building of capacity for future needs and generally do a better job of making sound business decisions.

This type of data has some use for Government bureaus but generally much more limited use than for business purposes and business use.

An interesting and significant factor about this type of data is that it usually is not difficult for business people to report. They normally keep records of this sort for their own business and for their own purposes. Consequently, it is not difficult to place it on a form and report it to the Government. Nevertheless, even in this area, we find the amount of reporting has grown rapidly and has become rather excessive.

For example, in our own case, my group, 3 years ago, in 1960, prepared a report of the amount of different report forms which we filed with the Government, exclusive of tax forms. There were then some 600. Last September they updated this report and found there are now something like 1,000 separate reports.

In the 3 years' time, it has gone up from about 600 to 1,000. Moreover, after the first of the year, they tell me there was a still further increase in the number.

Mr. OLSEN. Doctor, I think we would like to have that for the file of these hearings.

Dr. LLOYD. Fine; I will be glad to leave it with you.

Along with the increase in the number is a very substantial increase in the amount of detail and development of different sections in many of these reports. I could mention some of the specifics but for the moment will merely give you a breakdown of this excessive reporting.

There is the matter of duplication where different departments ask for the same sort of data, maybe in a slightly different way, but this requires writing it up on the form twice and reporting it twice or more.

Next there is the matter of excessive detail. For example, for the chemical industry in some reports, we have to go down to 1,000 pounds, or \$1,000 of sales, as the lower cutoff limit for reporting on the specific product.

Then there is the matter of frequency. Quite a few reports are required monthly and some have data that is needed monthly. In fact, major commodities and basic economic data is very much needed on a monthly basis. One of the things that could be done would be to require only the larger companies and those who have sizable production in a given commodity to report monthly the total production and then the totals could be estimated on a ratio basis which could be adjusted on the basis of annual reports which would include all companies.

When we ask ourselves the reason for some of the excess reporting, we note that business must take some of the blame for this. It is not uncommon for market research people from companies, and sales people, to contact Government bureaus and ask for additional data.

Sometimes this may be justified but in other cases it may involve excessive cost for the very firm whose employees are asking for this data.

Unfortunately, not many companies get the people in their organizations reporting data, together with the people requesting additional data, to examine this question of costs versus need.

Of course, we find that Government bureaus also keep adding to the report forms both in number and detail. One of the things I have noticed in past years is that at some point in time a form is sent out on a one-time temporary basis to get a fix on some aspect of business, and then shortly it is repeated, and pretty soon it becomes repetitive. The first thing you know it is mandatory and then at this stage, we begin to see other sections added to it and it becomes more complicated and complete.

Turning now from this matter of commodity or product data—

Mr. OLSEN. Before you leave that subject, I want to comment that the big complaint we get is from the small businessman, claiming the statistics he furnishes in the business surveys, for instance, have no value to him at all. He says this simply serves big business or the manufacturing industry rather than the retailer who is furnishing the information.

Dr. LLOYD. This is one of the important problems that comes up in the question of any collection of statistics. Does the firm that furnishes the statistics have use for it, or is it for someone else's use?

I think we can never get an equal balance between this and at some point we must take account of the costs we are saddling on one sector of the economy to help somebody else.

Turning then to the socioeconomic type of data, we find here data on business operations, the operation of the firm, population, labor, health, education, welfare, and this type of statistics. This is the one that becomes most burdensome to firms in attempting to fill out the forms.

First of all, and turning again to the question you just raised, this type of data is mostly used by Government people and not much by industry.

Secondly, however, but even more importantly, in general business people do not keep many records in this area so that when a form comes out like this, they have to establish a reporting system within their own organization or in order to assemble the data and make it available so they can report it.

When we examine the use of this data, we find that some of it is for political use, some for speechwriting, and some of it is for fishing expeditions by agencies.

It is used for economic planning, for regulatory purposes, and even for information on individuals and how they order their lives.

We have been enumerating weaknesses, actually excesses, in this matter of reporting, and it is time now to turn our attention to improvements that could be made.

I would like to offer a few suggestions along that line. First of all, it is rather clear that the intent of the Federal Reports Act of 1942 has not been fully met; that there are some changes that are needed in order to more nearly meet the objectives set forth in that legislation.

We would suggest that the Federal Reports Act might be amended to make it clear that it covers all bureaus and regulatory agencies that may now be considered exempt.

Secondly, we would like to suggest that Congress might establish some mechanism, possibly a joint committee of both Houses of Congress, could be charged with the responsibility of examining new legislation to see what the reporting burden may be from such legislation. It would appear that often when new legislation is proposed in the socioeconomic area, someone notices that it cannot work unless some more data is collected. So, a section is added to the bill to authorize the collection of the data and this burden on industry may be overlooked.

Third, it is apparent from the present system that it is not adequate nor operating effectively. If the Federal statistical programs are to be effectively supervised and controlled, some strengthened or new arrangement is needed that will regularly review all forms, new and old, with prime interest to value versus cost factor.

Such a group should, of course, include business representation as well as disinterested Government members. The business representation should involve those who are acquainted with and knowledgeable on the cost of the reporting side as well as those who have an interest in the use side.

Of course, it should include representatives from small firms as well as large firms.

Mr. Chairman, it has been a real pleasure to be here and to present these views and we want to thank you and extend to you our best wishes in your effort to examine this paperwork burden problem.

Mr. OLSEN. On page 637, you have some testimony concerning the Office of Statistical Standards of the Bureau of the Budget. You have some comments there concerning their responsibility on unnecessary and duplicating Government reports.

I believe you had some experience as a member of the Advisory Council on Federal Reports with the Director of the Bureau of the Budget?

Dr. LLOYD. Yes. I have been in numerous sessions where the Advisory Council Committee met with representatives from the Bureau of the Budget. However, the subject before the meeting would be the question of the technical problems of the report and almost never was a question of the usefulness versus the cost factor introduced into the discussion.

It seems generally that the decision had already been made that the form would be sent forth and the only question was how to make the form such that it would be most meaningful and would match best the data which industry already had available for the reporting.

Mr. OLSEN. Did you have any discussion on the question of whether it was directed by legislation or requested by the Congress? I refer to the reports.

Dr. LLOYD. Generally, this did not come up. I think this was probably because the members of the committee on which I served, for example, were all knowledgeable men in the field and who worked with Government reporting in their own firms. Consequently, they pretty well knew whether it was a mandatory report or whether it was one that was designed merely to augment statistics in one of the departments.

Mr. OLSEN. You see, often we are advised by these agencies that a survey is necessary properly to carry out the congressional mandate

which is the job of the agency, and that is the basis upon which almost every survey is justified.

Dr. LLOYD. Let me mention one that come to my attention as a reporting member of industry a few years ago, which I think points up the very problem you have in mind.

We were requested to furnish information about our oversea subsidiaries and joint companies, even down to the point where we would have only 10-percent ownership in the joint company. This form, which was sent to us from the Commerce Department, required more information than would be found on a company's balance sheet. It was a greatly detailed report and when we looked into it to see whether this was a mandatory report or not, we found it had been authorized through the Bretton-Woods agreement, whereby each country which was a member of that agreement, had agreed to furnish data on the flow of capital from one country to another. On this simple request to give a report on the amount of dollars we might have sent to a foreign subsidiary, or got back from them, we were requested to supply the most minute information about the total operation, including how many technical employees and how many hourly employees, and wage rates of employees, and so forth, were involved.

This was a complete breakdown of cost factors with the amount of raw materials we bought, from where, and things of that sort, whereas a simple request of the amount of dollars exchanged between the home market and the foreign countries was all that was really authorized by the intent of the legislation.

Mr. OLSEN. Was it the Office of Business Economics that made that survey?

Dr. LLOYD. Yes.

Mr. OLSEN. You have explained the four functions of the Advisory Council on Federal Reports.

First, to advise the Bureau of the Budget on ways to reduce the paperwork burden of surveys and recordkeeping requirements; second, to suggest improvements in statistical classification systems; third, to serve as liaison between Government and business in statistical and reporting activities; fourth, to establish committees and panels of qualified businessmen to perform these functions.

You say that, however, you were never asked to assist in determining whether or not the survey, which involved more paperwork, was really necessary?

Dr. LLOYD. In the committee work that I did, that is correct.

I would say that the ACFR has done No. 4. They have established panels and committees. They have done quite a bit of work in No. 3, liaison between business and the Government bureaus, and have been very helpful in bringing about an understanding of the problems both ways in that relationship.

So far as No. 2 is concerned, I am not acquainted with any activity that is going on in that area, and, as I say, in my own experience, I cannot recall having been invited down to a committee meeting to determine whether or not the form was really worth the effort.

Mr. OLSEN. As a committee member of the Advisory Council on Federal Reports, I would advise you that we heard testimony last week that the SITC, the Standard Industrial Trade Classification, was not referred to the Advisory Council on Federal Reports.

Dr. LLOYD. Certainly, the chemicals committee never met or discussed this problem of changing the classification.

Mr. OLSEN. Do you think you could have assisted them in getting the industrial viewpoint?

Dr. LLOYD. We certainly could have. There are a great many problems involved here and one important one, from the standpoint of the user, is a break in the continuity of statistics so that in the future we will not be able to look back and compare present data with the past record.

Mr. OLSEN. You have commented that different agencies have different reporting requirements; that is, for States, counties, and various establishments.

Is this indicative of what is wrong here in Washington?

Dr. LLOYD. Well, each of these groups originated with some particular objective in mind and they selected a reporting basis which made sense from the standpoint of their objectives. From the standpoint of those of us who have to fill out the forms, this greatly complicates the work. I personally have the feeling that if an overall group were to sit down and study this problem, there would be some changes made so there would not be as many bases for that work.

This becomes especially burdensome when we have to try to reconcile in the census of manufactures, for example, as between the different bases of reporting.

Mr. OLSEN. We expect to take this up with the Bureau of the Budget and suggest that there be some leadership in the field of trying to have standard reporting for the Federal Government and the States and counties.

Dr. LLOYD. I think that would be very useful.

Mr. OLSEN. Yesterday we heard some testimony from the leadership of the National Science Foundation. As you know, they authorized questionnaires circulated among various professions, by and through professional organizations, professional fraternities and societies.

I wonder if you have had any experience in receiving these questionnaires?

Dr. LLOYD. Indeed I have, again and again. I am a member of a number of professional societies such as the American Economics Association, the American Statistical Society, and the American Chemical Society. Regularly I get a questionnaire from each one of these, whenever they are sent out; annually or biannual timings.

They do not all come at the same time.

One will come and a few months later one will come from another society, and I do not quite remember whether I filled this one out before, so I find myself faced with the problem of either having to keep records and checking records, or else filling out this form three times in order to complete the National Science roster report.

Not only do they do this, but with the greatly increased interest in research these days, this has proliferated forms on company activities in the research field.

I have before me some forms that we are requested to fill out on research and here is one by the Bureau of Labor Statistics on scientific and technical personnel.

They ask that we break down our total technical personnel among engineers, mathematicians, physical scientists, chemists, physicists,

metallurgists, geologists, and other physical and social scientists, agriculture, biological, and others.

This is not too difficult and we can do this, but then they ask that for each of these breakdowns we give the assignment as to whether this individual is employed in the performance of research, in the management of research, in the management of other than research, in sales, production, or other activities.

Believe me, we do not have the information. We would have to assign a whole raft of people to go through our personnel records to find out where each of these people is employed in our company. This is a very burdensome requirement.

Then we also have the R. & D. form No. 1 from the Department of Commerce—I suppose R. & D. stands for research and development. The second question on it is the number of employees engaged in research and this is the same information we have already reported to the BLS. This goes on and asks us to break down the dollars we spend on research in 29 categories and then No. 30 is "Other." We could not remotely do this without spending most of our research time on trying to figure out how we are spending the money.

Mr. OLSEN. If you were to fill in such a questionnaire, which is so difficult, the material you send would not be very useful and possibly would be inaccurate?

Mr. LLOYD. That is for sure. As a matter of fact, we did not fill in that type of questionnaire because we did not have any meaningful information about it.

Mr. OLSEN. Do you know if other companies have meaningful information on the subject?

Dr. LLOYD. I do not know. I hope they are not spending their valuable time in keeping and assembling that kind of information, because it cannot be really useful to anyone.

Mr. OLSEN. The second form, you said, was on research and development from the Department of Commerce. Was that the Bureau of the Census or some other part of the Department of Commerce?

Dr. LLOYD. The Bureau of Census; yes.

Then for the first time this year, we have another form in this area, and it is RD-10 from the Department of Commerce, Bureau of Census. It asks us for information on libraries and scientific information centers. It wants to know how many people we employ in the libraries in the company in addition to how many libraries, and reporting units of scientific information.

It wants to have a detailed breakdown of any research we do in the field of scientific communications and documentation. It wants to know the cost of publication and distribution of scientific and technical information. It wants to know the cost for scientists going to seminars and symposia. It wants to know the informational operations performed outside the libraries and scientific information centers in the company.

This is information we surely do not collect. We are not in position to report it, and I cannot imagine how it could be of significance to anybody if it were reported.

Mr. OLSEN. Are those forms, from which you have just read, available to us for the record?

Dr. LLOYD. I shall make them available to you.

(The forms referred to follow:)

B.L.S. No. 2716-A

*Budget Bureau No. 44-R1157.2
Approval Expires December 31, 1963

(Change address if incorrect)

~~REPLY UNIT 56~~
~~LIC. UNIT~~
South on Cowdell
~~REPLY REQUESTED FOR~~
~~SALES OFFICE~~
~~DALLAS TEX.~~
740524
~~REF: 000017 7777 000 00058435 2 2~~

REPLY FOR UNIT IDENTIFIED AT LEFT

Since this survey is based on a sample of units, multi-unit companies may receive more than one questionnaire. Your reply to this questionnaire should be restricted, if possible, to the unit identified at left. If it is not feasible to supply separate figures for each unit, please follow one of the alternatives described in the definition of reporting unit on page 6.
In all cases, please describe the coverage of your report by completing item 8 on page 5.

A Survey of

SCIENTIFIC AND TECHNICAL
PERSONNEL IN INDUSTRY: 1963

Your reply will be held in
STRICT CONFIDENCE

U.S. DEPARTMENT OF LABOR
Bureau of Labor Statistics

GENERAL INSTRUCTIONS. One copy of each questionnaire received should be completed and returned to the Bureau of Labor Statistics. Data should apply, if possible, to the pay period ending nearest January 15.

If you employ any persons in the indicated occupational groups, please supply as much of the requested information as possible. Reasonable estimates will be satisfactory. Enter "0" where appropriate, or "not available" if such is the case, rather than leave a relevant question unanswered.

If you do not employ anyone in the indicated occupational groups, complete items 1.1 and 1.5 and return the questionnaire.

Information supplied on this form will be seen only by sworn employees of the Bureau of Labor Statistics. Only statistical summaries that preserve the confidentiality of the data supplied will be released.

Mail completed questionnaire to:

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

1.0 TOTAL EMPLOYMENT AND SUMMARY OF DATA REPORTED ON PAGES 2, 3, and 4. (Italicized terms are defined under "Special Instructions.")

Enter the number of persons on the payroll(s) of the reporting unit (include full- and part-time employees) who were working as *Engineers, Mathematicians, Physical or Life Scientists, Technicians, Economists, Statisticians or Psychologists* as of January 1963 or 1962 as appropriate. Items 1.2 through 1.5 must equal total employment reported in item 1.1.

IF YOUR JANUARY 1963 EMPLOYMENT INCLUDES OCCUPATIONAL CATEGORIES AS INDICATED IN ITEMS 1.2 THROUGH 1.4, PLEASE COMPLETE PAGES 2, 3, and 4. IF JANUARY 1963 EMPLOYMENT FOR ITEMS 1.2, 1.3 AND 1.4 ARE ALL ZERO, COMPLETE ITEM 1.1 ONLY.

ITEM	OCCUPATIONAL CATEGORY	Refer to line	Employment January 1963 (a)	Employment January 1962 (b)
1.1	TOTAL EMPLOYMENT.....			
1.2	<i>Engineers, Mathematicians, Physical and Life Scientists</i>	2.00		
1.3	<i>Technicians</i>	5.0		
1.4	<i>Economists, Statisticians and Psychologists</i>	7.0		
1.5	All other Employees.....			

PERSONS TO BE ADDRESSED IF QUESTIONS ARISE CONCERNING THIS REPORT:

Name _____ Title _____ Address _____ Phone _____
Street, City and State

ITALICIZED TERMS ARE DEFINED UNDER "SPECIAL INSTRUCTIONS"

2. ENGINEERS, MATHEMATICIANS, PHYSICAL SCIENTISTS, AND LIFE SCIENTISTS BY OCCUPATION AND FUNCTION. Please enter below in item 2.00, Column (a), the total number of persons on the payroll(s) of the reporting unit who were working as engineers, mathematicians, physical scientists, or life scientists, in January 1963. In the remaining columns and lines, enter the numbers of those personnel according to the occupations and functions in which they spend the greatest proportion of their time. Count each individual only once. If you cannot supply all detail requested, enter as much information as you can.

OCCUPATION (Classify persons working in borderline specializations in the listed occupations with which their work is most closely identified.)	JANUARY 1963							Total employed in all functions January 1962 (h)
	Total employed in all functions (a)	Classify individuals according to the function occupying the greatest part of their time						
		Performance of research development (b)	Management and administration of research development (c)	Management and administration of activities other than research development (d)	Sales and service (e)	Production and operations (f)	All other activities (g)	
2.00 Total engineers, mathematicians, physical scientists, and life scientists								
2.10 Total engineers								
2.20 Total mathematicians								
2.30 Total physical scientists								
2.31 Chemists								
2.32 Physicists								
2.33 Metallurgists								
2.34 Geologists and geophysicists								
2.39 Other physical scientists								
2.40 Total life scientists								
2.41 Medical scientists (exclude practitioners)								
2.42 Agricultural scientists								
2.43 Biological scientists								
2.49 Other life scientists								

Summation Instruction: (a) Item 2.00 equals the sum of items 2.10 plus 2.20 plus 2.30 plus 2.40. (b) Item 2.30 equals the sum of Items 2.31 through 2.39. (c) Item 2.40 equals the sum of Items 2.41 through 2.49. (d) The 1963 "Total Column," column (a) equals the sum of all other 1963 columns, columns (b) through (g).

ITALICIZED TERMS ARE DEFINED UNDER "SPECIAL INSTRUCTIONS"

3. BASIC RESEARCH. How many of the *engineers, mathematicians, physical or life scientists* counted as performing or administering *research-development* in January 1963, item 2.00, columns (b) and (c), spent the greatest proportion of their time working on *basic research*?.....

3.1	
-----	--

4. EMPLOYMENT ON FEDERAL GOVERNMENT WORK. Use item 4.00 to indicate whether you performed *work for the Federal Government* in January 1963. Enter in column (a) item 4.10 the total number of persons who were working for the Federal Government as *engineers, mathematicians, physical or life scientists*; enter in item 4.20 the number of persons who were working as *engineers*; enter in item 4.21 the number of these *engineers* who were primarily engaged in performing or administering *research-development*. Enter in item 4.30 the number of persons who were working as *mathematicians, physical or life scientists*; enter in item 4.31 the number of these *mathematicians or scientists* who were primarily engaged in performing or administering *research-development*. In columns (b), (c) and (d) assign the data according to the Federal Government Agency for which most of the work was performed. If you cannot supply all detail requested, please enter as much information as you can. Count each person only once. Reasonable approximations will be acceptable.

4.00 Did you employ any *engineers, mathematicians, physical or life scientists* who performed work for any agency of the Federal Government in January 1963?..... Yes No

If the answer to item 4.00 is yes, please complete items 4.10 through 4.31.

	January 1963			
	All Federal agencies (a)	Department of Defense (b)	National Aeronautics and Space Administration (c)	Other Federal agencies (d)
Employment on Federal Government Work				
4.10 Total <i>engineers, mathematicians, physical scientists, and life scientists</i>				
4.20 Total <i>engineers</i>				
4.21 <i>Engineers</i> primarily engaged in performing or administering <i>research-development</i>				
4.30 Total <i>mathematicians, physical or life scientists</i>				
4.31 <i>Mathematicians, physical or life scientists</i> primarily engaged in performing or administering <i>research-development</i>				

Summation Instruction: Columns (b) plus (c) plus (d) must equal column (a). Items 4.20 plus 4.30 equals item 4.10. Item 4.10(a) must not exceed item 2.00(a). Item 4.20(a) must not exceed item 2.10(a). Item 4.30(a) must not exceed the sum of items 2.20(a) plus 2.30(a) plus 2.40(a). Item 4.21(a) must not exceed the sum of items 2.10(b) plus 2.10(c). Item 4.31(a) must not exceed the sum of items 2.20(b) plus 2.20(c) plus 2.30(b) plus 2.30(c) plus 2.40(b) plus 2.40(c).

ITALICIZED TERMS ARE DEFINED UNDER "SPECIAL INSTRUCTIONS"

5. **TECHNICIANS.** Please enter below in line 5.0 the total number of persons on the payroll(s) of the *Reporting Unit* working as *Technicians* in January 1963. In the succeeding lines enter the number of these *Technicians* classified in each of the indicated occupational groups. Item 5.0 equals the sum of items 5.1 through 5.9.

OCCUPATION	January 1963
5.0 Total <i>Technicians</i> (including each type listed below)	
5.1 Draftsmen	
5.2 Surveyors	
5.3 Electrical and electronic technicians	
5.4 Other engineering and physical science technicians	
5.5 <i>Biological and agricultural technicians</i>	
5.6 <i>Medical and dental technicians</i>	
5.9 All other technicians	

6. **RESEARCH-DEVELOPMENT TECHNICIANS.** How many of the technicians reported in item 5.0 above spent the greatest proportion of their time in research-development?

6.1		
-----	--	--

7. **OTHER PROFESSIONAL OCCUPATIONS.** Please enter on lines below the total number of persons on the payroll(s) of the *reporting unit* who were working as *economists, statisticians, and psychologists* in January 1963. Count each individual only once. Item 7.0 equals the sum of items 7.1 through 7.3.

OCCUPATION	January 1963
7.0 Total <i>economists, statisticians, and psychologists</i>	
7.1 <i>Economists</i>	
7.2 <i>Statisticians</i>	
7.3 <i>Psychologists</i>	

DUE DATE: 30 DAYS AFTER RECEIPT OF FORM (Last Issue: FR 10-23-66, Rev. 10/10/66, December 11, 1964)

CONFIDENTIAL - This document contains information which is reported to confidential and only those Government employees with a "need to know" should be permitted to have access to it. It will not be used for purposes of taxation, investigation or legislation. Content returned to your files should be separate from legal process.

DEPARTMENT OF COMMERCE
UNITED STATES GOVERNMENT AGENT FOR
THE NATIONAL SCIENCE FOUNDATION

SURVEY OF INDUSTRIAL RESEARCH AND DEVELOPMENT DURING 1963

TO: Bureau of the Census, Industry, Division
 Washington, D.C. 20233

GENERAL INSTRUCTIONS

Please complete and return this form in the envelope provided with this form. Retain the file copy for your records. This report covers not only the company, including all subsidiaries and affiliates.

Enter "None" if none appropriate, rather than leaving a blank.

Round all per cent estimates an acceptable.

Figures for 1961 and 1962 figures are comparable. See instructions for methods.

PLEASE RE-ENCLOSE INSTRUCTIONS BEFORE COMPLETING THIS FORM.

For instructions in Part 1, columns 1 and 3, for 1963 on this form will indicate the reporting requirements authorized by act of Congress.

ITEM 1 - NAME AND ADDRESS OF COMPANY

Dow Chemical Company
 Attn: Dr. L. E. Lloyd, Economist 1-80
 East Main Street
 Midland, Mich. 10-00
 8 32891 00

YOUR FILE COPY

Name of person who supplied 1962 data
 W. Otis Heath

1 - COMPANY INFORMATION

ITEM 2 A. Total sales receipts of this company (Thousands of dollars)

1963	1962
100	95

ITEM 3 B. Total expenditures in all activities during mid-March pay period

ITEM 4 C. Research and development expenditures for entire company, including all subsidiaries, reported on this form, by month, by quarter, by semester or transmittal factor.

ITEM 5 D. RESEARCH AND DEVELOPMENT PERFORMED WITHIN THE COMPANY IN THE UNITED STATES BY RESEARCH AND DEVELOPMENT SCIENTISTS AND ENGINEERS

Month	1963	1962
January	7	7
February	7	7
March	7	7
April	7	7
May	7	7
June	7	7
July	7	7
August	7	7
September	7	7
October	7	7
November	7	7
December	7	7
TOTAL	76	76

ITEM 6 E. RESEARCH AND DEVELOPMENT PERFORMED WITHIN THE COMPANY BY OTHER PERSONNEL

Month	1963	1962
January	0	0
February	0	0
March	0	0
April	0	0
May	0	0
June	0	0
July	0	0
August	0	0
September	0	0
October	0	0
November	0	0
December	0	0
TOTAL	0	0

ITEM 7 F. FORWARDING OF COMPANY FUNDS FOR R AND D PERFORMANCE WITHIN COMPANY

Does your company or budget, on a basis comparable with item 5C, column 2, above, have separate funds for the two funds for several years or longer?

Year	1963	1962
Yes	1	1
No	0	0

ITEM 8 G. FUNDING OF CONTRACT VALUE OF RESEARCH AND DEVELOPMENT PERFORMED WITHIN THIS COMPANY BY MAJOR TYPE OF EXPENSE

Year	1963	1962
A. Wages and salaries of research and development scientists and engineers	5	5
B. Wages and salaries of all supporting personnel (include technicians, secretaries, and other personnel)	5	5
C. Laboratory materials and supplies consumed (Do not include in this item the cost of materials, and other materials supplied by other research organizations)	5	5
D. Other direct and indirect supporting costs, depreciation, and state or Federal taxes	5	5
TOTAL COSTS (Sum of A through D)	20	20

ITEM 9 H. FUNDING OF BASIC RESEARCH

Of the total reported in item 5A for basic research, please give cost for the following (in \$):

Year	1963	1962
01. Chemistry	0	0
02. Physics	0	0
03. Earth and Planetary Sciences	0	0
04. Life Sciences	0	0
05. Space Sciences	0	0
06. Other Sciences	0	0
07. Other	0	0
08. Total	0	0
09. Total	0	0
10. Total	0	0
11. Indirect Costs (Some as item 5C, column 2, and 5D)	0	0

Please complete form and sign certification on reverse side

USCGMM-DC 2375 P-14

Section II - RESEARCH AND DEVELOPMENT PERFORMED WITHIN THE COMPANY IN THE UNITED STATES - Continued
 (Include Fund D financed by the company but performed by others. Report such R and D in section III.)

ITEM	A. APPLIED RESEARCH AND DEVELOPMENT BY PRODUCT GROUP (The costs reported in item 5B, line 1, for applied research and development, should also be reported under each of the following.)	Key	Thousands of dollars	
			1963	1962
10	1. Organic chemicals	47	\$	\$
	2. Food and kindred products	32		
	3. Industrial inorganic and organic chemicals	63		
	4. Plastics, synthetic rubbers, and synthetic resins, rubber, and fibers	04		
	5. Drugs	05		
	6. Agricultural chemicals	02		
	7. All other chemicals	57		
	8. Petroleum refining and extraction	20		
	9. Rubber and miscellaneous plastics products	69		
	10. Stone, glass, and glass products	16		
	11. Primary ferrous products	11		
	12. Primary and secondary nonferrous metals	12		
	13. Fabricated metal products	13		
	14. Engines and turbines	14		
	15. Farm machinery and equipment	15		
	16. Construction, mining, and materials handling machinery	16		
	17. Metalworking machinery and equipment	17		
	18. Office, computing and accounting machines	18		
	19. Other electronic, except electrical	19		
	20. Electrical, electronic, and distributing equipment	20		
	21. Other electrical	21		
	22. Instruments, instruments and accessories, communications equipment, radio and television receiving sets	22		
	23. Other instruments, instruments and supplies	23		
	24. Textile, paper, and newsprint	24		
	25. Miscellaneous	25		
	26. Other nonferrous metal products	26		
	27. Miscellaneous	27		
	28. Miscellaneous	28		
	29. Other electrical, except office machines	29		
	30. Other electrical	30		
	B. TOTAL APPLIED RESEARCH AND DEVELOPMENT COSTS (Include item 30, column 1, and item 31, column 1)	31	\$	\$

ITEM 11 CAPITAL EXPENDITURES FOR RESEARCH AND DEVELOPMENT
 (Include item 11, line 1, of Form 1041, column 1, if item does not include expenditures for research and development, please check "None")

ITEM	A. COST OF RESEARCH AND DEVELOPMENT PERFORMED WITHIN THE COMPANY BY STATE (Report all research and development costs reported in item 5C, column 3, for 1963 performed in the State listed in the address block (item 1) of this form? <input type="checkbox"/> Yes <input type="checkbox"/> No If "No," list the State and any other States in which the various R and D laboratories or facilities are located, and indicate the percentage associated with each State. If desirable, report up to 10 percent of year total as "Cost distributed by State.")	Costs in only	Thousands of dollars	
			1963	1962
12	State (Attach additional sheet if necessary)			
	A.	\$		
	B.			
	C.			
	D.			
	E.			
	F. TOTAL COSTS (Report in item 5C, column 3 and 4)	\$	\$	

Section III - RESEARCH AND DEVELOPMENT PERFORMED OUTSIDE THE DOMESTIC COMPANY WITH COMPANY FUNDS

ITEM 13 TOTAL COMPANY FUNDS SPENT FOR RESEARCH AND DEVELOPMENT ACTIVITIES PERFORMED OUTSIDE THE DOMESTIC COMPANY

ITEM	A. RESEARCH AND DEVELOPMENT PERFORMED OUTSIDE THE DOMESTIC COMPANY (List countries in which your company has R and D facilities or in which you contracted for R and D during the year.)	Costs in only	Thousands of dollars	
			1963	1962
13		\$	\$	
	B. TOTAL COSTS (Outside the United States)	\$	\$	

W. G. Heath
 Midland, Michigan
 No 8-5714
 The Dow Chemical Company
 Midland, Michigan 48640
 Economist
 4/20/64

DUE DATE: 30 DAYS AFTER RECEIPT OF FORM Budget Form No. 01-01587-01, Agreement Form No. 01-01587-01

ATTACHMENT TO FORM RD-1
 U.S. DEPARTMENT OF COMMERCE
 BUREAU OF THE Census
 COLLECTING AND COMPILING AGENCY FOR THE NATIONAL SCIENCE FOUNDATION

ATTACHMENT TO FORM RD-1
SURVEY OF INDUSTRIAL RESEARCH AND DEVELOPMENT DURING 1963

Complete this attachment and return it with the COMPLETED form RD-1 to the Bureau of the Census, Industry Division, Washington, D.C. 20535.

YOUR FILE COPY

The following supplementary information is requested from you as one of the companies with the largest research and development programs.

Breakdown of Items 4 and 5 of form RD-1 — Companies reporting Federal research and development in items 4 and 5 include the following separate figures for the three categories of Federal agencies: Department of Defense, National Aeronautics and Space Administration, and all other Federal agencies. In general, most of the performing large agencies of research and development for the government will have one or more separate organizational units, divisions, or centers, the responsibility for most Federal contracts. Reporting of the requested data may vary slightly from some companies by using the data available from the accounts of such units as the basis for the overall company figures on the number of scientists and engineers and the costs of Federal programs. For example, if 80 percent of the work for Federal agencies is performed by units with separate accounts, it should be reasonable to estimate the company totals on the basis of such figures rather than make special tabulations or separate estimates for each of the company units that may be doing some work on Government research and development.

On line A below, please distribute the research and development in center and program man-years (item 4A, column 3 of form RD-1) according to the share of research and development time devoted to each program.

On line B below, please distribute the costs of the research and development work (item 5, column 3 of form RD-1) by Federal agency.

Item 12, for companies with the largest research and development programs — Companies with the largest research and development programs are being asked to report into the breakdown by State of Federal research and development research and development. For such companies, item 12 on form RD-1 will be left blank.

ITEMS 4 AND 5 (Breakdown)	RESEARCH AND DEVELOPMENT PERFORMED BY PRINCIPAL FEDERAL AGENCY		Key	Department of Defense	National Aeronautics and Space Administration	All other Federal Agencies	TOTAL FEDERAL
	A	B					
A. Research and development scientist and engineer man-years (Breakdown as item 4A, column 3, of RD-1)	01						
B. Cost of Federal research and development during 1963 (Breakdown of item 5C, column 1, of RD-1)	02						
* Line A, column 4, should be the same as item 4A, column 3, of form RD-1. * Line B, column 4, should be the same as item 5C, column 1, of form RD-1.							

ITEM 12 COSTS OF RESEARCH AND DEVELOPMENT PERFORMED WITHIN THE COMPANY, BY STATE
 Breakdown of research and development costs reported in item 5C, column 3, of form RD-1 by State performed in the State listed in the address block (Item 1) of this form.
 If you do not use the same State and any other States in which the various research and development laboratories are located, use the same State and estimate the costs associated with each State. If desirable, report up to 75 percent of your total research and development by State.

State (Attach an additional sheet if necessary)	Census use only	Research and development (75 percent of dollars)	
		1963	1962
		Federal	Total
A.		\$	\$
B.			
C.			
D.			
E.			
F.			
G.			
H.			
I.			
J.			
K.			
L.			
M.			
N.			
O.			
P.			
TOTAL COSTS		\$	\$

Remarks (Continue on separate sheet if necessary)

DUE DATE: 60 DAYS AFTER RECEIPT OF FORM

Budget Bureau No. 41-R2170; Approval Expires March 30, 1965

FORM RD-10 (4-7-64) U.S. DEPARTMENT OF COMMERCE BUREAU OF THE CENSUS COLLECTING AND COMPILING AGENT FOR THE NATIONAL SCIENCE FOUNDATION WASHINGTON, D.C. 20550		CONFIDENTIAL - This inquiry is authorized by law. Your report is confidential and only sworn Census employees will have access to it. It will not be used for purposes of taxation, investigation, or regulation. Copies retained in your files are also immune from legal process.	
SURVEY OF COSTS OF SCIENTIFIC AND TECHNICAL INFORMATION ACTIVITIES IN INDUSTRY, DURING 1963		Name and address of company (Please correct if name or address has changed)	
TO: Bureau of the Census, Industry Division Washington, D.C., 20233			
GENERAL INSTRUCTIONS Each company receiving this form should complete the original copy and return it within 60 days to the above address. Retain the green copy for your files. Write "None" where appropriate rather than leave a blank space. Please read instructions on reverse side before completing form.			
(PLEASE RETURN THIS COPY)			
Item	Unit of measure	1963	
A. LIBRARIES AND SCIENTIFIC INFORMATION CENTERS			
1. Company libraries serving research and development personnel	} Number		
2. Scientific and technical information centers serving research and development personnel			
3. Personnel employed by libraries and centers			
4. Expenditures for libraries and centers attributed to research and development personnel during calendar year, 1963.	Thousands of dollars	\$	
B. RESEARCH AND DEVELOPMENT PROJECTS IN THE FIELD OF SCIENTIFIC COMMUNICATION AND DOCUMENTATION This category includes activities such as the development and testing of machines, devices, and techniques for the storage and retrieval of information and data, linguistics research, communication and information theory, machine translation, documentation, operations research of scientific information systems and processes, and studies of classification and indexing schemes.			
	Thousands of dollars	\$	
C. OTHER SCIENTIFIC AND TECHNICAL INFORMATION ACTIVITIES We believe the data requested above will come primarily from records your company now maintains. We also wish you would provide estimates of expenditures on the following types of activities. (We are attempting here to obtain estimates on these questions; we do not expect you to make any extensive and costly special analysis of your records that have not already been made.)			
1. Costs of publication and distribution of scientific and technical information - If you do not have a separate printing and publication account for R and D publications that are intended for other scientists and engineers, then you may have other total printing and distribution accounts and can estimate the total costs incurred from the time the author turns over his report for editing through reproduction and distribution.	Thousands of dollars	\$	
2. The cost to the company of scientific symposia and technical meetings - This will involve primarily an estimate of the portion of travel by the research and development staff that is for the primary purpose of attending scientific symposia and technical meetings and other costs to the company. Cost of time at these meetings is not included however.	Thousands of dollars	\$	
3. Informational operations performed outside of libraries and scientific information centers (but excluding the time of scientists, engineers, and their immediate staff) - If some functions such as acquiring and storing scientific and technical documentary material, processing (i.e., reviewing, indexing, filing, classifying, abstracting, translating, etc.) scientific and technical information for use, or providing user services (i.e., reference and bibliographic searching, patent searching, etc.), are performed outside libraries and scientific information centers to any extent could you estimate what the annual amount of such informational activities might be?	Thousands of dollars	\$	
D. CHARGES TO FEDERAL CONTRACTS - If part of your company business is on Government contracts, production, development or research, what percent of your costs reported above would be charged directly or indirectly through overhead charges to these Federal projects?			
	Percent		%
E. AMOUNTS NOT CLASSIFIED WITHIN TOTAL RESEARCH AND DEVELOPMENT COSTS - If all or part of your costs reported above are not normally classified within your total research and development costs, please indicate the percent of the above costs not included in your total R and D costs.			
	Percent		%
F. Does this report cover your entire company, including all subsidiaries and affiliates? <input type="checkbox"/> Yes <input type="checkbox"/> No If "No," please identify the parts of the company covered in this report in "Remarks" or letter of transmittal.			
Remarks: In addition to other comments you may care to make, we would particularly appreciate your answer to the following general question. Have you made any studies or estimates for your own use of the amount of time or the cost of time spent by scientists and engineers and their immediate staffs in recording scientific findings for other scientists and engineers and in searching for such data? It is our understanding that these costs, however large, are not included above.			
Name of person to contact regarding this report		Address (Number and street, city, State, ZIP code)	
		Telephone number	
CERTIFICATION - This report is substantially accurate and has been prepared in accordance with instructions.			
Name of company		Address (Number and street, city, State, ZIP code)	
Signature of authorized official		Title	Date

Mr. OLSEN. We will make further inquiry about those forms. It is the opinion of counsel here that these were contracted to the Bureau of the Census by the National Science Foundation, and the form does reveal that.

The Bureau of the Census in the form RD-10 is collecting and compiling agent for the National Science Foundation. Likewise RD-1 is a survey wherein the Bureau of the Census is collecting and compiling agent for the National Science Foundation.

Dr. LLOYD. Believe me, Mr. Chairman, American industry believes in research and wants to get on with the job. Our complaint is not with the interest that the National Science Foundation has in advancing research but in this paperwork burden which pulls us away from the job and occupies us with this kind of reporting.

Mr. OLSEN. You are so busy telling them what you are going to do and who is doing it you don't have a chance to do it.

Dr. LLOYD. In large part that is right.

Mr. OLSEN. I have the same problem with some of the letters I have to answer. I am so busy writing home to my constituents telling them what I am going to do that they hardly leave me time to do it. That is the situation you face. If you are going to answer all these forms your researchers never will get down to the research.

Dr. LLOYD. There is much truth in that, I am sorry to say.

Mr. OLSEN. Mrs. St. George.

Mrs. ST. GEORGE. Mr. Chairman, I have no questions of the witness. But I am very much interested, however, in the very forthright picture of what is going on. I know it is so in many of the big companies. You have to be big in order to have enough people to do research for the Government.

Mr. OLSEN. I think we are too prone, even in committees of which I am a member, to give in to the suggestion: It would be very interesting to find out a certain piece of information. It might be very interesting but often it is not worth it to the taxpayer.

Dr. LLOYD. We have found in our business operations that Mr. Parkinson was absolutely right in assuming that the work will expand to fill up the time allotted. The surest way to focus attention and effort on the more important things is not to leave enough time or enough manpower to do every conceivable job. Then you automatically weed out the unimportant things and get to work on important things.

I think the same thing is true on statistics. There is a tendency, if it is not watched, for statistics to grow and grow to a point where you get well beyond the point of worthwhile returns.

Mr. OLSEN. From your statement about weaknesses in our present statistical systems, I take it you agree with us that some improvements are greatly in order?

Dr. LLOYD. I certainly do and it is time there is a careful look at this problem and some constructive action taken.

Mr. OLSEN. I think your three examples here this morning of the survey being made of your company by the Bureau of Labor Statistics and by the Bureau of the Census, just on research and development, show splendid examples of the need for a concentrated review.

We do have some agencies in the Government which are making good strides, such as the Interstate Commerce Commission. I am happy to say that the Archives, as part of the General Services Ad-

ministration, also has been giving some sound advice to several agencies, but the attack is rather small compared to the problem.

Dr. LLOYD. Right.

Mr. OLSEN. Thank you very much, Doctor. We are pleased you have taken time from your business to come here and help us with this problem.

Dr. LLOYD. It is good to be here.

Mr. OLSEN. The subcommittee has received a statement from our colleague, the Honorable Don Fuqua, of Florida. We are glad to place his statement in the record.

(Mr. Fuqua's statement follows:)

STATEMENT OF HON. DON FUQUA, CONGRESSMAN FROM FLORIDA

Mr. Chairman, I would first of all like to thank you and the members of the Subcommittee on Census and Governmental Statistics for this opportunity to express my views in this most commendable inquiry which you are directing into excessive requirements for governmental paperwork.

I am a most enthusiastic supporter of this program, and I commend the President for his leadership in this direction and for the work which you gentlemen are doing in pursuing this subject.

I think it significant to point out that American business is carried on by a large percentage by small business. Small business forms the core of our economic system, supporting the great corporate structures in an integral portion of our economic life. I noted with interest that of the 11.2 million businesses filing tax returns for 1960-61, 85 percent had business receipts of less than \$50,000.

Not every citizen may aspire to own a huge corporation of supermarkets, but almost everyone can aspire to own the corner grocery store. Our Government recognizes and encourages private initiative, and the situation which we face in this matter is not one, I am convinced, of willfully seeking to hamper American business. It is simply the result of a great growth of Government, and good or bad, it is an accepted fact.

The paperwork burden which is imposed on American business by government all levels is a staggering one. Countless hours which could be spent in more productive pursuits must be spent keeping up with records and reports required by governmental agencies. The small businessman, in particular, has many demands upon his time. He must do the planning, generally the buying, very often all of the bookkeeping, perform much of the labor, supervise employees, and in general, keep in direct contact with every single minor phase of his business.

While I have dwelled primarily upon the small businessman, for I feel the burden is much greater for him, it is a severe burden for large business, too. It takes a great deal of their financial wealth to keep up with the multitude of reports which is required of them, wealth which could be much more productively spent in the purchase of new facilities and expansion, providing new jobs for the American people.

I was very interested in testimony before this committee recently, when it was pointed out that it is estimated that in the average company filling out a business form costs 20 times more than the form itself. This same testimony estimated that the cost of an average business letter has jumped from \$1.17 10 years ago to an unprecedented high of more than \$2 today.

I noted a report which stated that the Federal Government alone has an inventory of 5,500 standard report forms for obtaining information from businessmen weekly, monthly, quarterly, annually, and at other intervals.

Think of the situation the small businessman is in. He must either do, or hire someone to do, the paperwork to comply with wage-and-hour laws, income and social security tax withholding requirements, sales and excise tax payments or withholdings, National Labor Relations Board procedures, Davis-Bacon and Walsh-Healy legislation, pricing policy restrictions of the Federal Trade Commission and the Department of Justice, workmen's compensation, unemployment insurance, and numbers of other regulations to which he is subjected.

The Hoover Commission, I am told, in its Task Force on Paperwork Management, found that over 4 million small businessmen spend 5 to 25 percent of their time in paperwork for the Government.

In all fairness, it should be pointed out that certain agencies continually seek solutions to these problems.

Think how much could be added to our national economy if just a fraction of the useless reporting procedures could be eliminated, allowing these businessmen to spend more of their precious hours in developing their businesses, increasing their revenue, and providing more and better jobs for the American people.

Reports are, and will always be, necessary. But they should be simplified insofar as is humanly possible. Every report which is required should be absolutely necessary and should not be called for any more frequently than it is really needed. Report upon report probably is promptly filed and little use ever made of it, if any. All useless and trivial reports should be eliminated entirely and immediately.

I feel that by merely calling this problem to the attention of many of the administrators of our agencies, we will see a concerted effort made to eliminate some of the problems to which I have alluded. I think, however, that the Congress and the President need a concerted and determined effort focused in this direction and that, from this effort, all business will benefit, and so will our national economy.

I have had a number of our people who have commended me for my support of this program and have praised everyone concerned with this effort. They feel it will be most beneficial to all American business.

I would like to quote from a letter from Mr. Stanley Rea, president of REA Serum Co., Tallahassee, Fla., who enthusiastically supports this program. He said in his letter, " * * * We report our serum sales and inventory each month to USDA and this we are pleased to do, and our reports are current and accurate. However, on April or May 1 of each year they want an exact count of the bottles, serial numbers and location of our serum inventory, and also a 'sworn statement.' This requires a lot of work, time, expense, and a risk of error in counting a large number of bottles." I feel certain that this procedure could be simplified.

There are numerous other instances which we could refer to as examples of places where the number of reports could be simplified and made more meaningful.

I urge continued efforts in this direction on the part of the President and commend you gentlemen of the subcommittee highly for the service you are rendering. I feel this is an area in which you can and will make a great contribution.

Mr. OLSEN. We will now hear from the Honorable William L. Cary, Chairman of the Securities and Exchange Commission.

Mr. Cary, if you please.

STATEMENT OF HON. WILLIAM L. CARY, CHAIRMAN OF THE SECURITIES AND EXCHANGE COMMISSION; ACCOMPANIED BY COMMISSIONER HUGH F. OWENS; ALLAN F. CONWILL, DIRECTOR, DIVISION OF CORPORATE REGULATION; PHILIP A. LOOMIS, JR., GENERAL COUNSEL; EDMUND H. WORTHY, DIRECTOR, DIVISION OF CORPORATE FINANCE; RALPH S. SAUL, DIRECTOR, DIVISION OF TRADING AND MARKETS; WILLIAM E. BECKER, CHIEF MANAGEMENT ANALYST; ERNEST L. DESSECKER, RECORDS AND SERVICE OFFICER; FRANK J. DONATY, COMPTROLLER; AND ARTHUR FLEISCHER, JR., EXECUTIVE ASSISTANT TO THE CHAIRMAN

Mr. CARY. Good morning, Mr. Chairman.

Mr. OLSEN. You have some colleagues with you?

Mr. CARY. Yes, sir.

Mr. OLSEN. You may introduce them, if you will.

Mr. CARY. I would be delighted, Mr. Chairman.

I have beside me my colleague, Commissioner Hugh Owens, of Oklahoma, who recently has joined us after having been head of the securities division of that State. On my right hand side is our General Counsel, Philip Loomis. Also here is the Director of our Division of Corporate Finance, Mr. Edmund Worthy; the Director of our Division of Trading and Markets, Ralph Saul; our Chief Management Analyst, William Becker; our records and services officer, Ernest Dessecker; our Comptroller, Frank Donaty; our executive assistant, Arthur Fleischer; and Allan Conwill, our Director, Division of Corporate Regulations.

I asked them to come because these are the various areas where reporting is being done and therefore I thought you might want a specific answer with respect to the work in one of those areas, and that they should be here.

Mr. OLSEN. We welcome you, Clairman Cary and Commissioner Owens, and all the members of your staff. We are happy you brought them here.

Mr. CARY. I have a prepared statement. If I may I would like to read that statement. I think it gives pretty much the general area of activity in the field of reporting of the Securities and Exchange Commission.

We understand that your primary interest is the adequacy of controls over the collection by Federal agencies of information which they desire or need in the performance of their functions. You wish to avoid duplication, inefficiency, or unnecessary programs which give rise to burdensome paperwork both for the Government and for private industry. We of course subscribe entirely to this objective.

The Commission is concerned with reporting and paperwork, but the nature, purpose and origin of its activities in this area are different from those of most Government agencies. The great bulk of the information we collect is not for the use of the Government but rather to provide disclosure to investors concerning securities. This disclosure is required primarily under the Securities Act of 1933, the Securities Exchange Act of 1934, and the Investment Company Act of 1940.

The purpose of these requirements, in the words of the preamble of the Securities Act of 1933, is "to provide full and fair disclosure of the character of securities sold in interstate and foreign commerce and through the mails." Registration and reporting to the Commission and to the exchanges is the technique chosen by Congress to provide this essential information to investors. In receiving these filings, the Commission is, in effect, acting as a public depository of the information contained in them. Financial manuals and other reporting services in turn obtain this information from the Commission's files. These programs differ from those of other agencies in another significant respect. The general content of the registration statements and reports, and the circumstances which give rise to an obligation to file them, are specified in considerable detail in the statutes themselves. Thus, the volume of material which must be filed with and processed by us does not depend upon our own preferences but upon the occurrence of events such as the public offering of a new issue of securities, or the listing of an issue on an exchange, which create a statutory obligation to register and report.

The Securities Act of 1933 requires, unless an exemption is available, that a company making a public offering of securities must file with the Commission a registration statement containing the information specified in the act and the rules thereunder and must provide prospective purchasers with a prospectus which includes most of this information. All such registration statements are public documents.

Under the Securities Exchange Act of 1934 companies that have filed registration statements and issuers of securities listed on the national securities exchanges are required to provide continuing information to investors through annual and semiannual reports, and other reports concerning significant occurrences in the affairs of the issuer. The Commission also receives proxy material relating to securities listed on national securities exchanges when such material is sent to shareholders in connection with solicitations for the election of corporate officers and shareholder votes on other matters respecting the affairs of the issuer. In addition, officers, directors, and principal security holders of such issuers are required to file information with the Commission respecting their security holdings.

There are also filed with the Commission applications for broker-dealer registration and certain periodic reports by broker-dealers. These applications and reports are of assistance to the Commission in the performance of its regulatory duties and are required by the Commission pursuant to the authority contained in the Securities Exchange Act of 1934. For example, the broker-dealer form is indispensable in apprising the Commission whether a broker-dealer has hired a person subject to a statutory bar. The broker-dealer financial report is essential to enforcement of the Commission's net capital rule. Similar applications for registration and periodic reports are required of investment advisers pursuant to the provisions of the Investment Advisers Act of 1940.

The Commission has similar functions under other statutes administered by it. For example, under the Investment Company Act of 1940, investment companies are required to register with the Commission and securities offered to the public by such companies are required to be registered under the Securities Act of 1933. These companies are required to file annual, semiannual, and other periodic reports and to file with the Commission copies of all reports and other communications to security holders.

Mr. OLSEN. The decision as to whether or not these reports will be annual, semiannual, or for what period is in the discretion of the SEC or is it mandatory under the act?

Mr. CARY. It is mandatory under the act. The provisions of the Securities and Exchange Act of 1934 particularly will deal with listed companies and also the Investment Company Act of 1940 would seem to require not only that there be an annual reporting but also that there be a periodic reporting and a reporting of significant events. We have under the Securities and Exchange Act of 1934 three major reports: The so-called 10-K, the annual report; 9-K, the semiannual report; and 8-K, a periodic report of significant events. All of these are contemplated and prescribed under the Securities and Exchange Act of 1934, section 13 of the Securities and Exchange Act of 1934. In addition, investment companies are required to supply stockholders with certain specified financial information on at least a semiannual basis. Investment companies are also required to file with the Com-

mission copies of sales literature addressed to, or intended for distribution to, prospective investors. As in the case of other companies, much of the information filed with the Commission is useful for the purpose of compiling statistical data and is used by the Commission in the performance of its regulatory and enforcement functions. The primary purpose of the filing requirements applicable to investment companies, however, is to insure that the information is made available to investors and prospective investors and to enable the Commission to determine whether the many regulatory provisions of the Investment Company Act are being complied with.

In this connection, I should point out that the Commission is nearing completion of a new annual report form to be filled out by investment companies to assist the Commission in determining whether those companies are being operated in accordance with the provisions of that act. This report is designed to supplement our inspection program, and the availability of this information will simplify and reduce the cost of our inspections. The form has undergone many revisions in the process of its preparation, partly on the basis of helpful and extensive conferences with the members of the industry.

From the description I have given of some of the Commission's functions it can be seen that the principal part of the Commission's activities does not fall within the areas listed in Chairman Olsen's letter of May 12, 1964. For example, as far as this Commission is concerned the volume of the paperwork presently required varies more or less directly with the number of persons required by statute to file reports and other documents. As the number of issuers who file registration statements increases, the volume of reports received by the Commission will also increase.

In sum, the very great preponderance of material filed with the Commission is required by the acts we administer and is an essential ingredient in fulfilling the basic purposes of those acts; primarily to obtain a broad dissemination of information about companies issuing securities and to provide fair and informed securities markets. Just recently this fundamental philosophy of full disclosure has been re-examined by the Congress and found beneficial and in the public interest. The Senate has passed legislative proposals of this Commission, based upon the results of the report of the special study of the securities markets recently conducted by this Commission pursuant to congressional direction, which would extend the reporting requirements, proxy provisions, and insider trading provisions of the Securities Exchange Act of 1934 to over-the-counter companies in which there is a significant public interest. The recommendations have also received careful and extended consideration before the Interstate and Foreign Commerce Committee of the House of Representatives and were reported by that committee on May 19 of this year.

In its report the committee said :

The Securities Act of 1933, relating to truthful disclosure of information about new security offerings; the Securities Exchange Act of 1934, relating to disclosure of information about listed securities and regulating practices in exchange and over-the-counter operations; and succeeding legislation which is administered by the Securities and Exchange Commission, represent legislation of which this committee and the Congress are justly proud. These statutes have gone a long way in the mitigation and elimination of undesirable practices in the securities field, in the restoration of confidence in securities markets, and in the protection of the investing public (H. Rept. 1418, 88th Cong., 2d sess. (May 19, 1964), p. 4).

I should like to point out that the Commission has continuously reviewed the forms prescribed for the filing of information with a view to making revisions in them and adapting those forms to the needs of particular classes of companies. This review is intended to simplify the filing requirements, insofar as possible, and permit the required information to be set forth in a manner most understandable to persons having occasion to refer to it. In the last year and a half the Commission has engaged experienced corporate lawyers to serve as advisers to the Division of Corporation Finance in order to assist in the process of simplifying forms and making them more meaningful. I would also emphasize in this connection that our forms and rules governing those forms are always subject to industry comment and review prior to their final adoption. In this way the Commission is assured of securing the comments of those persons upon whom a particular reporting requirement will have an impact. We believe that over the years, we have had excellent relations with the persons subject to our jurisdiction and have had an environment of mutual respect and confidence which has permitted us to administer these acts in a responsible and effective fashion.

I would like to turn to certain of the other questions you raised. The Commission is not in a position to make any particularly significant comment on the effectiveness of the Federal Reports Act of 1942, since only a small part of our activity involves the sending of questionnaires to members of the public. In conducting investigations to determine whether violations of the Federal securities laws have been committed, the Commission does send questionnaires to purchasers of securities who may have been victims of unlawful activities, but this again does not appear to us to be the type of activity with which this subcommittee is principally concerned.

In our own experience, the provisions of the Federal Reports Act appear to be adequate to guard against the growth of unnecessary paperwork. With reference to that act, there is, however, a particular matter I should mention at this point. The recently completed special study of the securities markets undertaken by the Commission at the direction of the Congress was an extensive study of all aspects of the securities markets, both the national securities exchanges and the over-the-counter markets. In conducting the special study the Commission prepared and distributed certain questionnaires to persons, including broker-dealers, investment companies, and others, chosen on a statistical basis. The questionnaires were prepared for the purpose of obtaining the information necessary to prepare the report which the Congress directed the Commission to make. Each questionnaire sent to more than 10 persons was submitted to the Bureau of the Budget in accordance with the requirements of the Federal Reports Act. I might add that members of our special study staff commented that the Bureau of the Budget's review of the questionnaires was both thorough and helpful. I should like to emphasize that the special study was unusual in the Commission's experience, constituting the first extensive study of the securities markets to take place in a period of 30 years. We do not believe that the special study embraced this type of activity with which this subcommittee is concerned, since it was undertaken at the specific direction of Congress primarily for the purpose of providing information and recommenda-

tions to the Congress, and since it was of a nonrecurring nature. In the report I mentioned a few minutes ago, the House Committee on Interstate and Foreign Commerce said with respect to the special study:

The 13-chapter study group report, which is printed in four parts as House Document 95, 88th Congress, and a 5th part comprising a summary of the study group conclusions and recommendations of the preceding four parts, is a monumental work, and the committee is fully appreciative of the effort which went into providing this comprehensive analysis of our securities markets as they exist today.

We were also gratified by the comments made by the Senate subcommittee during the Senate hearings on our recommendations.

Finally, I would point out that it is not possible for this Commission to estimate the man-hours required by industry, business, and the public to complete the forms required to be filed by 10 or more persons. A registration statement, for example, may in the case of one issuer require relatively little time in preparation, while a registration statement for another company may require a large amount of time to prepare. The time involved may depend upon such factors as whether the issuer has ever filed a registration statement before, the accuracy and adequacy of the issuer's books and records, the nature of the issuer's business, and other matters over which this Commission does not have any control.

The Commission also conducts a relatively small statistical program through the Office of Statistical Studies in the Division of Trading and Markets. This Office works in two general areas: first, the provision of statistical studies of the securities markets needed by the Commission in the administration of the securities laws and, second, administration of the Commission's part of the overall governmental statistical program.

The statistics with respect to the securities markets include new securities offerings, use of the proceeds, retirement of securities, and costs of flotation. The data required is obtained, for the most part, from material already filed with the Commission under the provisions of the securities laws.

The Commission has also been designated by the Office of Statistical Standards of the Bureau of the Budget as the agency best suited to make certain financial studies on the most economical basis. Prominent among these are the quarterly reports on capital investments by business, financial operations of manufacturing corporations, individual saving, and an annual survey of noninsured pension funds. The first two of these are conducted jointly with other Government agencies—our Commission supplying data on companies registered with it and thus filing information here.

These studies, along with other Government statistics, are continually being examined critically by the Office of Statistical Standards with the help of interagency committees and advisory committees of business representatives. Over the years considerable saving to industry and the public has been effected by these efforts.

As a recent example, we are in the process of arranging with some of the major banks, who act as trustees for pension plans, to supply us through the use of their electronic equipment with aggregate data on these pension funds. This would relieve hundreds of corporations

from supplying us with individual reports, and would also produce savings in our own clerical work.

In terms of our own manpower and salary costs, the staff of the Office of Statistical Studies totals 38 at an aggregate annual salary cost of approximately \$335,000. The major part of this, comprising 23 staff members and annual salary cost of \$200,000, is needed in the compilation and analysis of data required by the Commission in the administration of the securities acts. The remaining 15, with annual salary cost of about \$135,000, represent the Commission's share of the Government's overall statistical program.

In conclusion I would repeat that, with limited exceptions, material filed with this Commission is required by the statutes we administer; that the policy behind these statutes has recently been affirmed by the Senate and the House Interstate and Foreign Commerce Committee, and that the Commission constantly attempts to keep the burdens on the companies subject to its jurisdiction at a minimum consistent with the needs of the public interest.

Mr. OLSEN. Thank you very much, Mr. Cary.

I wonder if you have received the same complaint we have from investment companies concerning the Internal Revenue Service requirement of reporting dividends and interest as low as \$10. Have you heard that?

Mr. CARY. Mr. Chairman, I canvassed that among my colleagues today. We have not received that directly. Of course, it is not part of our area of responsibility and therefore that is perhaps why we have not heard.

Mr. OLSEN. We would like to discuss your R-4 report. How does this annual survey of pension funds relate to the Labor Department's welfare and pension plan report?

Mr. CARY. On that it is a curious thing that our roles in this area are reversed. As I said earlier, our work primarily is in disclosure to investors and not for statistical purposes.

In the Labor Department's welfare and pension plan reports, there is really a disclosure of information, I suppose for the critical public, for the labor unions, and for labor people themselves; whereas ours in this case is reversed, being statistical in nature.

To that extent I would say that our function is a totally different function in that than the Labor Department's. Ours is statistical and theirs regulatory. Normally ours is regulatory and other people's statistical.

Mr. OLSEN. Do you have statutory authority for this?

Mr. CARY. I understand our authority for gathering these statistics is derived by our designation by the Bureau of the Budget under their authority, in turn, for statistical standards to be provided.

Mr. OLSEN. Then it is not statutory?

Mr. CARY. That is not statutory, no, sir. The reporting, I understand, is voluntary.

Mr. OLSEN. This survey has the approval of the Bureau of the Budget?

Mr. CARY. Not only their approval but their sponsorship.

Mr. OLSEN. We would like to have a copy of the form R-4 report for our record.

Mr. CARY. We shall be glad to make a copy of that available.

(The form R-4 follows:)

NON-PUBLIC DATA

BUDGET BUREAU NO. 71-8176-5
APPROVAL EXPIRES DEC. 31, 1984

SECURITIES AND EXCHANGE COMMISSION
Division of Trading and Exchanges
Washington, D.C. 20549

FORM R-4, CORPORATE PENSION PLANS

Name of Corporation: _____
 Street address, City & State, Zip Code: _____
 Name and title of person submitting this report: _____

Does your company have a pension fund or funds administered by trustees other than insurance companies? Yes No

Please return the questionnaire even if your answer is NO. The remaining parts of this questionnaire apply to all pension and retirement funds administered by trustees other than insurance companies. Profit-sharing plans involving retirement benefits should be included. To the extent feasible, do not include health, welfare, accident, savings and bonus plans. Before filling in the form, please read the notes on the reverse side.

(Leave Blank)

(1-8)	(9-8)	(8)	(10)	(11)	(12)
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Calendar Year 1963 ⁽¹⁰⁾ or Fiscal Year Ending 19_____

ALL PENSION FUNDS ADMINISTERED BY TRUSTEES OTHER THAN INSURANCE COMPANIES		BOOK VALUE	MARKET VALUE ^(x)
ASSETS		(Thousands of dollars)	
1. Cash and deposits.....	(17-23)	\$	\$
2. U.S. Government securities.....	(24-30)		
3. Other bonds, notes and debentures			
a) Own company and affiliates.....	(31-37)		
b) Other.....	(38-44)		
4. Preferred stock.....	(45-51)		
5. Common stock			
a) Own company and affiliates.....	(52-58)		
b) Other.....	(59-65)		
6. Mortgages on real estate.....	(66-72)		
7. Other assets.....	(73-79)		
8. TOTAL ASSETS.....	(17-23)		
INCOME STATEMENT OF FUND		(Thousands of dollars)	
Income			
9. Employer contribution.....	(24-30)	\$	
10. Employee contribution.....	(31-37)		
11. Income from interest, dividends and rent.....	(38-44)		
12. Net profit or loss on sale of assets.....	(45-51)		
13. Other income.....	(52-58)		
14. TOTAL INCOME.....	(59-65)		
Disbursement			
15. Benefits paid out.....	(66-72)		
16. Expenses.....	(73-79)		
17. Other disbursements.....	(17-23)		
18. TOTAL DISBURSEMENTS.....	(24-30)		
19. Net receipts (14 minus 18).....	(31-37)		
20. Total assets (book value) beginning of year.....	(38-44)		
21. Other adjustments, please explain.....	(45-51)		
22. TOTAL ASSETS (BOOK VALUE) END OF YEAR (19+20+21).....	(52-58)		
COMMON STOCK TRANSACTIONS		(Thousands of dollars)	
23. Total purchases.....	(86-92)	\$	
24. Total sales.....	(86-92)		
	(73-79)		

CONTINUE ON REVERSE SIDE

25. List of plans covered by this questionnaire.

26. a) Please give, as of December 31, 1963, or fiscal year ending _____, 19____, the approximate (unduplicated) number of employees, covered by the above funded programs, who if they continue in service until retirement will receive a pension (or other benefit)..... (24 - 30)
- b) How many of the employees included in item 26a are also covered by an insured pension program of your company (31 - 37)

If you have more than one program, count each covered employee only once regardless of the number of plans by which he is covered. Do not include pensioners, beneficiaries, and separated employees with vested deferred pension rights. For contributory plans, include all participating employees whether contributing or not.

NOTES

Either cash or accrual basis of reporting may be used; however, the same basis should be used throughout the report. If you have more than one pension fund administered by trustees other than insurance companies, please combine. Approximate figures may be used. Please give figures in thousands of dollars.

The following notes correspond to the items as numbered on the form:

1. Cash and deposits: Include certificates of deposit.
2. U.S. Government securities: Include all direct and guaranteed securities of the U.S. Government. Also include non-guaranteed issues of federal agencies such as Federal Land Banks, Federal National Mortgage Association, Federal Intermediary Credit Banks, Federal Home Loan Banks and Banks for Cooperatives.
3. Other bonds, notes and debentures: Include debt obligations of state and local governments, foreign governments and foreign corporations.
5. Common stock: Include investment company shares and foreign securities.
7. Other assets: Include savings and loan shares, credit union shares and deposits, real estate, leasebacks, contributions receivable, participations in common trust funds and other assets not specified above. To the extent feasible, all forms of insurance contracts should be excluded from the assets of the fund. If this is not possible, please indicate.
15. Benefits paid out: Include refunds of contributions and the cost of annuities purchased for retired employees.
16. Expenses: Include salaries, fees, commissions, taxes, rent and other expenses. Exclude expenses paid by the company.
21. Other adjustments: Include valuation adjustments, various provisions for accrued expenses, etc., in order to reconcile item 22 with item 8.
- 23 & 24. Common stock transactions: Include cost of all common stock both own company and other companies purchased during the year, and all receipts from the sale of common stock during the same period. Include only transactions for cash.

(Small figures in parentheses are for use in machine coding.)

Mr. OLSEN. The 9-K report requires semiannual reports on sales and earnings. What is your authority for that survey?

Mr. CARY. That, as I said earlier, sir, is derived directly from section 13 of the Securities and Exchange Act of 1934. Unlike the one I just referred to that is for the purpose of providing disclosure of information to investors so that they have more or less a current picture of what is going on.

Mr. OLSEN. Are the sales data correlated with the census data?

Mr. CARY. I do not know that they are. I would say no. Ours are for the investors and therefore they are interested in the particular company rather than in the statistical total.

Mr. OLSEN. Do you use the same definitions as the Census Bureau uses?

Mr. CARY. I will ask Mr. Worthy.

Mr. WORTHY. I am not familiar with what the Census definitions are. Ours are confined solely to section 13 of the 1934 act.

Mr. CARY. I really do not think we can give you an exact answer. The whole thrust of our work is looking at it in a different way from the Census Bureau. For that reason I am not sure that they are correlated. I have no knowledge that they are.

Mr. OLSEN. Are the earnings figures related to Internal Revenue Service figures on company earnings?

Mr. CARY. No, sir. As you may know, there is a variety of points at which earnings for the purposes of taxes differ from earnings as stated in corporate reports, and therefore ours is in the latter approach rather than the Internal Revenue Service approach.

Mr. OLSEN. And again the purpose of this survey is to supply this information to the investors?

Mr. CARY. That is correct, stockholders and prospective investors.

Mr. OLSEN. Thank you.

Mrs. St. George?

Mrs. ST. GEORGE. Mr. Cary, I would like to read a paragraph from a letter we received from Mr. Carl L. Shipley, who as you know was formerly with the Department of Justice and is now a private attorney. I would like your comments on this. It concerns the Federal Reports Act.

He states:

Yet another major weakness of the existing law is the section 3(e) exemption for certain agencies, particularly the Internal Revenue Service and Federal bank supervisory agencies. Other agencies, such as the Antitrust Division of the Justice Department, the Federal Trade Commission, and the Securities and Exchange Commission question the applicability of the act to certain of their extremely burdensome reporting requirements. The FTC frequently conducts business surveys to obtain enforcement information in violation of the purposes of the Federal Reports Act. The SEC ignores the requirements of the act as it would apply to annual reports, registration statements, and other reports required under the Federal securities law.

Mr. CARY. Mrs. St. George, in answer to that question I think in a sense it helps answer itself. As you notice there, I assume Mr. Shipley is referring to the kind of reports we require through our registration statements when a company is going to the public for funds or when a company is listed and it has to file annual information about itself and semiannual information.

As I mentioned earlier in response to a question raised by the chairman, these are specifically required under the Securities Act of 1933 as to new issues and the Securities and Exchange Act as to listed companies which have to have this periodic reporting.

Therefore, we are carrying out our responsibility under specific statutes.

In that area we do not traditionally go to the Bureau of the Budget. In other words, I suppose it would not be subject in general to the Federal Reports Act because we are carrying out our responsibility under a specific act designated by Congress, and in a sense acting in behalf of Congress in that respect.

I suppose the answer is that it is true we are not under the umbrella of the Federal Reports Act with respect to those areas where we are specifically carrying out our duties under an act.

Mrs. ST. GEORGE. Yes.

Mr. CARY. That is the distinction.

Mrs. ST. GEORGE. In other words, you are following the law, but I think Mr. Shipley questions the wisdom of the law, actually.

Mr. CARY. That is right. That is a different question.

Mrs. ST. GEORGE. This is in section 13 and therefore he is going back to the original law.

Mr. CARY. That is correct.

Mrs. ST. GEORGE. You are simply following that law but you do not necessarily say it is perfect.

Mr. CARY. We don't say anything is perfect by any means, I assure you.

Mrs. ST. GEORGE. I think that is his real question, a question as to the wisdom of that particular section of the law, and the conflict between the laws.

Mr. CARY. I suppose Congress has its own question of whether or not it wants everything of this kind sort of under the executive branch, and the Bureau of the Budget, when it has actually allocated this function to a specific independent agency. I suppose that presents a major problem.

Mrs. ST. GEORGE. I think you are right.

Thank you, Mr. Chairman.

Mr. OLSEN. Mr. Pool?

Mr. POOL. Mr. Chairman, we are coming to the conclusion that the Federal Reports Act needs amendment. I would like to have your thoughts on that.

Mr. CARY. Sir, as I said in the statement, where so much of our area of activity is prescribing material and reports for investors, and so much, therefore, is outside the scope of this act, what I interpret to be the scope of this act and your inquiry, I don't know that we have a recommendation to make with respect to the question of amending the Federal Reports Act.

Mr. POOL. Don't you get a lot of letters from people complaining about different reports that are unnecessary?

Mr. CARY. I certainly would not assume we do not. I suppose we do get some complaints.

Mr. POOL. Have you had complaints regarding those reports? What do you do with them?

Mr. CARY. The one that came to my attention most directly, Mr. Pool, was when we made the massive study of the securities markets. That was a one-shot proposition directed by Congress 3 years ago.

At that time the industry chafed under it because it was a massive analysis, but it was the first study of the securities markets in 30 years, and I think it has had a profound effect. In fact, the industry itself made its own special study as a consequence of it.

We had compliants then. Everything had gone through the Bureau of the Budget in that case. They were complaining about its bulk, although the facts are that that being a one-shot operation it had gone through the Bureau. That is where we got complaints. I do believe now industry itself has said we have done a good job, the study itself was worth it, and as a consequence they are not so sorry they had to undergo it.

Mr. POOL. Letters I receive from back home indicate people do not like to have a Federal bureaucracy asking a lot of unnecessary questions. If there is a real purpose behind it the public accepts that, but they do not like to have Government bureaucrats—you are one and I am one, more or less, being a Congressman—interfering with their daily lives unnecessarily. If there is a real purpose behind it and something to correct anything that is wrong, that is something else. Do you think of that when these programs are set up?

Mr. CARY. I think so. I would say so much of our material is filed for the purpose of the investor and then made available through the business periodicals services and the like. We are anxious to get it out into the public hands and not just hold it in our own files and not make it available.

Mr. POOL. I have seen reports of other agencies that are absolutely ridiculous. There are questions asked which are a waste of time, waste of paper, waste of money, and they involve asking questions which I do not think need to be supplied to the Government.

Mr. CARY. I have no doubt there are some. We may occasionally be guilty. I do not think we get so much complaint with respect to this vast bulk of material which ultimately gets into the hands of stockholders and prospective investors.

Mr. POOL. That is all, Mr. Chairman.

Mr. OLSEN. Thank you very much, Mr. Pool.

I thank you, Chairman Cary, for your contribution to our hearings.

We will pursue this question of amending the Federal Reports Act with the Bureau of the Budget when we have them here tomorrow.

There is a conflict not just between your surveys and the Federal Reports Act but other agencies which have a specific direction from Congress who take exception to the Federal Reports Act.

We are wondering if the grand total of all these exceptions does not lead to a great deal more paperwork.

Our problem so often is this: A question or a piece of information might very well be interesting but it is not worth gathering. I have had just a little experience in applying for a license to sell securities. I must say after that experience I don't want to do it again. It involves a great volume of work for little return and it is not worthwhile. It takes quite a major financial undertaking to justify filling in all of the paperwork that is required by your act. I am not saying by your Commission.

The act requires that it be a big financial undertaking to go to the SEC.

Mr. CARY. Of course, selling the securities to the public is selling, shall we say, an intricate merchandise. You do want to have a certain minimum of financial responsibility and experience. I suppose that is the way we would answer that.

Mr. OLSEN. That is exactly the answer. There can't be any more small business financed by the sale of stock. That is over with. That is my opinion because the paperwork required by your act precludes anything small because of legal fees.

Mr. CARY. Mr. Chairman, as of just 2 years ago I would like to give you examples of any number of companies that were going to the public for funds—and getting them, I might say—which were qualified under the definition of small business. I think some have proven they should not have gone.

The fact of the matter is that there was a very substantial amount of issuance of securities of all types.

Mr. OLSEN. What do you classify as small?

Mr. CARY. We have our basic registration statement and then what was called regulation A, filing below a certain fixed minimum of \$300,000.

I am thinking not only of those above \$300,000 but those below which had to file with us. This is distinguished from an intrastate offering and it had to go through us and be filed under regulation A. I am talking about amounts in the magnitude of \$100,000 or \$200,000, and so forth, up to the \$300,000, as well as the whole registration statement which had to be filed under the 1933 act.

Mr. OLSEN. Thank you very much.

Mr. CARY. Thank you, sir.

Mr. OLSEN. We have next Mr. Rexford C. Parmelee, Chief, Division of Statistics, Bureau of Mines. You have a colleague with you. I suggest you introduce him.

Mr. PARMELEE. This is Mr. Forrest T. Moyer, Chief of the Accident Analysis Branch.

Mr. OLSEN. We are happy to have you folks here. I note you have a very fine statement but I think time is running against you. Perhaps it would be best if we entered your entire statement in the record as though fully delivered and then you highlight the statement, if you will.

STATEMENT OF REXFORD C. PARMELEE, CHIEF, DIVISION OF STATISTICS; ACCOMPANIED BY FORREST T. MOYER, CHIEF, ACCIDENT ANALYSIS BRANCH, BUREAU OF MINES

(Mr. Parmelee's prepared statement follows:)

STATEMENT OF REXFORD C. PARMELEE, CHIEF, DIVISION OF STATISTICS OF THE BUREAU OF MINES

Mr. Chairman and members of the subcommittee, I am glad to have this opportunity to discuss the reporting of statistics by the mineral industries.

The Bureau of Mines is concerned with the conservation and development of the Nation's mineral resources and with the health and safety of workers in the

mineral industries.¹ In addition to the publications resulting from its research and development programs the Bureau also collects and publishes statistical and economic reports on the production, consumption, and use of minerals and mineral fuels. The technical nature of the Bureau's work calls for a professional staff of engineers, metallurgists, and other physical scientists who, working together with economists and statisticians, make an effective team for the development of the facts necessary to a healthy mining industry and to the wise use of our mineral resources to support an expanding economy.

Because the Bureau collects statistics largely on a voluntary basis it is of extreme importance to us that there be close cooperation with industry. There must be constant vigilance on our part that our requests for information be geared to what can reasonably be supplied by industry and that the results be of benefit to industry as well as to the Government.

Many significant changes have been taking place in the mineral industries. Among these are shifts in consumption resulting from the introduction of new materials, the decline in mineral employment and rise in capital assets, the drop in grade of ore and increase in grade of material shipped, and an increasing dependence on foreign sources. Statistics are necessary to the analysis and interpretation of the various forces and trends affecting the mineral industries.

The Bureau of Mines, under its organic act, has the duty of collecting, analyzing, compiling, and publishing injury data on the mineral extracting and processing industries of the United States. Later legislation, such as the coal-mine inspection laws of 1941 and 1952 and the Metal and Nonmetal Mine Study Act of 1961, has expanded the scope of the statistical studies. The later legislation also required mandatory reporting of injury data. Consequently, the Bureau has been long recognized as the sole source of primary standardized statistical information on injuries in the mineral industries.

The compiled injury statistics are used extensively within the Bureau for planning safety education and training programs, for use in the coal-mine inspection work, and in other health and safety activities relating to the mineral industries. The data have been supplied as factual information for congressional studies and hearings on the need for additional Federal mine safety legislation. The statistics are elemental considerations in any evaluation of the health and safety needs of the mineral industries. The published data are used widely by mine safety engineers, industry associations, labor unions, State inspection and compensation agencies, and by other safety organizations such as the National Safety Council.

Most of the statistical work on injuries is concerned with overall data on the various segments of the mineral industries. In addition, the Bureau, under cosponsoring arrangements with related mineral industry associations, conducts seven annual safety competitions. These contests are used voluntarily at approximately 2,000 mineral-producing plants as effective tools to stimulate employee interest in accident-prevention work.

Your committee has requested that specific data be supplied on seven topics. The information requested follows:

1. The volume of paperwork presently required of the public by departments and agencies of the Federal Government as compared with the volume at the time of the Hoover Commission report in 1955, and the principal reasons for the increases and decreases.

There has been a net decline between 1955 and 1963 in the number of questionnaires and in the estimated number of reports received by the Bureau as shown in table 1. (Tables 1 through 5 are inserted at end of Mr. Parmelee's prepared statement.) New questionnaires have been added as new minerals or mineral products rose in importance and justified investigation and reporting. Because all reporting forms are under continuous review, a number of questionnaires have been dropped within the same period as the need for them has ceased.

¹ Public Law 386, Feb. 25, 1913, amending the original Bureau of Mines Act of 1910, requires the Bureau "to conduct inquiries and scientific and technologic investigations concerning mining, and the preparation, treatment, and utilization of mineral substances with a view to improving health conditions, and increasing safety, efficiency, economic development, and conserving resources through the prevention of waste in the mining, quarrying, metallurgical, and other mineral industries; to inquire into the economic conditions affecting these industries; to investigate explosives and peat; and on behalf of the Government to investigate the mineral fuels and unfinished mineral products belonging to, or for the use of, the United States, with a view to their most efficient mining, preparation, treatment and use; and to disseminate information concerning these subjects in such manner as will best carry out the purposes of this act."

Currently the statistical information on injuries is collected on 27 questionnaires approved by the Bureau of the Budget. Eighteen of these are used to collect industry data and nine are for use in conducting the safety competitions. The number of respondents, as measured by the number of active operations, is about 35,000. These respondents filed approximately 72,000 reports during the year. In 1955, the injury data were collected by means of 18 approved questionnaires of which 12 were used for industry surveys and 6 for safety competitions. A total of approximately 21,000 respondents filed about 68,000 reports for the year.

The number of questionnaires and number of respondents for health and safety increased from 1955 owing principally to several new surveys required to provide basic information on certain expanding mineral industries. Other contributing factors were the steadily growing number of participants in the safety competitions as well as improved response from producers resulting from an increased awareness of the value of accident prevention work. The necessity of making a special study of the causes and prevention of injuries in metal and nonmetallic mines under Public Law 87-300 added to the volume of questionnaires for 1962.

The Bureau uses a number of highly specialized questionnaires—276 at the end of 1963—to meet the need for facts on a single mineral commodity or closely related group of minerals. Hence, the total use made of any one questionnaire form is usually small and, as shown in table 2, 120 forms each call for less than a total of 100 reports from all respondents, and only 5 call for more than 10,000 reports from all those requested to respond.

A record of the questionnaires eliminated in the 8-year period since 1955 is shown in table 3 and a record of those combined or otherwise simplified in that period with a consequent saving in paperwork is shown in tables 4 and 5.

As you know, we have been carrying out a special review of questionnaires under Budget Bureau Bulletin 64-11 of March 16, 1964, and thus far this year have eliminated three questionnaires. Only one new questionnaire was added during the first 6 months of 1964 replacing on a greatly simplified basis the questionnaire of another agency. Thus the trend in requests for statistical data by this agency has been downward. And we are moving steadily ahead in the further reduction in reporting. This has been made possible by a continuous assessment of the essential needs of the Government and the public users of the assembled statistics. It is proposed to continue to canvass recipients of all statistical publications to determine their needs for data and whether there may be further cutbacks—either with respect to frequency or the outright elimination of the survey on which the release of statistical information is based.

2. The effectiveness of the Federal Reports Act of 1942, and the need for legislation which may be required to guard against the growth of unnecessary paperwork in the agency, including records retention requirements.

The Bureau of Mines has worked closely with the Office of Statistical Standards of the Bureau of the Budget and with its Advisory Council on Federal Reports. The Federal Reports Act has proved to be an effective instrument to accomplish the objective of minimizing the reporting burden on industry. To permit a proper administration of the act, and particularly its provision for the interchange of data between Federal agencies for strictly statistical purposes, encouragement should be given to more adequate staffing of the Office of Statistical Standards.

The Bureau of Mines does not have any requirements for records retention by industry.

3. The administrative controls which exist in the agency to protect the public from excessive Federal Government paperwork. The success or lack of success of these arrangements in accomplishing this objective, and the reasons therefor.

The Bureau has a field organization responsible for the collection of area statistics and for the preparation of special area mineral resource studies. All regular statistical activities are conducted with Bureau of the Budget approved questionnaires and any special statistical inquiries are carefully reviewed in the Washington office for submission to the Bureau of the Budget when this is required under the Federal Reports Act.

Within the past year the Bureau of Mines has undergone a reorganization which established a Division of Statistics responsible for the collection and processing of mineral resource data. Within the Office of the Division Chief there is a statistical standards staff responsible for the review of questionnaires prior

to their submission to the Bureau of the Budget for approval under the Federal Reports Act. Also recently established is a Branch of Planning and Programs responsible for the development and review of statistical systems including the further adoption of automatic data processing techniques. The Bureau has for a number of years used electronic computers and punched card equipment for certain of its surveys, and plans are being developed to make extensive use of a large computer to be acquired by the Department of the Interior later in this calendar year.

One of the major objectives of the reorganization was to concentrate responsibility for mineral resource surveys and make possible a thoroughly competent review of all statistical operations. It is believed that this is now being achieved and that results are becoming apparent in the form of reductions or simplifications which have been accomplished within recent months. Even greater progress is expected in the months and years ahead as experience is gained under the new form of organization.

Similarly, all statistics on injuries in the mineral industries that were previously collected through the field offices are being centralized under the immediate supervision of the health and safety organization. That office is directly concerned with the analysis and interpretation of injury data and is in an excellent position to recognize superfluous reporting and eliminate it.

The reorganization of the Bureau also established an Assistant Director for Administration having responsibility for forms management and for records management. These functions are carried out by a Division of Management Analysis which provides administrative direction to programs designed to minimize paperwork and the retention of paper. The Assistant Director for Administration also has responsibility for developing training programs. Working in cooperation with the National Archives and Records Services of the General Services Administration, an expert in forms management has been loaned to the Bureau to assist in developing its programs. A number of individuals in the Bureau, including nine employees of the Division of Statistics, have received training through the courses offered by the General Services Administration. It is believed that such cooperative effort should be continued.

4. Current agency programs for reducing the paperwork burden on the public, and the small businessman, including a description of specific problem areas and suggested solutions.

In addition to working with the Advisory Council on Federal Reports of the Bureau of the Budget, the Bureau of Mines has developed close working relationships with many industry groups representing both large and small business. In developing questionnaire forms there is invariably consultation with individual concerns and trade associations. The objective has been to achieve useful statistics with a minimum of burden and, since the bulk of the Bureau's surveys are on a voluntary basis, this is essential to assure cooperation on the part of industry.

Should anyone find a Bureau request for mineral resource data too difficult he can refuse to report without incurring any penalty. Few have chosen this alternative and we believe it is because the Bureau has adopted many devices to lighten the burden of reporting. For example, use has been made of short forms, particularly for minerals such as sand and gravel and stone where there are many small producers. This is a method of paperwork saving that can be extended and its use for other minerals will be considered.

Another device used on a limited scale by the Bureau is that of providing for cutoffs under which detailed reports are not required for those producing or consuming less than specified amounts. For the production surveys of the Bureau of Mines, the Bureau has not usually exempted small operators, however, because it needs reports of the production of all mines which become a valuable minerals record in any search for minerals in the future. In fact, the Bureau makes a strong effort to get the miner doing exploration work to report on what he is doing. The mining industry is such that in some instances a relatively small production is quite significant. The production and exploration data which the Bureau of Mines collects are unique in that they constitute the single source of information on all minerals exploration and development in the country.

However, for the consumption surveys, where the Bureau of Mines is trying to get a measure of the use of mineral commodities, there are ways of minimizing the reporting requirements on the small businessman and the Bureau of Mines is taking advantage of these. For consumption surveys the small businessman will generally only report annually. In many instances such concerns may be

entirely exempted because of a size cutoff—that is they are not asked to report if their volume of consumption is below some stated figure. As a result of consultation with industry, the Bureau of Mines consolidated nine ferroalloy reports into one report so that the volume of paperwork has been reduced.

Sampling methods have been used in testing proposed questionnaires but have not been found feasible in most production surveys because of the need for county data and the comparatively small number of operations within a single county. In lieu of sampling, cutoffs have been used as mentioned above.

In furtherance of the principle of reduction of paperwork burden the Bureau of Mines has an outstanding record of cooperation with other agencies. Although the Bureau of Mines is the principal source of current statistics on the mineral industries, every 5 years the Bureau of the Census by law conducts a census of the mineral industries. As in the past, the Bureau of Mines is playing an important role in the conduct of the 1963 Census of Mineral Industries. The purpose of this is to minimize duplication of effort on the part of industry and Government and to insure that the benchmark census statistics tie in with the annual and other current series of statistics of the Bureau of Mines.

The Bureau of the Census has asked the Bureau of Mines to provide the minimum amount of information required for census purposes for approximately 10,000 small mines employing fewer than 5 persons producing metallic and non-metallic minerals, including coal. In turn the Bureau of Mines is requesting these small mines to file, on a voluntary basis, a limited number of items of information. This information is being combined with information regularly collected by the Bureau of Mines and is being transcribed by Bureau of Mines personnel to a census form. This results in a substantial saving to these 10,000 small operators, most of whom do not have clerical office help to complete questionnaires.

A number of joint surveys of important minerals and metals are conducted with Business and Defense Services Administration. The Bureau also maintains close coordination with other Government agencies and industry associations as a means of obtaining injury reports. For example, injury data on member companies of the American Gas Association are obtained through a cooperative questionnaire and canvass in a tripartite agreement with the association, the Bureau of Labor Statistics, and the Bureau of Mines. In another agreement, statistics on explosives consumption are supplied by the Institute of Makers of Explosives in a consolidated report covering all member companies reporting monthly to the institute. Cooperation also is maintained with the American Petroleum Institute which supplies the Bureau with injury data on some member companies.

The continuing effort to control reporting requirements for injury data is demonstrated by the development of multipurpose forms. For example, the Bureau, as long ago as 1940, developed and obtained acceptance of the coal mine injury form not only for accident-prevention purposes but also for compensation purposes. This form provides the required data for the Bureau and for inspection and compensation agencies of about 20 States with large coal production. Reporters make as many copies at one time as are required by the various requesting agencies. As a result of this multipurpose approach, the Bureau receives about 40 percent of its coal mine injury reports on copies of compensation agency or insurance company forms. Also, approximately half of the remaining 60 percent of the reports received by the Bureau are carbon copies of the Federal form.

Wherever possible the Bureau uses data collected by others in lieu of sending its own questionnaire. It relies not only on census data but on the reports collected by the Interstate Commerce Commission and private organizations such as the American Gas Association and National Slag Association.

One of the outstanding examples of saving to industry is achieved through cooperation with the States. The Bureau has formal cooperative agreements with 43 States and Puerto Rico for the joint collection of mineral statistics. In most cases the statistics are collected by the Bureau and made available to the States with full knowledge of the companies reporting. In other cases the States collect the data for the Federal Government. In both types of cooperation a single report serves two purposes. This form of cooperation could be extended and the Bureau is ready to do so when the remaining States are agreeable.

An area where improvements could be made is that of conducting surveys less frequently than annually where annual changes are not likely to be significant.

The Bureau has in the past conducted a number of surveys only once in 3 or more years, and the wider use of this device is being explored.

5. Estimated cost to the agency for collecting, compiling, processing, publishing, filing, storing or disposing of forms, records, reports, etc. (Include here, in addition to regular programs, reporting requirements undertaken in behalf of Presidential committees, interdepartmental committees, and other public and private committees and groups staffed or served by the agency.)

The estimated costs related to the collection, tabulation, and publication of statistical data for fiscal years 1962, 1963, and 1964 are as follows:

	1962	1963	1964
Mineral resource development:			
Bituminous coal.....	\$245,000	\$254,000	\$276,000
Anthracite coal.....	48,000	51,000	56,000
Petroleum, natural gas, and oil shale.....	258,000	271,000	300,000
Minerals and metals.....	1,064,000	1,080,000	1,240,000
Foreign mineral activities.....	62,000	78,000	91,000
Health and safety.....	364,000	449,000	413,000
Total.....	2,041,000	2,183,000	2,376,000

These figures are the same as those reported to the Bureau of the Budget for inclusion in the Budget of the United States, Special Analysis I or J: Principal Federal Statistical Programs. They exclude cost of filing, storing, or disposing of records, reports, etc. for which separate cost records are not available.

6. Estimated man-hours required by industry, business, and the public to complete all reports (voluntary and compulsory) sent out by the agency to 10 or more persons. (Include here, in addition to regular programs, reporting requirements undertaken in behalf of Presidential committees, interdepartmental committees, and other public and private committees and groups staffed or served by the agency.)

The Bureau of Mines does not have overall figures on the man-hours required by industry to complete the Bureau's questionnaires. As indicated in table 2 submitted in response to item 1, however, a substantial number of the questionnaires of the Bureau are sent to only a small number of producers of minerals and do not necessitate a large number of reports. Moreover, the typical commodity questionnaire of the Bureau is comparatively short in length and calls for a minimum amount of information on items such as production, stocks, and consumption—items usually readily available from a producer's records.

Industry man-hour data have been supplied by nine large petroleum companies which recently compiled the amount of time devoted to completing Bureau of Mines questionnaires. Out of 261 cases, 97 required 3 hours or less to complete; 100 required from 4 to 15 hours, and 64 required 16 hours or more. This information does not provide a broad enough base to arrive at totals for the industry but it gives an indication that the less time-consuming questionnaires predominate.

In any calculation of the cost to industry of completing Bureau of Mines production questionnaires, consideration should be given to the saving to industry resulting from the arrangement with 43 States whereby a single form meets the needs of both Federal and State Governments.

Nevertheless, the Bureau recognizes that in the aggregate the total time devoted by industry is quite substantial and it is therefore mindful of this in all its statistical activities. For several of its most important statistical releases, the weekly reports on anthracite and production of bituminous coal and lignite, the information is based entirely on reports of other agencies and hence there is no additional burden on industry in the preparation of the report.

The time required by producing companies to fill in the Bureau's statistical reports of injury data can be estimated only roughly. The use by the Bureau, wherever possible, of multipurpose forms for injury reports would reduce greatly the time required to file the questionnaires which must be reported to State agencies for other purposes. A further consideration is the fact that the basic statistical items for injury statistics are needed also for company and other records such as compensation, etc. Hence these items doubtless would have relatively small time requirements. With consideration of the foregoing factors,

it is estimated that the mineral industry would expend approximately 43,000 man-hours per year in supplying the Bureau with injury data.

7. Effectiveness of the agency's internal records management program and recommendations for improvements.

The Bureau of Mines maintains an active and continuing records management (disposal) program. Its questionnaires—and forms generated therefrom—are controlled by items in the Bureau records control schedule. Item 12 of the headquarters part of this schedule specifies that annual questionnaires and those from foreign countries be retained permanently and that all others (which comprise about 85 percent of the total volume of questionnaires) be disposed of 2 years after tabulation or summarization; under item 14, tabular summaries are retained permanently or until microfilm copies are made; and under item 70, in the field part of the schedule, reports comprising national safety competition files are retained for 5 years. Every effort is made to encourage prompt disposal of all records including questionnaires as soon as possible after the end of the period of scheduled retention has been reached.

No separate statistics are kept by the Bureau to show disposition of questionnaires; however, the inventories of records from 1954 to 1962 were as follows:

Volume of records (Bureau-wide)

Year:	Cubic feet	Year—Continued	Cubic feet
1954-----	45, 549	1959-----	43, 427
1955-----	42, 499	1960-----	40, 291
1956-----	43, 613	1961-----	(¹)
1957-----	45, 670	1962-----	34, 335
1958-----	50, 579		

¹ No inventory taken.

Since questionnaires comprise a substantial percentage of Bureau records, these figures indicate an effective disposal rate. It is the policy and practice of the Bureau to retain in its offices and other installations as few records as possible consistent with efficient operational needs.

In addition to disposal (destruction) of useless records within or by the Bureau, as many inactive records as possible having temporary or permanent value are transferred to the Federal records centers. Since December 1962, for example, the headquarters office has transferred 508 cubic feet of records to the Federal Records Center, Alexandria, Va. We realize that not all records transferred to records centers need to be retained permanently or even for long periods. The Bureau has given concurrence, since November 1963, for the Records Center at Alexandria, Va., to destroy 74 cubic feet of Bureau records—19 cubic feet of which were questionnaires.

The injury statistical work of the Bureau is estimated to generate about 35 cubic feet of records each year. So as to provide any necessary backsight ability, the current practice is to maintain statistical questionnaires on injuries for 2 years in the operating offices and for 3 years in storage centers. Questionnaires are destroyed 5 years after summarization and only the record listings made by machine are stored permanently. The permanent record listings each year occupy approximately 4 cubic feet of storage space.

A close watch is kept of the Bureau records to try to uncover those which are being retained—under schedule requirements—longer than necessary. When any are discovered, the Congress is asked to approve a shorter retention period. Three such requests have been submitted since May 1962. Two of these pertained to tabulations containing data drawn from questionnaires submitted by private enterprise and, in each case, wider authority was requested to microfilm and destroy the original tabulations. These were approved and microfilm was made of a number of tabulations. This work has been temporarily suspended, however, pending a report from the Bureau of Standards and the National Archives regarding the seriousness of blemishes which have been discovered on negative microfilm. The third request regarding coal mine inspection reports was only recently approved by congressional action. As a result 2,000 cubic feet of records now at the Federal Records Center can be eliminated.

The Bureau of Mines record control schedule, which was adopted in 1957, is kept under close observation with the objective of reducing the period of retention for each type of record. Plans have been developed and preliminary study accomplished to revise the schedule and provide—wherever possible—for shorter retention periods.

(Tables referred to in statement follow:)

BUREAU OF MINES

TABLE 1.—Number of questionnaires and estimated number of reports, 1955 and 1963

	Number of questionnaires, year ended Dec. 31, 1955	Estimated number of reports during year ended Dec. 31, 1955	Number of questionnaires, year ended Dec. 31, 1963	Estimated number of reports during year ended Dec. 31, 1963
Mineral resource development.....	262	238,000	249	216,000
Health and safety.....	18	68,000	27	72,000
Total.....	280	306,000	276	288,000

TABLE 2.—Number of questionnaires by estimated number of reports per year, 1963

Estimated number of reports per year	Number of questionnaires		
	Mineral resource development	Health and safety	Total
Less than 100.....	115	5	120
100 to 999.....	88	10	98
1,000 to 4,999.....	34	7	41
5,000 to 9,999.....	9	3	12
10,000 and over.....	3	2	5
Total.....	249	27	276

TABLE 3.—Statistical questionnaires eliminated

Questionnaire No.	Title of questionnaire	Effective date	Estimated number of reports eliminated annually
6-1322-W...	Weekly Survey of Crude Oil Stocks.....	Jan. 1, 1964	3,500
6-1064-Q.....	Production of High-Purity Silicon.....	do	36
6-1067-Q.....	Blast Furnace and Steel Furnace Report.....	Jan. 1, 1963	320
6-1184-M.....	Producers of Gold, Silver, Copper, Lead, and Zinc.....	Aug. 31, 1962	225
6-1402-A.....	Letter re Tons of Bituminous Coals.....	Jan. 1, 1962	85
6-1072-M.....	Iron and Steel Scrap, Dealers, Brokers, and Automobile Wreckers.....	July 1, 1961	7,200
6-1003-S.....	Uranium.....	June 20, 1959	500
6-1296-A.....	Jewel Bearings.....	Aug. 31, 1958	100
6-1061-A.....	Imports of Fluorspar.....	Oct. 31, 1957	60
6-1063-A.....	General Information on Fluorspar.....	do	150
6-1107-P.....	Estimated Production and Shipments of Lead and Zinc Pigments and Salts.....	Aug. 31, 1957	70
6-1078-A.....	Lead Report of Inventory Consumption and Reshipments.....	Nov. 30, 1956	440
6-1111-A.....	Consumption and Stocks of Aluminum Scrap and Ingot.....	Apr. 30, 1956	110
6-1111-M.....		Feb. 28, 1956	420
	Total.....		13,216

TABLE 4.—*Statistical questionnaires combined or otherwise simplified with consequent saving in paperwork*

Questionnaire No.	Title of questionnaire	Method of simplification	Estimated number of reports eliminated annually
6-1055-Q--	Production, Distribution, and Stocks of Synthetic Cryolite.	On July 1, 1964, reporting on a quarterly basis will be discontinued and the 6 companies will be asked to report only at the end of the calendar year.	18
6-1308-M...	Tanker and Barge Shipments.	On July 1, 1964, the Geological Survey will discontinue its survey on OCR-1. Since both industry and Government require the data the Bureau will initiate a greatly simplified monthly survey of these shipments to be reported on a company basis.	12,780
6-1309-M...	Crude Petroleum Report....	On Jan. 1, 1964, the scope of this survey was reduced by adopting the use of State crude-oil production figures where available. This change reduced the number of respondents from 165 to 70, and the burden to the industry of preparing reports by an estimated 75 percent.	1,140
6-1016-Q---	Primary Antimony, Quarterly Production and Consumption.	On Apr. 8, 1959, these 2 questionnaires were consolidated into 1: 6-1016-OA, Primary Antimony.	100
6-1016-A---	Primary Antimony, Annual Production and Consumption.		
6-1028-Q---	Bismuth, Quarterly.....	On Apr 8, 1959, these 2 questionnaires were consolidated into 1: 6-1028-QA, Bismuth.	50
6-1028-A---	Bismuth, Annual.....		
6-1109-M---	Consolidated Monthly Consumer's Report.	On Jan. 1, 1959, a new consolidated form was introduced to replace 9 questionnaires on the consumption of ferroalloys.	24,000
6-1078-M---	Lead, Monthly Consumption.	On Jan. 1, 1956, the 4 questionnaires were consolidated into 1: 6-1108-MA, Lead: Secondary Smelter and Consumer Report.	1,175
6-1078-A---	Lead, Annual Consumption.		
6-1116-M---	Lead Scrap Consumption Report.		
6-1116-A---	Secondary Lead and Tin.		
	Total.....	-----	39,263

TABLE 5.—*Health and safety statistical questionnaires simplified with consequent savings in paperwork*

Questionnaire No.	Title of questionnaire	Method of simplification	Number of reporters affected annually
6-1425-A---	Injuries and Employment at Metal Mines and Mills.	Effective Dec. 31, 1963, employment items were reduced 45 percent and injury items 85 percent.	3,000
6-1427-A---	Injuries and Employment at Nonferrous Smelters.	Effective Dec. 31, 1963, employment items were reduced 60 percent.	150
6-1430-A---	Injuries and Employment at Nonmetal Mines and Mills.	Effective Dec. 31, 1963, employment items were reduced 20 percent and injury items 85 percent.	2,700
6-1431-A---	Injuries and Employment at Quarries and Mills.	Effective Dec. 31, 1963, employment items were reduced 25 percent and injury items 85 percent.	4,700
	Total.....	-----	10,550



Mr. PARMELEE. We have answered in detail the seven questions that the committee has requested us to respond to. I would like to point out that in answer to question 1 on the volume of paperwork that there has been a net reduction in number of questionnaires and in the number of reports received by the Bureau in the 8 years that have followed the Second Hoover Commission study. Although there have been new questionnaires prepared and submitted to the Bureau of the Budget for approval in that period, there has also been a reduction. We have listed those in table 3. Those are the questionnaires that have been eliminated. There have been a few more eliminated than added.

Moreover, the questionnaires of the Bureau are, for the most part, individually streamlined to meet the needs of a particular mineral commodity or industry so that at least 120 out of the 276 questionnaires involve less than 100 reports per year. In other words, for those questionnaires there are fewer than 100 reports required in all from the entire mineral industry. There are only 5 questionnaires in all that involve a substantial number of reports, 10,000 or over.

Mr. OLSEN. How small a mining operation do you make inquiry of concerning accidents or other safety matters?

Mr. PARMELEE. On the accident side we require reports from all mining operations except that in the case of small coal mines, those employing fewer than 20, we do not require monthly reports. We require only an annual report. But we view injuries, and particularly fatalities, as so serious that we believe there should be complete reporting.

Mr. POOL. Mr. Chairman.

Mr. OLSEN. Yes.

Mr. POOL. Do you use computers in processing these reports?

Mr. PARMELEE. We have been using computers on a limited basis for a number of years. We have several computers in the Bureau of Mines, of course. All of the accident analysis work under Mr. Moyer has been on IBM punchcard equipment. The Department is acquiring a large-scale computer in Denver later this year. We are planning to move some of our statistical operations to Denver in order to take advantage of that computer.

Mr. POOL. Is there a tendency in using computers to increase the number of questions?

Mr. PARMELEE. We have not noticed that tendency.

Mr. POOL. In other words, the fact that it makes it easier to gather information by use of a computer does not tend to make your Department look for more questions and try to cover a larger field?

Mr. PARMELEE. That has not followed in this agency. I think the computer tends to make it possible to make greater use of the questions you do ask.

Mr. POOL. Since you started using computers, have you cut down on your staff?

Mr. PARMELEE. I do not think that the computers have resulted in any reduction in the staff. There is a tendency or a trend toward employment of a different type of worker, programmers and mathematicians rather than clerical people.

Mr. POOL. In other words, you have increased your program by the use of computers?

Mr. PARMELEE. We have not increased the number of questionnaires nor have we increased the number of reports in this 8-year period.

Mr. POOL. I cannot see where you gain anything by the use of computers, which is why I asked the question.

Mr. PARMELEE. I think there is a gain in the analytical possibilities. In other words, there are more data that one can publish from a given amount of data fed into the machines.

Mr. POOL. In other words, the mine owner does not have more work to do; you can analyze it better and separate it better with the computer; is that the idea?

Mr. PARMELEE. I believe that is a fair statement.

Mr. OLSEN. Proceed with your statement. I will have more questions later.

Mr. PARMELEE. We also have simplified a number of questionnaires. These are shown in table 4. We have done that by various means, by making a quarterly report into an annual report or by consolidating questionnaires.

In table 5 we have listed four instances where in Mr. Moyer's work it has been possible to simplify questionnaires by reducing the number of items of information asked.

In response to your question No. 2 on effectiveness of the Federal Reports Act, we believe it has been an effective instrument. We have only one suggestion to make. That is to permit a proper administration of the act, we believe that encouragement should be given to the Bureau of the Budget to more adequately staff the Office of Statistical Standards.

The Bureau of Mines does not have any requirements for record retention by industry. The only mandatory requirements that the Bureau has are in connection with coal mine safety where the reports of accidents, injuries, are mandatory under the Federal Coal Mine Safety Act. That is the only instance of any mandatory requirement on our part.

Mr. OLSEN. You do not have any way of compelling the metal mines to report on accidents? Is it just voluntary on their part?

Mr. PARMELEE. We did for a period of 2 years by special statute, Public Law 87-300, but that expired last year, and at the present time we do not have any mandatory authority on metal mining.

Mr. OLSEN. What has been your experience since then? Have they discontinued reporting?

Mr. PARMELEE. No, I think the level of reporting has remained about the same.

Mr. MOYER. It is about the same. We cannot tell exactly, because we have not summarized our 1963 reports, and that would be our first opportunity to measure this.

Mr. OLSEN. In this regard, does the Bureau of Labor Statistics gather similar information?

Mr. PARMELEE. They do for industries other than the mining industry. We provide the Bureau of Labor Statistics with their statistics on the mining industry. There is no duplication.

Mr. OLSEN. Is there any area in the Department of Health, Education, and Welfare where they are gathering these statistics?

Mr. PARMELEE. None that I know of.

Mr. OLSEN. Do you handle smelters or does the Bureau of Labor Statistics?

Mr. PARMELEE. We have an arrangement with the Bureau of Labor Statistics whereby we handle some and they handle others. I do not think there is an overlap.

Mr. OLSEN. How about the States with their industrial accident commissions? They duplicate information, do they not?

Mr. PARMELEE. Yes; but, fortunately, in the area of the coal mines, by informal agreement, our forms are used by many of the States. We accept in many instances forms filed for State compensation purposes so that there is considerable saving to industry.

Mr. OLSEN. This committee wants to commend you for that. We would like to see a great deal more cooperation between States and our Federal agencies so that a single gathering of statistics by the employer or by business would be sufficient for all Government agencies.

Mr. PARMELEE. In addition to the accident field, we have formal cooperative agreements with 43 States and Puerto Rico for the joint collection of statistics on metals and nonmetals.

Mr. OLSEN. Go ahead.

Mr. PARMELEE. The Bureau of Mines has reorganized within the past year and has centralized all of its mineral resource statistics in a new Division of Statistics which I happen to head. In this Division we have set up a statistical standards staff at a high level, and they are charged with the review of all surveys. This review, of course, takes place before the review of the Office of Statistical Standards.

In addition, we have established a Branch of Planning and Programs which is reviewing and making plans for a greater use of automatic data processing.

The reorganization also resulted in a centralization of all of the work on health and safety. We believe that this will result in economies and will permit us to use the large computer that the Department is acquiring in Denver.

The Bureau in this reorganization that I mentioned established an Assistant Director for Administration, who has responsibility for forms management and records management.

There is a Division of Management Analysis which is charged with the responsibility for minimizing paperwork and carrying out the laws on destruction of records.

We have also worked with the National Archives and Records Service and as many as nine of my people have had training recently, and one of their experts has been loaned to us. He has prepared a report. We expect to continue to cooperate with the Archives people and General Services Administration.

Mr. OLSEN. You found their services worth while?

Mr. PARMALEE. I believe so.

Mr. OLSEN. They gave us quite a demonstration on their cooperation with the paperwork in the maritime business. I think they are doing a splendid job.

Mr. PARMALEE. Our people have had their short courses and we expect to take more courses as they are developed.

Mr. OLSEN. Splendid.

Mr. PARMALEE. As for your question No. 4 on current agency programs, there are a number of things we have done but, of course, we could do much more. In order to lighten the burden we have used short forms, even postcard forms. We have also provided for cutoffs. That is, if the production of any one unit or the consumption of any

one commodity is below a certain amount, we will excuse them from filing.

We have used sampling in developing our surveys, but we have found that because of the great and wide scatter of mineral operations it is very difficult to use sampling techniques. Our basic building block is the county, and generally there are only a limited number of operations in any one county, so that sampling is usually not feasible.

We worked very closely with the Bureau of the Census and in conducting census operations for 1963, the Census of Mineral Industries, we are providing the Census with the information for 10,000 small mining operations, those employing less than 5. We sent a very short form on a voluntary basis to these 10,000 operators and are using this information, combined with the information we already have on our own forms, to fill out for the Census a form which will meet its needs.

We also have been cooperating with the Business and Defense Services Administration and with the other governmental agencies and with private agencies. We have one joint form that Mr. Moyer uses which is joint with the Bureau of Labor Statistics and also with the American Gas Association. Data are also made available to the National Safety Council. It is a tripartite form which covers needs of Government and of industry and of a private organization.

There are innumerable examples of this. Wherever possible, we use the data provided by private organizations. We use data of the American Gas Association, National Slag Association, and we do our best not to duplicate. Of course, there are possibilities of improvement and we are continually looking for these and are glad to have any that your committee develops called to our attention. We will submit replies to items 5 and 6.

(For replies submitted, see p. 676.)

As for your question No. 7, we believe we have an effective internal records management program. We have submitted some statistics that show that while records tended to increase in volume up to 1958, there has been a steady and a sizable reduction since that time. We are continually finding ways and means of reducing the volume of records that have to be maintained.

Mr. OLSEN. That is very fine. I want you to know our committee appreciates the record that you folks have been making, but there is still much to be done.

For our record I would like to have a more detailed statement on the method of recordkeeping of accidents and injuries in smelters that you worked out with the Bureau of Labor Statistics.

Mr. PARMALEE. We will do so.

Mr. OLSEN. Without objection, that information will be inserted at this point in the record.

(The following description details the relationships between the Bureaus of Labor Statistics and Mines in injury statistical surveys of the smelting industries:)

Through a longstanding agreement first developed by the two agencies about 1927, the injury surveys of the primary smelting industries were divided into two areas of responsibility—ferrous and nonferrous smelting.

Ferrous smelting operations are located at and are a part of what is considered a basic iron and steel plant. Such a plant comprises a smelting or blast-furnace department together with one or more processing or fabricating departments. Generally, basic steel plants are located at a distance from the mining areas. For these reasons the Bureau of Labor Statistics assumed responsibility

for injury surveys of ferrous smelting as a part of its survey of basic iron and steel plants.

On the other hand, primary nonferrous smelting plants are located in or close to the mining areas and generally are owned and operated by the mining companies. They commonly are not located near the metal processing or fabricating plants. Hence, the Bureau of Mines assumed responsibility for injury surveys of the primary nonferrous smelting industries.

This long-term agreement was confirmed and emphasized in 1944 by the clearance officer of the Bureau of the Budget who detailed the responsibility to the Bureau of Labor Statistics for ferrous smelting and to the Bureau of Mines for primary nonferrous smelting. Over the years occasional duplications of effort have appeared, but these have been quickly eliminated. The last occurred in 1958 when several producers of electrometallurgical products, ferroalloys, appeared in the canvassing lists of the Bureau of Mines. When called to the Bureau's attention by the Bureau of the Budget, the duplication was eliminated immediately. With continuing annual review of the mailing lists, there is little possibility of duplication of effort between the two Bureaus.

Each year the Bureau of Mines supplies the summarized annual injury statistics on nonferrous smelting to the Bureau of Labor Statistics. At the same time, similar statistics on all other segments of the mineral industries are sent to the Bureau of Labor Statistics for use in their publications on all industries and services in the United States.

Mr. OLSEN. A witness at our hearings in Albany, N. Y., who operates an open pit quarry, referred to your report on quarry accidents as "a noble venture," but of no other significance or value. How do you feel about the report that you require of quarries and what do you think about his statement? Do you have some response to that criticism?

Mr. MOYER. I would say that if you got the reactions of other individuals you would get a different opinion of the value of the summarized data. The reports that we prepare on the injury statistics are designed to aid in the Bureau's accident prevention work.

We also design them particularly for the safety engineers at the operations. We work closely with and participate in the activities of the different sections of the National Safety Council concerned with the mineral industries. Each section has a 15- or 20-member executive committee who are the leading safety engineers in that particular industry with which the section is concerned. This is where we test our questionnaires and methods of presenting the injury data.

Mr. OLSEN. It was my observation there at Albany that perhaps there was a lack of public relations or certainly there was a lack of meeting of minds between persons furnishing you information and the officials who use the information. These safety inspectors apparently are not communicating to the quarry operator the advantage of having these kinds of reports.

Mr. MOYER. It is entirely possible. Of course, the quarry industry is one with which the Bureau works on a strictly voluntary basis. The Bureau must be invited to an operation or establishment before any demonstrations or any other safety work can be done.

Mr. OLSEN. I take it that the reports made out by the quarry operator are not mandatory, either.

Mr. MOYER. No; they are not mandatory.

Mr. OLSEN. This witness that I referred to also made reference to a report of dollar volume and tonnage and cubic yards of waste material removed. He said this is money "over the bank" and he would like to forget about it but he must report the information. Is there a requirement that he report dollar volume and tonnage and cubic yards of waste material removed?

Mr. PARMELEE. I am sure there is no legal requirement that he report this. But it is important to us to know the volume of waste material moved because the future of the mining industry depends on the relationship between the usable ore and the waste material. As time goes on, it is necessary to move more and more of this waste material. This is an important cost factor and is one that the Bureau of Mines, as part of its technologic work, is required to study.

Mr. OLSEN. Then it is your conclusion that the industry as a whole needs this information?

Mr. PARMELEE. Yes.

Mr. OLSEN. Information you collect on magnesium compounds on form 6-1232-A duplicates information collected on Census Bureau form MA-28E.1. Are you aware of that?

Mr. PARMELEE. No; I was not and I am not familiar with the Census form. I would like to look into that and to submit something later.

Mr. OLSEN. We will assist you in getting that form so that you can make the comparison and then you can make a response to my question for the record.

Mr. PARMELEE. Yes.

(The information follows:)

The Bureau of Mines form 6-1232-A is devoted exclusively to magnesium compounds and emphasizes the various raw material sources, the identification of the products manufactured, and the consuming industries, whereas Bureau of the Census form MA-28E.1 covers a limited amount of information on a wide range of individual inorganic chemicals, including two classes of magnesium compounds. Mines, as part of its responsibility for publishing data on minerals and mineral products, devotes an entire chapter of the Minerals Yearbook to magnesium compounds because of their importance to the economy. The information obtained on its form 6-1232-A provides a substantial part of the statistical data used in writing this chapter. Although there is an element of duplication it does not appear to be serious.

Mr. OLSEN. Another one is this. The information you collect on magnesium chloride on form 6-1229-A duplicates much of the information collected on Census Bureau form MA-28E.1 also. I will request you to make that comparison and then comment for the record.

Mr. PARMELEE. We will do so.

(The information follows:)

The Bureau of Mines form 6-1229-A relates exclusively to calcium chloride and calcium magnesium chloride and covers the four grades of each as well as the sources and quantity shipped by type of compound and by type of purchaser. The Census form MA-28E.1, as stated above, covers a limited amount of information on a wide range of inorganic chemicals, including three grades of calcium chloride. The information collected by Mines on form 6-1229-A is an important source of the statistics for the Minerals Yearbook chapter on calcium and calcium compounds.

Although there is an element of duplication it is small considering all of the information requested in the Census and Mines forms and there does not appear to be any feasible way of avoiding it if the publications of these two agencies are to be continued.

Mr. OLSEN. Mr. Parmelee, your statistical program goes heavily into the land and water transportation of minerals as reported to you by the carriers. Could you not get most of this information from the Interstate Commerce Commission and Corps of Engineers and other agencies rather than from the carriers?

Mr. PARMELEE. We get a great deal from the Government agencies concerned and from the Association of American Railroads. I do not believe that we have any questionnaires at the moment that go di-

rectly to the carriers except for their use of minerals and their production of minerals. Some railroads produce minerals, like sand and gravel, for their own use. We do send a questionnaire to them to obtain information on that production.

Mr. OLSEN. Is the American Association of Railroads gathering such information?

Mr. PARMELEE. Yes, they are.

Mr. OLSEN. All from the bills of lading?

Mr. PARMELEE. Yes.

Mr. OLSEN. Then you in turn get it from the American Association of Railroads?

Mr. PARMELEE. Yes.

Mr. OLSEN. To your knowledge, there is no duplication in this area of gathering statistical data on transportation of minerals?

Mr. PARMELEE. At the time of the second Hoover Commission, there was one example of a letter that we sent to certain of the railroads on bituminous coal, but that was dropped in 1962, that questionnaire.

Mr. OLSEN. You do not think there is any duplication in this field of gathering statistics on transportation of minerals?

Mr. PARMELEE. I do not think so.

Mr. OLSEN. Mr. Pool.

Mr. POOL. I just wanted to ask about how many people are involved in mining outside of the oil and gas industry.

Mr. PARMELEE. No more than 20,000.

Mr. POOL. 20,000 people in the United States?

Mr. PARMELEE. I mean 20,000 firms, mines.

Mr. POOL. Do you have any idea how many people are involved?

Mr. MOYER. In 1962, there were nearly 450,000 men working.

Mr. POOL. That would include sand and gravel?

Mr. MOYER. Yes, it would include sand and gravel, quarries, all minerals.

Mr. POOL. Thank you.

Mr. OLSEN. I hope that you are very much aware of the complaints that are made by people who have to supply the information for reports and that your public relations could probably improve that situation. People who are supplying the information should be made aware of the value of the information to the industry and to the workers involved in the industry.

We have to give this same message to other agencies and lately to the Bureau of the Census, that people who gather statistics have got to maintain some public relations whereby they demonstrate the value of the information to everybody. Otherwise those supplying the information are going to be more balky about it as time goes on.

This man up in New York State is busy trying to keep his business going. He felt, and demonstrated it in his testimony, that he was being set upon by the Government, the labor unions representing his employees, and just about everybody, was requiring him to make reports. We have no way to communicate to him that there is some value to the reports, but certainly you people who are getting the information from him can communicate to him the value of the survey; if such is the case.

Thank you very much. We appreciate your contribution to our hearings.

(Whereupon, at noon the subcommittee adjourned, to reconvene at 10 a.m., Wednesday, June 24, 1964.)

THE FEDERAL PAPERWORK JUNGLE

WEDNESDAY, JUNE 24, 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 recess, at 10 a.m., in room 215, Cannon House Office Building, Hon. Arnold Olsen of Montana (chairman of the subcommittee), presiding.

Mr. OLSEN. The subcommittee will come to order.

Our aim today is to complete our hearings on Federal Government paperwork so that we can get on with the analysis of the information which has been presented to us and continue from there with writing our report and recommendations.

I cannot help but feel that the hearings already have served several genuinely beneficial purposes. First and most importantly, we have provided a public forum for businessmen, associations, private citizens, and public officials, to come in and tell us what is troubling them in regard to Federal paperwork requirements as well as to explain some of the requirements and to suggest what might be done to reduce them. These are views which otherwise would not become so broadly nor so fully known, and sometimes would not become known at all.

It is my opinion also that with an open discussion such as we have been conducting comes an awareness of the problems which exist, an emphasis on the need for solutions, an identification of areas in which corrective actions might be undertaken, and finally, of course, what we are after, the commencement of the correction process.

As I stated yesterday, we by no means intend to stop here, but I am hopeful that by drawing attention to Federal paperwork problems, the departments and agencies will give the matter careful thought before they create a further paperwork burden for the public, and that in this way our hearings will result in an immediate paperwork curbing effect.

For the paperwork rollback, we will look to positive action by the departments and agencies upon our recommendations and any legislation which we may propose.

At this point, I should like to submit for the record, without objection, a letter I have received from the esteemed Speaker of the House of Representatives, the Honorable John W. McCormack, in which he strongly supports the investigation of this subcommittee.

(The letter follows:)

U.S. HOUSE OF REPRESENTATIVES,
Washington, D.C., June 20, 1964.

HON. ARNOLD OLSEN,
House Office Building,
Washington, D.C.

DEAR ARNOLD: I am in receipt of your recent letter in relation to the hearings being conducted by your subcommittee starting on May 1.

While I cannot be present at the hearings, I want to place myself unreservedly on record as favoring the hearings. There is no question but that a substantial percentage of paperwork is excessive and unnecessary that is imposed on business, industry, and the general public by the Federal agencies and could be eliminated. As a matter of fact, I have felt for years that there was a considerable part of paperwork within the Federal service that could be eliminated, resulting in savings to the Government and the people.

I consider the task of the subcommittee to be a very important one. I wholeheartedly endorse it.

With kind regards, I am,
Sincerely yours,

JOHN W. McCORMACK.

Mr. OLSEN. I shall also place in the record at this time a fine letter received by Representative Richard Schweiker, of Pennsylvania's 13th District, from the G. & W. H. Corson Co., Inc., of Plymouth Meeting, Pa. The letter presents an excellent summary of the Federal reporting requirements of this company at a cost of some \$3,500 a year.

(The letter follows:)

G. & W. H. CORSON, INC.,
Plymouth Meeting, Pa., June 22, 1964.

HON. RICHARD S. SCHWEIKER,
Member of Congress,
House Office Building, Washington, D.C.

MY DEAR MR. SCHWEIKER: We are presently supplying confidential information to the Department of the Interior, Department of Labor, Department of Commerce, and the Securities and Exchange Commission. Most of the information which is requested by the aforementioned arms of the Federal Government is reported directly to the Department of the Treasury when we file our many quarterly and annual tax reports.

Sales information: Similar and in many cases identical information is requested by the Departments of the Interior and Commerce and the Securities and Exchange Commission.

Cost information: Similar and in many cases identical information is requested by the Departments of the Interior, Commerce, and Labor, and the Securities and Exchange Commission.

Product information: Similar and in many cases identical information is requested by the Departments of the Interior and Commerce and the Securities and Exchange Commission.

These requests for confidential information do not run concurrently; so we must accumulate and report this similar information at many different times during the year.

The Department of the Interior requires monthly on its form 6-1221-M information pertaining to the current month's lime production. On form 6-1221-A the Department of the Interior requests our lime sales and production for the year. The annual report form 6-1221-A is a duplicate of the information supplied on our monthly reports plus an additional request for information concerning sales by States and other countries.

The Department of Health, Education, and Welfare requested in March 1964 on its form CBP-1 for a report on employment and taxable wages for the first quarter 1964. This report was to be returned to Baltimore, Md. In May 1964, the Department of Commerce requested that we file a report of employment and taxable wages for the first quarter 1964 on its form CBP-1A to be returned to Washington, D.C. We have examined form CBP-1 from the Department of Health, Education, and Welfare and form CBP-1A from the Department of Commerce; and to the best of our ability, all we can see is that they are identical

requests by two different departments but sent to two different cities, at two different times, and to serve what purpose we do not know.

The Department of Commerce's annual summary of manufactures report which we did not timely file consisted of the following forms:

G. & W. H. Corson, Inc., Plymouth Meeting, Pa.: MC-14A.
 G. & W. H. Corson, Inc., Plymouth Meeting, Pa.: NC-K1.
 G. & W. H. Corson, Inc., Stevens Station, N.J.: CB 50Q-1.
 G. & W. H. Corson, Inc., Arlington, Va.: CB 50Q-1.
 Corson Concrete Co., Inc., Plymouth Meeting, Pa.: MA-100.
 Corson Concrete Co., Inc., Plymouth Meeting, Pa.: MC-32H.
 The Cordol Corp., Plymouth Meeting, Pa.: CB 50Q-1.
 Poz-O-Pac Co. of America, Plymouth Meeting, Pa.: MA-100.
 Poz-O-Pac Co. of America, Plymouth Meeting, Pa.: MC-32H.
 Livingston Electronic Corp., Essex Fells, N.J.: MA-100.
 Livingston Electronic Corp., Essex Fells, N.J.: MC-D-1.
 Livingston Airborne Laboratory, Inc., Essex Fells, N.J.: MA-100.
 Livingston Airborne Laboratory, Inc., Essex Fells, N.J.: MC-D-1.

This is a total of 13 forms, some similar and some different. Form MC-14A for G. & W. H. Corson, Inc., required over 100 entries, many of which were supplied to other Government agencies at other times. For example, number of employees and payroll figures had been supplied previously to the Department of the Treasury, Department of Interior, Department of Commerce, Department of Health, Education, and Welfare. Sales information had been previously reported to the Department of the Treasury, Department of the Interior, and Securities and Exchange Commission. This duplication of effort is found throughout the other forms of the annual survey of manufacturers report.

The Securities and Exchange Commission requests the same information on its quarterly, semiannual, and annual reports; namely, sales, costs, capital expenditures (new and used), and balance sheet information.

We have listed below some of the reports that request confidential information:

Department of Interior:

Limestone and Dolomite in 1963: 6-1279-A.
 Mine and Quarry Information Supplement for Year: 6-1017-A.
 Lime for Year: 6-1221-A.
 Injuries and Employment in Quarries and Mines: 6-1431-A.
 Statement of Products: BLS 790.
 Portland and Masonry Cement for Year: 6-1215-A.
 Shipments of Portland and Masonry Cement for Year: 6-1214-A.
 Quarterly Summary of Injuries and Employment—Quarry: 6-1443e.
 Quarterly Summary of Injuries and Employment—Lime Plant: 6-1443e.
 Lime in the Month: 6-1221-M.
 Water Use in the Mineral Industries: 6-1007.

Department of Labor:

Work Injuries Cooperative Survey: BLS 1418-L1B1-67.
 Work Stoppage Report: BLS-817D.
 Employee Welfare of Pension Plan Benefit—Annual Report: D-2.

- A. Pension Plan.
- B. Travel Accident Plan.
- C. Group Life Plan.
- D. Life Accident and Sickness Plan.
- E. Hospital, Surgical and Medical Plan.

Department of Commerce: We listed above the forms that are required by the annual survey of manufactures report. We must file monthly current trade reports carrying many different form numbers as well as annual census of transportation, annual wholesale trade reports, and also a quarterly report of employment and taxable wages which we have previously mentioned.

There are many other requests for confidential information from these and other Government departments which only tend to increase the burden on the manufacturer with more unnecessary paperwork. The cost to G. & W. H. Corson, Inc., to comply with the dictates of the Federal Government in the area of supplying confidential information, can be put at a conservative estimate of \$3,500. This represents 1,120 hours of one experienced corporate accountant.

We must conclude from our actual experiences that the confidential information supplied to the various departments must be worthless because so many departments find it necessary to request duplicate information.

We take this opportunity to thank you for your consideration in this matter ; and if additional information or any other assistance is required from us, please contact us at any time.

Very truly yours,

K. RAYMOND HALLER, *Treasurer.*

Mr. OLSEN. Our schedule this morning is a busy one, so I will break off my remarks at this time and call our first witness, Mr. Ross A. Heffelfinger, Assistant Commissioner of the Bureau of the Public Debt, Department of the Treasury, and Mr. Roy L. Collins, Jr., Assistant Director, Sales Branch, U.S. Savings Bond Division.

We welcome you, Mr. Heffelfinger. Will you identify your colleague?

STATEMENT OF ROSS A. HEFFELFINGER, ASSISTANT COMMISSIONER, BUREAU OF PUBLIC DEBT, DEPARTMENT OF THE TREASURY, ACCOMPANIED BY ROY L. COLLINS, JR., ASSISTANT DIRECTOR, SALES BRANCH, U.S. SAVINGS BOND DIVISION

Mr. HEFFELFINGER. This is Mr. Roy L. Collins, Jr., who is the Assistant Director of the Sales Branch of the U.S. Savings Bond Division.

I would like to say that Mr. R. Duane Saunders, Director, Office of Debt Analysis, who had planned to be here this morning, was detained on urgent matters relating to Treasury financing. He would ask, with your permission, to insert a statement in the record which would tell in detail how we use the information that is gathered under the Treasury's survey of the ownership of Government securities.

Mr. OLSEN. If there is no objection, it is so ordered.

Mr. HEFFELFINGER. I have a statement I would like to read for the record, Mr. Chairman.

Mr. OLSEN. You may proceed.

Mr. HEFFELFINGER. Mr. Chairman and members of the subcommittee, the Treasury Department and the Bureau of the Public Debt, which I represent at this hearing, have long been aware of the tremendous benefits inherent in a well-managed and effectively prosecuted paperwork program. The Bureau has maintained such a program for many years. It is, therefore, with a great deal of pleasure that I appear before you this morning to participate in your program of investigating and reporting on paperwork requirements of Federal agencies.

While our paperwork program is not perfect, we are, nevertheless, satisfied that it imposes only a minimum burden on the public. In addition, we have the satisfaction of knowing that the program, through constant attention to its many facets by both experienced management analysts and enlightened line officials, continues to be a vital force in our management improvement efforts.

The use of electronic data processing equipment and magnetic tapes in recent years have enabled us to sharply curtail the maintenance of hand posted or manually developed records. Their use has also resulted in the more rapid disposal of internal record material as well as the complete elimination of certain paper records. We are continuing our work with magnetic tape records and have great expectations of further reducing the number of documents now being received by one of our field offices.

While the total gross public debt outstanding has increased from \$274.4 billion on June 30, 1955, to \$313.4 billion today, with a resulting heavier demand on our facilities in terms of servicing the outstanding securities, we have not imposed any significant burden on the public in the reporting field for more than 20 years. The same two reports requested, not required, in the early 1940's are still being requested today. These are referred to and explained in a separate statement which has been submitted to your committee today, Mr. Chairman, in response to the request you made on the Secretary of the Treasury on April 28, 1964, for information relating to seven items of particular interest to the committee.¹

One of the two reports which we obtain from the public is submitted under the Treasury's survey of the ownership of Government securities by class of investor. The Bureau of the Public Debt collects and prepares the data for analysis and interpretation by members of the Department's Office of Debt Analysis. That Office, as well as the Secretary and other officials of the Department, utilize the data for financial planning purposes.

The other report submitted by the public discloses information showing the total number of employees in particular companies and the number participating in the payroll savings plan for the purchase of E bonds. This report, among other things, enables the Treasury to evaluate the effectiveness of the plan. A representative of the Savings Bonds Division of the Department, which is the principal user of the report data, is here to answer in detail any questions you may wish to ask about the survey.

You may be assured, Mr. Chairman, that the Bureau of the Public Debt will not knowingly impose any unnecessary burden on the public in connection with any matters involving their holdings of Treasury securities. You may also be assured that we will continue to work vigorously to improve our paperwork program in both its external and internal aspects.

My colleagues and I will be happy to answer any questions you may wish to ask about our paperwork program.

Mr. OLSEN. Mr. Heffelfinger, you said that you wanted to submit a report on the monthly survey on the holdings of securities issued by the United States and by Federal agencies?

Mr. HEFFELFINGER. We have just one observation to make about the survey, Mr. Chairman. As you will note from the statement we have submitted, this is a very vital survey in connection with the Treasury's debt management functions. We can appreciate, however, how people who receive the questionnaire involved in the survey may wonder how it is used and may wonder about its effectiveness.

Mr. OLSEN. More than that, they have referred to the form used in this survey as a nuisance. I suppose it is because they do not know what it is used for.

Mr. HEFFELFINGER. The questionnaire speaks for itself. It is a rather simple questionnaire form. It spreads the various Government securities. You may also be assured that we will continue to work their holdings.

Mr. OLSEN. In the statement you submitted, is there a copy of the form used for this survey?

¹ Retained in subcommittee files.

Mr. HEFFELFINGER. No, but we will be glad to insert one for the record.

Mr. Chairman, one of the earlier witnesses before your committee, an official of the Pilot Life Insurance Co. at Greensboro, N.C. commented upon the survey and referred particularly to a followup letter that we use. As I recall his testimony, he indicated that the sense of the followup letter was such that it advised the recipients of it that unless they submitted their questionnaire, the wheels of Government would grind to a halt.

I would like to submit a copy of the followup letter for the record.

Mr. OLSEN. It may be placed in the record immediately following the survey form.

(The survey form and letter follows:)

TREASURY DEPARTMENT
BUREAU OF THE PUBLIC DEBT
DIVISION OF LOANS AND CURRENCY
WASHINGTON, D. C. 20226
HOLDINGS OF SECURITIES
ISSUED BY THE UNITED STATES
AND BY FEDERAL AGENCIES

May 31, 1964

ISSUE	C D	AMOUNT (Par value only- omit cents)	ISSUE	C D	AMOUNT (Par value only- omit cents)	ISSUE	C D	AMOUNT (par value only- omit cents)
BILLS			BONDS			FED LAND BK BDS		
REG. 91 & 182-day			2-1/2% Sep 67-72	313		4-5/8% Jul 69	550	
Maturing:			3-5/8 Nov 67	314		5-1/8 Feb 70	552	
Jun Jul Aug	002		2-1/2 Dec 67-72	315		3-1/2 Apr 70	554	
Sep Oct Nov	003		3-7/8 May 68	316		5-1/8 Jul 70	557	
ONE YEAR BILLS			3-3/4 Aug 68	317		3-1/2 May 71	560	
Due Jul 15, 1964	030		3-7/8 Nov 68	318		3-7/8 Sep 72	565	
Due Aug 31, 1964	031		4 Feb 69	320		4-1/8 Feb 73-78	567	
Due Sep 30, 1964	032		4 Oct 69	322		4-1/2 Feb.74	568	
Due Oct 31, 1964	033		4 Aug 70	324				
Due Nov 30, 1964	034		4 Aug 71	328		FICB-DEBENTURES	570	
Due Dec 31, 1964	035		3-7/8 Nov 71	332				
Due Jan 31, 1965	036		4 Feb 72	336		BANKS FOR CO-OPS		
Due Feb 28, 1965	037		4 Aug 72	340		3-7/8% Jun 64-DEB	584	
Due Mar 31, 1965	038		4 Aug 73	344		3.90 Aug 64-DEB	585	
Due Apr 30, 1965	039		4-1/4 May 74	346		3.95 Oct 64-DEB	586	
TAX ANTICIPATION			3-7/8 Nov 74	413		FED NAT MORT ASSN		
Due Jun 22, 1964	052		4-1/4 May 75-85	415		4% Sep 64-DEB	627	
			3-1/4 Jun 78-83	417		3-7/8 Dec 64-DEB	628	
NOTES			4 Feb 80	420		4-3/8 Jun 65-DEB	630	
5% Aug 64-B	208		3-1/2 Nov 80	421		3-3/4 Mar 66-DEB	631	
3-3/4 Aug 64-E	205		3-1/4 May 85	422		4-1/8 Dec 66-DEB	633	
4-7/8 Nov 64-C	210		4-1/4 Aug 87-92	425		3-5/8 Mar 68-DEB	635	
3-3/4 Nov 64-F	212		4 Feb 88-93	426		4-3/8 Apr 69-DEB	640	
4-5/8 May 65-A	214		4-1/8 May 89-94	427		4-5/8 Apr 70-DEB	650	
3-7/8 May 65-C	215		3 Feb 95	428		4-1/8 Sep 70-DEB	653	
3-7/8 Aug 65-D	216		3-1/2 Nov 98	433		4-1/8 Aug 71-DEB	655	
4 Nov 65-E	217		2 Depository	440		4-1/2 Sep 71-DEB	656	
3-1/2 Nov 65-B	218		U. S. SAVINGS:			5-1/8 Feb 72-DEB	660	
3-5/8 Feb 66-B	220		Series E	451		4-3/8 Jun 72-DEB	661	
4 Aug 66-A	222		Series H	454		4-1/4 Jun 73-DEB	665	
3-5/8 Feb 67-B	224		Series J, K	458		4-1/2 Feb 77-DEB	666	
3-3/4 Aug 67-A	226		INVESTMENT SERIES			HOME LOAN BANKS		
EXCH. SER. NOTES			2-1/2% Oct A-65	460		3-1/2% Jun 64-E-NT	732	
1-1/2% Oct 64-E0	239		2-3/4 Apr B-75-80	465		3.95 Jul 64-H-NT	733	
1-1/2 Apr 65-EA	240		GUAR-OBLIGS			3.90 Aug 64-I-NT	735	
1-1/2 Oct 65-E0	241		FHA-DEBENTURES	470		4 Sep 64-J-NT	736	
1-1/2 Apr 66-EA	242		D. C. STADIUM BDS	471		3-1/2 Oct 64-A-BD	737	
1-1/2 Oct 66-E0	243		TOTAL PAR VALUE			3-7/8 Nov 64-K-NT	738	
1-1/2 Apr 67-EA	244		(Direct & Guar.Obliga)			4.05 Jan 65-A-NT	739	
1-1/2 Oct 67-E0	245		FED LAND BK BDS			4.15 Feb 65-B-NT	742	
1-1/2 Apr 68-EA	246		3-7/8% Aug 64	516		4.10 Apr 65-C-NT	743	
1-1/2 Oct 68-E0	247		4 Oct 64	517		3-3/4 Sep 65-A-BD	744	
1-1/2 Apr 69-EA	248		4-1/4 Apr 65	518		4-1/8 Aug 66-A-BD	746	
BONDS			4 Oct 65	520		TENN VALLEY AUTH		
2-1/2% Jun 62-67	301		4 Dec 65	521		Short-Term Notes	754	
2-1/2 Dec 63-68	302		3-5/8 Feb 66	524		4.40% Nov 65-A-BD	755	
2-1/2 Jun 64-69	304		3-1/4 May 66	525		4-5/8 Jul 86-A-BD	756	
2-1/2 Dec 64-69	305		4-1/4 Jul 66	526		4-1/2 Feb 87-A-BD	757	
2-5/8 Feb 65	306		4-1/8 Feb 67-72	530				
2-1/2 Mar 65-70	307		4 May 67	531		TOTAL PAR VALUE		
2-1/2 Mar 66-71	308		4-1/8 Oct 67	532		(Non-Guar. Securities)		
3-3/4 May 66	309		4-1/2 Oct 67-70	535		GRAND TOTAL		
3 Aug 66	310		4-1/4 Mar 68	540		PAR VALUE		
3-3/8 Nov 66	311		4 Jun 68	541				
2-1/2 Jun 67-72	312		4-3/8 Mar 69	545				

NOTE: 1. Numbers under "CODE" are for Treasury use only, and should not be used by reporters to identify securities.
2. Enter opposite the appropriate issue the PAR AMOUNT of the securities in your portfolio, delivered at the close of business May 31, 1964, in the order of maturity or first call date as listed above.
3. Commercial banks should include securities held in "trading accounts". Exclude amounts held as trustee or for the account of customers.
4. Enter SAVINGS and INVESTMENT SERIES BONDS at face (MATURITY) value.

TREASURY DEPARTMENT,
FISCAL SERVICE,
BUREAU OF THE PUBLIC DEBT,
Washington, D.C., June 9, 1964.

Please assist us in completing our May tabulation by promptly completing and mailing the statement referred to in our letter of May 26, if it has not already been forwarded.

A duplicate set of the report is enclosed.

Very truly yours,

H. M. STEPHENSON,
Chief, Division of Loans and Currency.

Mr. OLSEN. The series E bonds were all converted to punchcards several years ago, is that correct?

Mr. HEFFELFINGER. They were converted with the issues of October 1957, almost 7 years ago. Since that time, about 600 million of such bonds have been issued in punchcard form.

Mr. OLSEN. Is there any more danger of counterfeiting punchcards than the engraved certificates that were formerly used?

Mr. HEFFELFINGER. It is my well considered opinion, Mr. Chairman, that there is no greater danger today over the form of the E-bond previously used. As a matter of fact, there are some items built into the punchcard which I am not at liberty to discuss today, and I think you will understand why in a public hearing, that make it, in our judgment, more difficult to counterfeit than the previous type of bond.

Mr. OLSEN. You have preventive measures against counterfeiting?

Mr. HEFFELFINGER. We feel that we have. There is no way, of course, to eliminate the criminal with counterfeiting tendencies. He will try. He tries with currency, and he probably has an opportunity, in view of the present state of the art of photography, to try with other forms of securities.

Our experience with counterfeiting through the years since the E-bond was first issued in May of 1941 is most minimal. Since that time there have been more than 2.5 billion E-bonds issued.

Mr. OLSEN. I think it is not clear for the record when the engraved certificate was actually abandoned.

Mr. HEFFELFINGER. There has been an evolution in the process of printing the series E savings bond. Originally, beginning in 1935, when it was known as the baby bond and called series A, it was printed by what is known as the intaglio method of printing, which is the same type of printing used for currency and our marketable bonds, notes, bills, and certificates.

Later on, after the E-bond came into use, probably in the early 1950's, we shifted from the intaglio method of printing the bond to what is known as the offset method of printing, a form of letterpress type of printing. It would take a well-trained individual to detect the difference between intaglio printing and the offset method of printing as done by our Bureau of Engraving and Printing.

So, before the advent of the punchcard bond in October 1957, we had changed to what was known as the offset type of printing.

(The following article from the Chicago Tribune was supplied for the record, subsequent to the hearing:)

[Reprinted from the Chicago Tribune, May 10, 1964]

UNITED STATES SMASHES FAKE SAVINGS BOND GANG

NAB EIGHT IN RAIDS; HUNT THREE MORE

Agents of the Secret Service and Federal Bureau of Investigation arrested eight men in simultaneous early morning raids yesterday in their homes to break up a counterfeiting ring that specialized in fake U.S. savings bonds and travelers checks.

The ring, which had been under surveillance since the summer of 1962, was the first ever to deal in bogus Federal savings bonds, said Maurice G. Martineau, acting special agent in charge of the Chicago office of the Secret Service.

FOUR HUNDRED FIFTY THOUSAND DOLLARS IN SECURITIES

Martineau said the gang had printed \$250,000 in \$100 series E bonds in a Melrose Park trailer park. Later, he said, it printed \$200,000 in fake Bank of America travelers checks.

Arrested by Secret Service agents on charges of dealing in the bonds were Joseph Spagnoli, Jr., 31, of 5301 West Quincy Avenue; Arthur Rachel, 26, of 1922 North 17th Avenue, Melrose Park; Louis James Bartemio, 45, of 1314 North 19th Avenue, Melrose Park; Roy Arthur Nielson, 29, of 909 North Central Avenue, and Vito Jack Ceraulo, 29, of 501 North Central Avenue.

HUNT AT LEAST THREE OTHERS

Arrested by the FBI for allegedly dealing in the Bank of America securities were Anthony D'Antonio, 37, of 1499 North Cardinal Avenue, Melrose Park; Peter Cappelletti, 43, of 2450 North St. Louis Avenue, and Joseph John Campion, 27, of 2625 West Leland Avenue.

Federal agents yesterday were seeking at least three other alleged members of the counterfeit ring, including Vito Nitti, 47. Nitti, like D'Antonio, has a long criminal record. Nitti has been arrested and convicted of murder, crimes against children, possession of stolen property, and burglary.

Reports that Rachel, who has no professional training as a printer, was training himself to be a counterfeit printer brought him under Secret Service surveillance in the summer of 1962, Martineau said.

Rachel's engraving was described as "the best" by agents. His home contained a library on currency printing techniques. The serial numbers on the bonds were set so well by hand that it took laboratory tests to determine that they had not been set by an automatic serial numbering machine, Martineau said.

SPAGNOLI CALLED LEADER

Martineau said Spagnoli was the organizer and leader in the Melrose Park ring and called the case the hardest in his 20 years of service.

An alert Melrose Park bank teller, blunders, bad luck, and a quarrel among ringleaders lead to the downfall of the gang.

Campion was arrested in the Midwest Bank & Trust Co. on December 9 when a teller noticed that he was trying to cash bonds bearing the same purchaser's name, purchase date, and registration number, as bonds that another customer, who fled before arrest, was trying to cash at the same time.

THIRTY THOUSAND DOLLARS PASSED HERE

The same day, Martineau said, counterfeit bonds with a total face value of \$30,000 were passed in eight banks and six savings and loan associations in metropolitan Chicago.

The gang again passed bonds on March 2 in Chicago, on March 6 and March 9, in Miami and St. Petersburg, Fla.

A quarrel between the ringleaders and the arrest of two passers, including Charles (Kris) Panteas, 27, of 2527 North Lawndale Avenue, March 9 in St. Petersburg, led the gang to destroy the remaining printed bonds, and dump its printing press in the Des Plaines River, Martineau said.

* * * * *

Mr. OLSEN. Congressman Pool always has a question regarding automatic data processing equipment, as to whether or not there are fewer employees or a reduction of employees since the advent of the automatic data processing equipment.

Mr. HEFFELFINGER. In our Bureau, Mr. Chairman, we installed automatic data processing in 1958, and since that time almost 1,000 employees less are used in prosecuting a workload which today is substantially what it was in 1958.

A very large measure of the reduced number of employees is attributable to the use of ADP.

Mr. OLSEN. I suppose you also have an additional advantage in that you process your information faster and more efficiently.

Mr. HEFFELFINGER. We process it faster, probably a little more effectively. We give a faster service to the public because we can update the holdings of savings bonds more rapidly than in the past.

Mr. OLSEN. Thank you very much, Mr. Heffelfinger. We appreciate your coming here and giving us your testimony in these hearings.

Mr. HEFFELFINGER. Thank you, Mr. Chairman.

(Mr. Saunders' statement follows:)

PREPARED STATEMENT OF R. DUANE SAUNDERS, DIRECTOR, OFFICE OF DEBT ANALYSIS,
OFFICE OF THE SECRETARY OF THE TREASURY

For the past 23 years the Treasury Department has conducted a monthly survey of the holdings of Federal securities by major institutional investors. The original request of March 1941 encompassed the major commercial banks, mutual savings banks, and insurance companies. In March 1950, an additional request was sent to over 200 large commercial banks to report, on a quarterly basis, the holdings of the corporate pension funds they administer. In the intervening years, the Treasury Department became increasingly aware of the need for expanding this survey to include other investor groups as they became more important holders of Government securities. The study of the Government securities market conducted by the Treasury and Federal Reserve System in 1959 further emphasized the need for detailed and timely information on the Government security holdings of corporations, State and local governments, and savings and loan associations in addition to the available information bearing on this important sector of investment activity. Accordingly, in January 1960, 500 large corporations and 500 large savings and loan associations were contacted and almost all agreed to submit monthly reports on their Government investments. In July 1960, 500 large State and municipal funds were added, and again the response was gratifyingly cooperative.

At the present time the reports of almost 9,000 institutions, who hold two-thirds of the publicly held marketable debt, are tabulated monthly. The aggregate data derived from these voluntary and confidential reports provide invaluable assistance to the Treasury in interpreting current trends and in planning its frequent borrowing operations. The ownership survey also renders an important public service in adding to the store of information available to participants and observers in the financial community and in academic life.

Although the annual cost of the survey is now in the neighborhood of \$125,000, it probably results in interest savings far in excess of this amount. If an analysis of survey ownership detail during a normal \$10 billion refunding determined that Treasury was able to offer new securities at a rate of interest one basis point (one one-hundredth of 1 percent) lower than otherwise thought possible, the resulting annual interest savings would amount to eight times the annual survey cost. The large institutional investors who voluntarily participate in the Treasury survey apparently do not consider our request either time consuming or costly as we have received very few complaints over the years and enjoy an extremely low cancellation rate. We have never requested data concerning the costs involved from our reporters, however, staff estimates indicate that the average annual cost to each participant should not be in excess of \$18 and is probably a good deal lower.

It is, of course, difficult to accurately assess the value of such a survey in monetary terms but we feel that the data derived from these reports far out-

weigh the costs involved. For example, it was noted from survey data in the mid-1950's and late 1950's that the ownership pattern of longer term Treasury issues sold during World War II was markedly changing as these securities approached their first call date. Savings institutions which had originally purchased these issues in the war loan drives were disposing of them as their maturity shortened, and not reinvesting the proceeds in other Governments. In order to retain these longer term investors in public debt securities Treasury, in 1960, began a series of "senior" advance refundings—offering new, higher yielding, long-term securities to holders of issues in the intermediate maturity range. The response was excellent, and not only savings institutions, but other investors as well were encouraged to lengthen their Government security holdings.

Lacking this accurate and timely indicator the Treasury would be required to depend upon other less reliable sources for information concerning its primary customers. No other Government agency collects this detailed information, nor could any current report received by other agencies be revised enough to provide the data desired. Although other agencies reply upon the Treasury survey for data concerning particular institutional groups, we have never considered expanding the scope of our request to include additional, nonrelated information. The high degree of voluntary cooperation experienced in the past 23 years of the survey has, we feel, been primarily due to the simplicity of our request and the realization by the institutions of the importance attached to the information provided.

Mr. OLSEN. Our next witnesses are from the Federal Power Commission, the Honorable Joseph C. Swidler, Chairman, and staff.

We welcome you and your staff. You may proceed as you wish.

STATEMENT OF HON. JOSEPH C. SWIDLER, CHAIRMAN, FEDERAL POWER COMMISSION; ACCOMPANIED BY HARRY J. TRAINOR, EXECUTIVE DIRECTOR; RICHARD A. SOLOMON, GENERAL COUNSEL; AND S. DAVID FREEMAN, ASSISTANT TO THE CHAIRMAN

Mr. SWIDLER. I am very glad to have this opportunity, Mr. Chairman, to appear before your committee to summarize the Federal Power Commission's reporting and statistical programs, which are important elements in the discharge of our regulatory responsibilities over the electric power and natural gas industries.

We have prepared a detailed response to the items in which your committee has expressed an interest, which I should like to submit for the record.

Mr. OLSEN. Without objection, it is so ordered, and it may be made a part of the record immediately following your oral statement.

Mr. SWIDLER. Thank you.

I am sure that your committee recognizes that the paperwork requirements of various Federal agencies are quite different in their scope and importance. Some agencies have responsibilities which extend throughout industry generally and a number of agencies require reports from the public at large.

The Federal Power Commission's activities are confined to the electric power and natural gas industries, the first and sixth largest industries in the Nation; and its compulsory reports come from interstate natural gas companies, electric utilities, and licensees of hydroelectric projects.

The Commission's standard is to require only such reports and information as is needed to carry out its regulatory responsibilities. On the positive side, this means that we must develop essential information sources, and make effective use of the information we obtain. The

other side of the coin is that the Commission must be realistic and responsible, and seek no information not reasonably available and necessary. We think we have lived up to this standard.

It is important to keep in mind the different purposes and uses to which the information is put by the various Federal agencies. The Federal Power Commission is directed by Congress to regulate the natural gas and electric power industries so that the general public will be assured of adequate supplies of electricity and natural gas at reasonable prices. The Congress has declared in the Natural Gas and Federal Power Acts that these two industries are "affected with a public interest" and that Federal regulation of their interstate activities "is necessary in the public interest." The information concerning the costs, earnings, physical plant and operations of these two industries is basic to performing our regulatory responsibility.

The need for full information concerning the electric power and natural gas industries as a foundation for effective regulation was plainly recognized by Congress in enacting the Federal Power Act and Natural Gas Act. Both acts contain numerous sections spelling out the powers of the Commission to obtain information from the electric utilities and natural gas companies¹ under regulation. Both the Gas Act and the Power Act provide in identical language that:

Every natural gas company (every licensee and every public utility) shall file with the Commission such annual and other periodic or specific reports as the Commission may by rules and regulations or order prescribe as necessary or appropriate to assist the Commission in the proper administration of this act.²

The Natural Gas Act then spells out in detail the information which the Commission is expected to obtain from the natural gas companies, which is similar to the comparable provision in the Federal Power Act.

SEC. 10. (a) * * * The Commission may require that such reports shall include, among other things, full information as to assets and liabilities, capitalization, investment, and reduction thereof, gross receipts, interest due and paid, depreciation, amortization, and other reserves, cost of facilities, cost of maintenance and operation of facilities for the production, transportation, or sale of natural gas, cost of renewal and replacement of such facilities, transportation, delivery, use, and sale of natural gas. The Commission may require any such natural gas company to make adequate provision for currently determining such costs and other facts * * *.

Mr. OLSEN. Is my understanding correct that your authority for collecting information from electric power companies is broader than your authority for collecting the same from the natural gas companies?

Mr. SWIDLER. Yes, Mr. Chairman, it is. In the case of the electric power industry, our informational authority is broader than our regulatory responsibility. We were instructed by Congress to obtain information from all segments of the electric power industry, including the segments that we were not authorized to regulate.

Mr. OLSEN. From electric power companies?

Mr. SWIDLER. Yes, sir.

There is no provision in the Natural Gas Act comparable to section 311 of the Federal Power Act. Some of the provisions of the two

¹ Secs. 301, 304, 307, 311, and 312 of the Federal Power Act. Secs. 8, 10, and 14 of the Natural Gas Act.

² Sec. 304(a) of the Power Act and sec. 10(a) of the Natural Gas Act.

statutes parallel each other, but there was no counterpart for section 311 of the Federal Power Act.

Mr. OLSEN. Have you made any recommendations for legislation to provide for authority in gathering information with respect to natural gas?

Mr. SWIDLER. Yes, Mr. Chairman. Since the 1940's the Commission has recommended in one form or another that parallel authority be granted in the natural gas industry, and such a bill is now pending. It is H.R. 5867, and the identical measure in the Senate is S. 1463. It would introduce into the Natural Gas Act provisions parallel to section 311 of the Federal Power Act.

Mr. OLSEN. Can you give me a specific example of where you gathered and received information under the Federal Power Act?

Mr. SWIDLER. The principal category that is included in the Power Act and excluded in the Gas Act is information with respect to retail operations and retail prices. For example, we publish annually statistics on the cost of electricity received by the consumers. There is no comparable information available in this country with respect to the amounts that are paid by consumers for natural gas. We have recently published special statistics on the cost of household heating with electricity. There is no comparable information for natural gas.

Mr. OLSEN. You may proceed.

Mr. SWIDLER. The industry's reports to the Commission and the Commission's publications based thereon not only provide the information which is the staple of regulation but they also constitute an invaluable source of information to the general public concerning these industries. These reports, especially with respect to the electric power industry, provide the major impartial source of basic information which is relied upon by investment analysts, consumer groups, State commissions and, of course, the industries themselves. The Commission's reporting requirements thus serve the important function of providing essential information to the general public concerning two of the Nation's largest and most important industries.

In reviewing the Commission's reporting requirements, we should also keep in mind that we are regulating two of the fastest growing industries in this country. In the past decade the electric power industry has more than doubled its total revenues from approximately \$6 billion in 1952 to approximately \$13 billion in 1962. The growth of the natural gas industry has been just as spectacular. The total revenues of the natural gas industry have grown from less than \$3 billion in 1952 to approximately \$6½ billion in 1962. Obviously this growth has resulted in many changes of which the Commission must keep abreast.

The Commission has made a concerted effort to perfect its reporting requirements so that these industries can be effectively regulated and continue to grow without an accompanying growth in the paperwork requirements. I am pleased to report that the volume of paperwork presently required on a regular basis of the industries we regulate has been reduced by about 35 percent since the Hoover Commission report was issued in 1955. The total number of repetitive reports we require remains the same, at 22, and the 8 new reports developed in the past 9 years have been offset by 8 which have been discontinued because of consolidation into new and improved report forms. The

total completed pages of reports have been reduced from 211,500 for 1955 to 135,600 for 1963.

Our regulations governing the retention of records by the industries we regulate have been modified since the Hoover Commission report so as to lessen the burdens of records retention. We have modified retention requirements to allow for the destruction of records after they cease to have operating value.

We have made improvements in our internal records management program in the past 3 years by disposing of over 5,700 cubic feet of records—the equivalent of 950 four-drawer filing cabinets. In addition, 3,200 cubic feet of records have been transferred to Federal records centers—the equivalent of another 540 four-drawer filing cabinets.

The Commission makes a sharp distinction between the large and the small companies in the electric power and natural gas industries. The large companies have large accounting and auditing staffs, and maintain comprehensive records for their internal management purposes. The small units of both industries are not in position to supply the same type of information. Thus the thousands of small gas producers throughout the country are not required to file a detailed annual report at all, and the only information they submit regularly is a simple card form giving summary sales information. We have simplified the rate application forms for small producers and condensed the application to a one-page form.

Mr. OLSEN. May I interrupt you there with this question. We understand your proposed new form 11-A calls for information on peak day deliveries. The companies tell us that normally gas metering is not done on a daily basis. What is your comment on this?

Mr. SWIDLER. Form 11-A has not yet been promulgated. It is still under consideration. It has been issued in a rulemaking proceeding only. We are awaiting comments. I presume if there are well-based objections to any features of the report, it will be modified before issuance to reflect the comments we receive.

Mr. OLSEN. So the record will show what we are talking about, could you submit a rough draft of this form 11-A for the record?

Mr. SWIDLER. Yes, sir; I will put the proposed rule that we have promulgated into the record, and you will be able to see its present status.

Mr. OLSEN. Thank you very much.

(The requested information follows:)

UNITED STATES OF AMERICA
FEDERAL POWER COMMISSION

Monthly Statement of)	
Natural Gas Pipeline Companies--)	Docket No. R-262
Revision of Filing Requirements,)	
Revision of FPC Form No. 11 and)	
Prescription of New Form 11A)	

NOTICE OF PROPOSED RULEMAKING

(18 CFR 260.3)

(May 19, 1964)

1. Notice is given pursuant to section 4 of the Administrative Procedure Act that the Commission is proposing to reduce the number of natural gas pipeline companies required to submit FPC Form No. 11 each month, as prescribed by § 260.3 of the Commission's regulations. It is also proposed to promulgate a revised Form No. 11 and a new Form No. 11A containing 8 of the major items found in the revised Form No. 11. A copy of each of the proposed forms is appended hereto.

2. The primary purpose of the proposed changes in the system of monthly reporting by natural gas pipeline companies is to provide the Commission with better and more adequate statistical information on current pipeline company operations, to expedite more timely and effective regulation. Another purpose is to restrict the monthly reporting to those companies which, by virtue of the size of their jurisdictional sales, are most frequently involved in Commission actions and for which the need for current monthly data to supplement their Annual Reports to the Commission is most essential. The 50 million Mcf per year cutoff figure here proposed, would eliminate the existing filing requirement for all but about 35 of the largest pipeline companies. In addition, the proposed changes are intended to provide the Commission, other governmental agencies both state and federal, and the industry itself, with reliable national information on a more complete and current basis than is obtainable from the present Form 11.

3. The revised Form No. 11 here proposed is an expansion of that presently in use, to provide more useful information with respect to the monthly volume of natural gas purchases by pipelines from producers and gas production by the pipelines, current consumption of and prices for gas, total revenues to and costs paid by pipeline companies under pending but not yet approved rate increases, and various other economic and statistical facts. In recognition of the added detail that is proposed for collection, the present reporting date for Form No. 11 would be extended from 30 to 40 days after the close of the month to which it relates.

THE FEDERAL PAPERWORK JUNGLE

Docket No. R-262

4. The proposed new Form No. 11A provides for filing a small portion of the same information required by the proposed revised Form No. 11, on an estimated basis, if necessary, within 15 days after the close of the reported months. It is designed to make major revenue, expense, and gas volume data available for early publication of preliminary industry results.

5. Any interested person may submit to the Federal Power Commission on or before June 26, 1964, data, views, and comments in writing concerning the amendments proposed herein. The Commission will consider these written submittals before taking any action upon the proposed amendments. An original and nine copies of any such submittals should be filed.

6. The proposed revision of FPC Form No. 11, the promulgation of FPC Form No. 11A and a clarifying amendment of § 260.3 of the Commission's regulations are proposed to be issued under the authority granted by the Natural Gas Act, as amended, particularly sections 10 and 16 thereof (52 Stat. 826, 830; 15 U.S.C. 717i, 717o).

7. Accordingly, it is proposed to revise the existing reporting requirements for natural gas pipeline companies, to revise FPC Form No. 11 as set out in attachment A hereto; to prescribe a new FPC Form No. 11A as set out in attachment B hereto; and to amend § 260.3, Subchapter G of Chapter I, Title 18 of the Code of Federal Regulations, to read as follows:

"§ 260.3 Forms Nos. 11 and 11A, Natural gas pipeline company monthly statements.

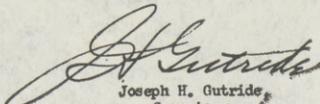
(a) The two forms of monthly statements for Classes A and B natural gas companies, designated as FPC Form No. 11 and FPC Form No. 11A are prescribed for the month beginning 1964, and thereafter.

(b) (1) Each natural gas company, as defined in the Natural Gas Act, whose combined "gas sales for resale" and "gas transported or stored for a fee" exceeded 50 million Mcf in the previous calendar year shall prepare and file with the Commission for the month beginning ----- 1964, and for each month thereafter, two copies of Monthly Statement, FPC Form No. 11. Such statement shall be filed within 40 days after the end of the reported month and shall be signed by the Chief Accounting Officer of the reporting company, but is not required to be under oath. One copy of the report should be retained by the correspondent in its files.

Docket No. R-262

(2) Each natural gas company required by subparagraph (1) of this paragraph to file FPC Form No. 11 shall also prepare and file two copies of the monthly statement, FPC Form 11A. Such statement shall be filed in accordance with the requirements of subparagraph (1) of this paragraph, except that it shall be filed within 15 days after the end of the reported month. Any company which elects to file FPC Form No. 11 within 15 days after the end of any reported month will be excused from filing FPC Form No. 11A for that month.

By direction of the Commission.


Joseph H. Gutridge,
Secretary.

PROPOSED FORM

ATTACHMENT A

FEDERAL POWER COMMISSION FPC FORM 11		REFERENCE DATA COMPANY CODE NO.	
NATURAL GAS INTERSTATE PIPELINE COMPANY MONTHLY STATEMENT		FOR MONTH OF _____ 19__ Page 1 of 5	
INSTRUCTIONS - Complete and return two copies to the Federal Power Commission within 40 days after the end of the reported month. Retain one copy for your files. Include brief description of any adjustments significantly affecting the monthly statement. Estimates subject to later revision are permissible. Year ago estimates now revised should be identified by a double asterisk (**).			
RETURN TO	FEDERAL POWER COMMISSION WASHINGTON, D. C. 20426 ATTN: OFFICE OF ACCOUNTING AND FINANCE		
FROM (Name of Company)			
ADDRESS (Number, Street, City, State and Zip Code)			
SIGNATURE (Chief Accounting Officer)		DATE PREPARED (Enter numerically, month, day and year)	
TABLE 1	CONDENSED STATEMENT OF INCOME		
ITEM (a)	CURRENT YEAR (Omit cents) (b)	PREVIOUS YEAR (Omit cents) (c)	
(Indicate contra items by a minus sign preceding the amount.)	24	33 34	43
1. Gas Operating Revenues	\$	\$	\$
Gas Operating Expenses:			
2. Operation and maintenance			
3. Depreciation, depletion and amortization			
4. Taxes other than income taxes			
5. Income taxes - Federal			
6. Income taxes - Other			
7. Provision for deferred income taxes			
8. Income taxes deferred in prior years - Credit			
9. Total Taxes			
10. Total Operating Expenses			
11. Net Gas Operating Revenues			
12. Income from gas plant leased to others			
13. Gas utility operating income			
14. Other utility operating income			
15. Total Utility Operating Income			
16. Other income			
17. Total Income			
18. Miscellaneous income deductions			
19. Income before interest charges			
Interest Charges:			
20. Interest on long-term debt			
21. Amort. of debt discount, premium & expense			
22. Other interest charges			
23. Interest charged to construction - Credit			
24. Total Interest Charges			
25. Net Income	24	33 34	43

COMPANY CODE NO.	FOR MONTH OF 10	DATE PREPARED (Enter numerically, month, day and year)	Page 2 of 5	
TABLE 2				
DETAIL OF REVENUES				
ITEM (a) <i>(Indicate contra items by a minus sign preceding the amount.)</i>	REVENUES (Dollars)		SALES (Millions of cubic feet at 14.73 psia 60°F.)	
	Current year	Previous year	Current year	Previous year
	24 (b)	33 34 (c)	43 44 (d)	53 54 (e)
	\$	\$		03
Sales of Natural Gas:				
1. Firm industrial				
2. Off-peak industrial				
3. Interruptible industrial				
4. Total Industrial				
5. Other ultimate consumers				
6. Total Sales to Ultimate Consumers				
Sales for Resale				
To Interstate Utilities:				
7. Classes A and B (See Table 7)				
8. Classes C and D (See Table 7)				
To Intrastate Utilities:				
9. Under FPC rate schedule				
10. Not under FPC rate schedule				
11. Total Sales for Resale				
12. Total Sales of Natural Gas				
Other Natural Gas Revenues:				
13. From transportation of gas of others (1)				
14. Sales of products extracted from natural gas (2)				
15. Other				
16. Total Natural Gas Operating Revenues				
17. Manufactured gas operating revenues (3)				
18. Total Gas Operating Revenues				
	24	33 34	43 44	53 54
				03
CUSTOMERS AS OF END OF MONTH - Industrial customers receiving more than one class of service should be counted for each class, but in the totals on lines 22 and 24 counted but once.			CUSTOMERS	
			Current year	Previous year
			(b)	(c)
(a) CLASS OF SERVICE				
19. Firm industrial				
20. Off-peak industrial				
21. Interruptible industrial				
22. Total Industrial				
23. Other ultimate consumers				
24. Total Ultimate Consumers				
25. Classes A and B interstate pipelines (See Table 7)				
26. Classes C and D interstate pipelines (See Table 7)				
27. Intrastate gas utilities				
28. Total Resale Customers				
			44	53 54
				03
(1) In columns (d) and (e), item 13, enter volume of gas transported. (2) In columns (d) and (e), item 14, enter thousands of gallons sold. (3) State manufactured gas at 1035 BTU per cubic foot or at utility natural gas average of _____				

COMPANY CODE NO.		FOR MONTH OF 19		DATE PREPARED (Enter numerically, month, day and year) / /				Page 3 of 5				
TABLE 3.		DETAIL OF OPERATION AND MAINTENANCE EXPENSES										
ITEM (e) (Indicate contra items by a minus sign preceding the amount.)	AMOUNT (Omit cents)					GAS VOLUME (Millions of cubic feet at 14.73 psia 60°F.)						
	Current year		Previous year			Current year		Previous year				
	24	(b)	33	34	(c)	43	44	(d)	53	54	(e)	63
Manufactured Gas Production: (1)	\$		\$									
1. Liquefied petroleum gas												
2. Other manufactured gas												
3. Total Manufactured Gas Production												
Natural Gas Production:												
4. Production and gathering												
5. Products extraction (2)												
6. Exploration and development												
Other Gas Supply Expenses												
Purchased Gas:												
7. From producers												
8. Imports												
From Interstate Companies:												
9. Classes A and B (3)												
10. Classes C and D (3)												
11. Other gas purchases												
12. Total Purchased Gas												
13. Natural gas produced												
14. Exchange gas - IN												
15. Exchange gas - OUT												
16. Purchased gas expenses												
17. Gas withdrawn from underground storage - Debit												
18. Gas delivered to underground storage - Credit												
19. Gas used for compressor station fuel - Credit												
20. Gas used for products extraction - Credit												
21. Gas used for other utility operations - Credit												
22. Other gas supply expenses												
23. Total Natural Gas Production												
24. Storage expenses												
Transmission Expenses:												
25. Transmission and compression of gas by others												
26. Other transmission expenses												
27. Total Transmission Expenses												
28. Distribution expenses												
29. Customer accounts expenses												
30. Sales expenses												
31. Administrative and general expenses												
32. Total Operation & Maintenance Expenses												
	24		33	34		43	44		53	54		63

(1) State manufactured gas at 1035 BTU per cubic foot at utility natural gas btu average of _____

(2) In columns (d) and (e) item 5, enter thousands of gallons.

(3) See Table 7.

FPC Form 11
1ST REV. 12-64

COMPANY CODE NO.		FOR MONTH OF		DATE PREPARED (Enter numerically, month, day and year)		Page 4 of 5	
TABLE 4		SELECTED DATA					
ITEM (a) (Indicate contra items by a minus sign preceding the amount.)		CURRENT YEAR (Omit cents)		PREVIOUS YEAR (Omit cents)			
		24 (b)	33 34 (c)	43			
		\$	\$				
1. Gas utility plant service							
2. Accumulated provision for depreciation, depletion and amortization of gas plant							
3. Gas plant construction work in progress							
4. Gas materials and supplies							
5. Salaries and wages charged to gas operations							
6. Preferred stock dividends declared							
7. Common stock dividends declared							
8. Gas stored underground (1)							
9. Gas stored underground (1) (Millions of cubic ft.)							
10. Peak day deliveries (Date / /) (Millions of cubic ft.)							
		24	33 34	43			
TABLE 5		AMOUNTS INCLUDED IN MONTHLY REVENUES AND EXPENSES (Gas Purchases) WHICH ARE ATTRIBUTABLE TO RATE INCREASES IN EFFECT BUT NOT FINALLY APPROVED BY FPC					
ITEM (a) (Indicate contra items by a minus sign preceding the amount.)		GAS REVENUES FROM SALES TO: (Omit cents)			GAS PURCHASES FROM: (Omit cents)		
		Current year		Previous year	Current year		Previous year
		24 (b)	33 34 (c)	43 44	43 44 (d)	53 54 (e)	63
		\$	\$	\$	\$	\$	
1. Ultimate consumers							
Interstate Utilities:							
2. Classes A and B (3)							
3. Classes C and D (3)							
4. Intrastate utilities							
5. Producers							
6. Total		24	33 34	43 44	53 54	63	
TABLE 6		GAS REVENUES AND GAS PURCHASE COSTS ATTRIBUTABLE TO RATE INCREASES SUBJECT TO POSSIBLE ADJUSTMENT IN COMMISSION RATE PROCEEDINGS - ACCUMULATING BALANCES (All amounts exclude possible interest payments)					
ITEM (a) (Indicate contra items by a minus sign preceding the amount.)		REVENUES FROM GAS SALES TO: (Omit cents)			GAS PURCHASES FROM: (Omit cents)		
		Intrastate Gas Utilities ⁽²⁾		Pipeline Companies ⁽³⁾	Producers		Pipeline Companies ⁽³⁾
		24 (b)	33 34 (c)	43 44	43 44 (d)	53 54 (e)	63
		\$	\$	\$	\$	\$	
1. Amount beginning of month							
2. Increase during month							
Decrease During Month							
Due To:							
3. Rates approved							
4. Rates disapproved							
5. Rate increase withdrawn							
6. Amount end of month							
7. Refunds paid during month							
8. Refunds received during month							
		24	33 34	43 44	53 54	63	
(1) Include current and non-current stored gas less any reserve for unrecoverable gas.							
(2) Include amounts applicable to sales by respondent to ultimate consumers.							
(3) See Table 7.							

COMPANY CODE NO.		FOR MONTH OF		DATE PREPARED (Enter numerically, month, day and year)		Page 3 of 5		
19__		19__		/ /				
TABLE 7		NATURAL GAS INTERSTATE PIPELINE COMPANIES						
FPC CODE	CLASS	COMPANY	FPC CODE	CLASS	COMPANY	FPC CODE	CLASS	COMPANY
0040	A	Alabama-Tennessee Natural Gas Co.	2435	A	Interstate Power Co.	4160	A	Panhandle Eastern Pipeline Co.
0050	A	Algonquin Gas Transmission Co.	2440	A	Iowa-Illinois Gas and Electric Co.	4310	A	Pennsylvania Gas Co.
0210	A	American Louisiana Pipe Line Co.	2450	A	Iowa Public Service Co.	4330	B	Pennsylvania and Southern Gas Co.
0330	A	Arkansas-Louisiana Gas Co.	2460	A	Iroquois Gas Corp.	4894	C	Rio Sabine, Inc.
0340	A	Arkansas-Missouri Power Co.	2460	C	Kansas-Colorado Utilities, Inc.	4820	C	St. Charles Gas Corp.
0420	A	Atlantic Seaboard Corp.	2520	A	Kansas-Nebraska Natural Gas Co., Inc.	5020	B	Shenandoah Gas Co.
0440	D	Baltic Operating Co.	2557	A	Kentucky Gas Transmission Corp.	5170	C	South County Gas Co.
0503	C	Ben Bolt Gathering Co.	2570	A	Kentucky West Virginia Gas Co.	5180	A	South Georgia Natural Gas Co.
0500	C	Bluefield Gas Co.	2730	A	Lake Shore Pipe Line Co.	5260	A	South Texas Natural Gas Gathering Co.
0690	A	Carnegie Natural Gas Co.	2755	D	Lateral Gas Pipeline Co.	5340	A	Southern Natural Gas Co.
0820	A	Chicago District Pipeline Co.	2740	C	LeFlore Gas Co.	5590	C	Standard Pacific Gas Line, Inc.
0835	B	Cimarron Transmission Co.	2870	A	Lone Star Gas Co.	5880	C	Sylvania Corporation
0840	A	Cities Service Gas Co.	2880	A	Lone Star Gathering Co.	5900	C	Tennessee Gas Pipe Line Co.
0930	A	Colorado Interstate Gas Co.	2950	C	Louisiana Nevada Transit Co.	5910	A	Tennessee Gas Transmission Co.
0960	A	Colorado-Wyoming Gas Co.	3260	A	Manufacturers Light and Heat Co.	5930	A	Tennessee Natural Gas Lines, Inc.
1010	A	Columbia Gulf Transmission Co.	3220	C	Marengo Corporation	5950	C	Texas Gas Gathering Corp.
1060	C	Commercial Gas Pipeline Co.	3250	A	Michigan Gas Storage Co.	6090	A	Texas Eastern Transmission Corp.
1230	A	Conbitland and Allegheny Gas Co.	3320	A	Michigan Wisconsin Pipe Line Co.	6150	A	Texas Gas Pipe Line Corp.
1450	A	East Tennessee Natural Gas Co.	3260	A	Midwestern Gas Transmission Co.	6210	A	Texas Gas Transmission Corp.
1457	B	Eastern Shore Natural Gas Co.	3380	A	Mississippi River Fuel Corp.	6420	A	Transcontinental Gas Pipe Line Corp.
1460	D	El Paso Gas Transportation Corp.	3382	A	Mississippi River Transmission Corp.	6425	A	Transwestern Pipeline Co.
1470	A	El Paso Natural Gas Co.	3410	A	Montana-Dakota Utilities Co.	6450	A	Trunkline Gas Co.
1560	C	Empira Gas and Fuel Co.	3500	A	Mountain Fuel Supply Co.	6510	A	Union Gas System, Inc.
1650	A	Equitable Gas Co.	3520	A	Natural Gas Pipeline Co. of America	6520	A	Union Light Heat and Power Co.
1705	A	Florida Gas Transmission Co.	3628	C	Natural Gas Service, Inc.	6600	A	United Fuel Gas Co.
1710	A	Fort Smith Gas Corp.	3680	A	New York State Natural Gas Corp.	6630	A	United Gas Pipe Line Co.
1815	C	Gas Marketing, Inc.	3770	A	North Penn Gas Co.	6660	A	United Natural Gas Co.
1830	C	Gas Transport, Inc.	3800	A	Northern Natural Gas Co.	6820	D	V-M Pipeline Co.
1905	C	Grand Valley Transmission Co.	3810	A	Northern Natural Gas Pipeline Co.	6823	A	Valley Gas Co.
2140	C	High Plains Natural Gas Co.	3830	A	Northern Utilities, Inc.	6825	A	Valley Gas Transmission, Inc.
2150	A	Home Gas Co.	3980	A	Ohio Fuel Gas Co.	6900	A	Washington Gas Light Co.
2160	A	Hope Natural Gas Co.	4000	B	Ohio River Pipeline Corp.	6955	A	Western Gas Service Co.
2240	A	Humble Gas Transmission Co.	4045	A	Oklahoma Natural Gas Gathering Corp.	6990	D	Wheeler Gas Co.
2380	C	Indiana Utilities Corp.	4090	A	Orange & Rockland Utilities, Inc.	7130	C	Zenith Gas System, Inc.
2395	A	Inland Gas Company, Inc.	4135	A	Pacific Gas Transmission Co.			

PROPOSED FORM

ATTACHMENT B

FEDERAL POWER COMMISSION FPC FORM 11 A		REFERENCE DATA COMPANY CODE NO. _____ FOR MONTH OF _____ 19__		
NATURAL GAS INTERSTATE PIPELINE COMPANY SELECTED ITEMS FROM MONTHLY STATEMENT				
INSTRUCTIONS - Complete and return two copies to the Federal Power Commission within 15 days of the end of the reporting month. Retain one copy for your files. Enter estimated amounts for all data not yet available and identify these amounts by an asterisk (*). Final amounts should be entered on FPC Form 11. Amounts for last year which have been revised from the final monthly report for that year should be identified by a double asterisk (**).				
RETURN TO ↘	FEDERAL POWER COMMISSION WASHINGTON, D. C. 20426 ATTN: OFFICE OF ACCOUNTING AND FINANCE			
FROM (Name of Company) _____				
ADDRESS (Number, Street, City, State and Zip Code) _____				
SIGNATURE (Chief Accounting Officer) _____		DATE PREPARED (Enter numerically, month, day and year) ____/____/____		
SELECTED ITEMS FROM MONTHLY STATEMENT (For use in Preliminary Release)				
SELECTED ITEMS (a) <i>(Selected items are taken from Tables 2 and 3 of FPC Form 11)</i>	REVENUE - EXPENSE (Omit cents)		GAS VOLUME (In millions of cubic feet at 14.73 psia 60°F)	
	CURRENT YEAR (b)	PREVIOUS YEAR (c)	CURRENT YEAR (d)	PREVIOUS YEAR (e)
REVENUE ITEMS				
1. Total industrial sales				
2. Firm industrial sales				
3. Sales to intrastate utilities	\$	\$		
EXPENSE ITEMS				
Purchased gas:				
4. From producers	\$	\$		
5. Imports	\$	\$		
6. Natural gas produced				
7. Gas withdrawn from underground storage - Debit				
8. Gas delivered to underground storage - Credit				
	24	33 34	43 44	53 54 63

Mr. SWIDLER. I was speaking of the simplified requirements for small producers.

Large gas producers selling annually 2 million M c.f. of gas or more file somewhat more detailed sales information annually, but even they do not file a voluminous annual report. Information as to their costs and operations is obtained only as needed in connection with rate and certificate cases.

With respect to the 78 largest natural gas pipelines which file an annual report, we have recently proposed a rule which would eliminate the monthly reports of operating revenues and income for more than half of the smaller companies.

Similarly, our annual report forms for class C and D public utilities and licensees and for class C and D natural gas companies require the submission of only about one-tenth of the information required of the larger companies. Municipal electric utilities also have a greatly simplified annual report form and those municipal utilities with annual revenues of under \$250,000 are not required to submit any information whatsoever.

The paperwork problem is an integral part of a larger problem, that is, how best to carry out the Commission's overall workload. The Commission's efforts in the past 2 years to streamline the disposition of its workload are illustrative. An outstanding example is our new procedure for natural gas pipeline rate and certificate cases. Under this procedure a company is required to supply more information with its filing than in the past. By requiring the companies to supply complete backup for their rate and certificate filings, however, we have largely eliminated the necessity for prolonged and expensive field investigations by the Commission's staff and we are able to expedite the disposition of our work. In the past the field investigations were a principal cause of delays in processing these cases which resulted in a backlog of rate cases that had accumulated to over \$1 billion when the present members of the Commission took office in 1961. This backlog has now been eliminated and as a result the Commission has ordered over \$600 million in refunds to pipeline customers. With our new procedures and adequate staff, we expect to remain current in our pipeline work.

Before concluding, I should like to say a word concerning the Commission's questionnaire of last October to natural gas producers which I understand was discussed earlier in these hearings, and our program for producer regulation of which it is an integral part.

Mr. OLSEN. May I interrupt you. Is that the so-called 10-pound questionnaire?

Mr. SWIDLER. Yes, sir.

Mr. OLSEN. Go ahead with your statement.

Mr. SWIDLER. The Commission under the Natural Gas Act must fix the just and reasonable rates for gas sold by producers in interstate commerce. Originally, we attempted to do so on an individual company basis, but we concluded that this approach not only was doubtful substantively but also that it created serious procedural problems for producers because it confronted each company, big and small, with expensive and time-consuming proceedings, the end of the first round of which was nowhere in sight. We have changed all this and our new area rate program has met with the encouragement of the Supreme Court. Under this program we will fix rates for all producers on an

area basis in a limited number of large proceedings in which similarly situated groups of producers or interested parties can pool their resources at great savings in time and money.

Mr. ABELE. We have had some estimates on the possible cost to the companies. The estimates ran anywhere from \$80,000 to a quarter of a million dollars to comply with that questionnaire. Have you any idea about the cost of the companies?

Mr. SWIDLER. Yes, sir. The \$250,000 figure was mentioned by only one company, Texaco. That was the only one that came up with a figure anywhere near that large. The other high figures were on the order of \$85,000, a far more realistic figure.

I think I ought to make clear that the questionnaire is adapted to a wide variety of circumstances so that if a company operates in only one of the 26 production areas of this country it would file only 65 pages. Most of the questionnaire is simply repetitive in order to take account of the fact that some petroleum companies operate throughout the country, in numerous gas production areas and must furnish information for each area.

The basic questionnaire, as you see, is only about a half-inch thick.

The estimate of \$85,000 is not for the company that operates in only one area. It would be for one of the large integrated companies that operates virtually throughout the whole country. For such a company, perhaps \$85,000 is not out of line.

Mr. ABELE. You feel that \$85,000 is probably the maximum?

Mr. SWIDLER. Yes, sir; about \$85,000 for a company that produces on a nationwide basis. I think the cost of the questionnaire has to be related to the stakes that are involved. We are talking about the proper price for sales of \$1.4 billion by these producers in interstate commerce. I think for the 20 largest producers the percentage cost of preparing responses to the questionnaires amounts to something like, if I recall correctly, 2.5/100ths of 1 percent of the price of the gas in question. The expense, which is passed on to the consumer, amounts to 0.04 cent per thousand cubic feet on gas with an average unit price of 16.6 cents per thousand cubic feet.

Mr. OLSEN. Have you any estimated cost for a firm operating in only one area?

Mr. MOY. The January 9 and June 12 orders deferring portions of the questionnaire would reduce some of these estimated figures by the companies. The lowest figure I recall was by Belco, at \$20,000.

Mr. SWIDLER. That company operates in more than one area. Its cost would be a good deal less than \$20,000 for one area, I do not know how much. I do not have an estimate for a company operating in only one area.

Mr. OLSEN. Maybe there are not any.

Mr. SWIDLER. Yes, sir, there are some.

Mr. MOY. I think I have the figure. As I remember, sir, of the 92 companies there were 6 companies that operated in 1 area.

Mr. OLSEN. Is there a record of what savings came to the consumer, who, after all, pays the whole bill anyway?

Mr. SWIDLER. I think we can give you an order of magnitude. Our Commission in the last 2½ years has ordered the producers to refund over \$75 million, and has ordered the pipelines to refund over \$550 million. We have thus ordered refunds to distributing companies,

most of which has been passed along to ultimate consumers, of over \$600 million.

The natural gas industry supplies almost one-third of the total energy used in this country, including the energy used in automobiles and other mobile equipment. It is the country's sixth largest industry.

I mentioned that we require no annual reports from the natural gas producers. We have prescribed no uniform system of accounts for natural gas producers because a good deal of their operation—the oil production, the gasoline extraction—is unregulated. There is no reason why, for their own purposes, they cannot account for these operations as they please. But to develop a system of accounts that would fairly reflect simply the natural gas side of petroleum production is very difficult, and we have approached it in a very gingerly way.

This means that when we come down to the job of regulating the prices at which natural gas is introduced into interstate commerce, we have no fund of information in our own files upon which to rely. The only way to get some facts so that we can exercise our jurisdiction in an informed way is through the questionnaire process.

There are 26 production areas in the Nation, and our questionnaire provided for the submission of information on all of them.

I might say we have deferred whatever we could reasonably defer so that almost half of this so-called 10-pound questionnaire has no reporting obligation attached to it at the present time. If you want to judge questionnaires by weight, then this is now a 5-pound questionnaire. This is a new method of appraising questionnaires which the public relations genius of one of the natural gas companies has developed.

Mr. ABELE. Have you a copy of the questionnaire you can leave with us?

Mr. SWIDLER. Yes; I will be glad to leave you this skeleton questionnaire. As I say, when we send out the package, we include enough sheets to take care of the company, assuming it operates in many areas. This is all that is involved for one area.

Mr. ABELE. Can the personnel in the company tell that they would have to fill out a particular part of the questionnaire, or do they have to go through and get the information and then determine whether or not they have to fill it out?

Mr. SWIDLER. The instructions are very complete. Of course this questionnaire was not simply launched unheralded upon the industry. There were numerous conferences with the industry. It was cleared with the Bureau of the Budget, which in turn consulted with its Industry Advisory Committee. Before this was promulgated, it had already had a long history of cooperation with the industry, attempting to make it fit their needs.

I will leave this copy of the questionnaire.

Mr. OLSEN. For the subcommittee files.

Mr. SWIDLER. One other thing I might say for the information of the committee is that you will notice a good deal of the questionnaire is blank sheets. The industry said to us that it would be more convenient for them if all sheets were the same size. Accordingly, we made all sheets as wide as the widest sheet and as long as the longest sheet. That means some sheets have very little on them, just a few

lines. After we did this to accommodate them, they weighed all the white space.

Mr. OLSEN. You should not be offended by our questions, because they are directed to seek out unnecessary paperwork. We do not mean to curb any of the necessary duties of the Commission or any commission. We realize it is through paperwork that you accomplish anything at all.

Mr. SWIDLER. Thank you very much, Mr. Olsen. I can assure you that we try to limit our paperwork to the minimum required to carry out our job. This is a substantial amount of paperwork, nevertheless.

I was explaining the questionnaire and, if I may, I will continue.

The questionnaire to which I refer seeks cost and other relevant data from the 92 largest gas producers—about 3 percent of all of the producers in the country but those responsible for approximately 75 percent of the Nation's gas supply. Seventy-two of the ninety-two producers have submitted all or most of the data which was due on April 30 of this year. The remainder received short extensions of time to complete this work. We utilized the questionnaire technique because it is the most efficient way in which the Commission can obtain the information concerning investment, well-drilling activities, and other cost, operating, and economic data essential for our determination of the just and reasonable price for gas in the area rate proceedings. The questionnaire was particularly necessary in view of the fact that the Commission has not yet established any uniform system of accounts for independent producers of natural gas and receives no comprehensive annual reports from them. The data essential to any valid rate decision could be obtained only by questionnaire.

What is at stake is the proper price for sales of approximately \$1.3 billion a year. The four area rate proceedings already underway involve over \$300 million collected subject to refund and will fix the price for 75 percent of all the gas sold in interstate commerce.

The questionnaire was not sent to the thousands of small producers throughout the country because we recognized that it would be extremely burdensome, and perhaps impossible, for them to provide us with the same detailed information which the larger companies are supplying. We have, however, prepared a greatly simplified version of the questionnaire which we contemplate sending to the smaller producers for use on a voluntary basis by those small producers which want to show possible differences between their experience and that of the larger producers. Before taking final action on this matter, however, we are seeking the comments of interested parties in the proceedings.

There may be reasonable differences of opinion as to a few matters involved in the comprehensive questionnaire, but by and large I believe almost everyone recognizes that the information sought by the questionnaire is essential to the Commission's discharge of its responsibility to regulate producer prices and that the objections to the questionnaire are in essence a basic objection to producer regulation.

The Commission is moving forward with its area rate program for fixing producer prices on a just and reasonable basis, and I am sure that the end result will be a determination of such rates consistent

with the operating facts of the industry and its continued growth and profitability, at a much earlier date and at substantially less overall cost than if we had proceeded on the individual company basis.

In our detailed statement we have given complete information concerning the total cost to this agency associated with our formal reports which is estimated to be approximately \$533,000 annually. This comprises about 4 percent of our 1965 appropriation request. We believe that, considering the nature of the Commission's activities, the total cost for this program is reasonable.

It is, of course, difficult to estimate the man-hours required by the industry to complete our reports. Our best estimate is approximately 624,000 man-hours annually for preparation of the 22 repetitive annual and monthly reports now required of the electric power and natural gas industries. At \$10,000 per man-year, the expense would be about \$3 million, which is a relatively minor amount for the two industries whose total revenues are approximately \$20 billion a year.

You have asked about the effectiveness of the Federal Reports Act of 1942 and the need for legislation which may be required to guard against the growth of unnecessary paperwork.

For more than two decades since passage of the act, we have worked closely with the Bureau of the Budget in all matters within the purview of this statute; we did so with respect to the producer questionnaire of which I spoke a moment ago. It received Bureau clearance following a number of meetings among our respective staffs and the Bureau's Industry Committee. From our standpoint, administration of the Reports Act by the Bureau of the Budget has been effective, and insofar as our information collecting responsibilities are concerned there does not appear to be any need for amending the act to guard against the growth of unnecessary paperwork.

Mr. ABELE. We understand that you have made a number of telephone surveys, through reporting companies. Were the questions and surveys approved by the Bureau of the Budget in advance?

Mr. SWIDLER. I don't think we have made any telephone surveys which, if they had been in written form, would have required the approval of the Bureau of the Budget. We have not used telephone surveys as a means of evasion of the Bureau of the Budget. Of course, if our staff wants to find out whether some of the major companies are planning to pass along the benefits of liberalized depreciation, or other tax deductions, they are tempted just to pick up the telephone and ask a few of the companies, "What are you planning to do?" And I think this is really what it comes down to.

Mr. OLSEN. Our understanding of the Federal Reports Act of 1942 is, if inquiry is made of more than 10 firms or 10 people, that the act applies.

Mr. SWIDLER. Yes, sir.

Mr. OLSEN. Is that your understanding too?

Mr. SWIDLER. I have that understanding, too. It is possible that some of our staff called more than 10 people to ask for some particular piece of information, but I am not aware of it, and there was certainly no intention to avoid Bureau of the Budget clearance, nor have we sought any complex information in that way.

Mr. OLSEN. For my own purposes I wanted to get those figures which you recited a little while ago, concerning the accomplishment that was experienced as a result of the questionnaire, in the form of savings to the consumers.

Mr. SWIDLER. I can't give you the benefits as a result of the questionnaire as yet because the questionnaire is being used in connection with a pending proceeding, which has not yet been disposed of. I can only give you the benefits of our natural gas regulation on an overall program basis.

Mr. OLSEN. All right, give it on that basis.

Mr. SWIDLER. The Commission has ordered the interstate natural gas pipelines to refund \$557 million to consumers, and has ordered the pipelines to reduce their rates for the future by \$130 million a year. This is a saving every year.

In addition to that, we have ordered the producers to make refunds of nearly \$75 million since 1961, and have ordered reductions for the future amounting to \$35 million a year. A good deal of these refunds have been ordered in cases which were settled before being carried through the final stages of adjudicatory proceeding. In that way, it was possible also to get agreement for moratoriums on increases for the future.

As a result of these activities, the price of natural gas at the well has now been stabilized. The increase in 1962 was, as I recall, two-tenths of 1 percent per thousand cubic feet, the smallest increase since the great expansion of the pipeline systems following the last war. This is an increase in the average price.

Ceiling prices on new sales of gas at the wellhead have been held to the level of 1961 or have been reduced. The rates to the consumers, according to a recent Bureau of Labor Statistics report, have declined, so that instead of the frantic pace of price increases, both in the field and to the consumer, which was the order of the day, 3 years ago, with increases pancaking, one after another, pyramiding up, we now have a condition of stability in both the price charged by the producers and the pipelines and I might also add, the distribution of natural gas to the consuming public.

Now this, I think, is the overall test of the effectiveness of the program.

This pyramid depends upon the cost of gas in the field—because any increase in wellhead costs is reflected by pipeline filings for higher rates and in turn by the distributors attaining higher rates through their own State machinery.

We have been working on the basis of an interim pricing procedure, and we have not yet promulgated the just and reasonable rates for gas in the field. This awaits the completion of these area rate proceedings, which, in turn, depend upon our getting enough information so that we can make an informed decision which will hold up in the courts. To get this information is the purpose of the questionnaire to which I have referred.

Mr. OLSEN. Thank you, very much, Chairman Swidler. We appreciate your coming here and making this contribution to our record.

Mr. SWIDLER. Thank you very much, Chairman Olsen, for the opportunity.

(The prepared statement submitted to the subcommittee by Mr. Swidler follows:)

REPORTING AND PAPERWORK REQUIREMENTS OF THE FEDERAL POWER COMMISSION

GENERAL

The report is presented in this and seven following sections to respond to the seven points of inquiry outlined in your letter of April 28, 1964.

The reports which we require are authorized under appropriate sections of the Federal power and natural gas acts and the information obtained is through report forms approved by the Bureau of the Budget under the Federal Reports Act of 1942.

We do not require any reports by the public in general. The same is true with regard to numerous interagency committees on which the Commission is represented, because all information required for their work is generated from the agencies represented. With the exception of the small units in the two regulated industries, electric power and natural gas, the small businessmen of the Nation are not affected by reporting requirements of the Federal Power Commission. In these two exceptions, reporting is on a limited scale. The vast majority of our paperwork requirements are imposed on the major companies in the electric utility and natural gas industries, the first and sixth largest industries in the Nation.

Our report to you excludes applications, filings, and supporting documents required by the Commission's regulations under the Federal Power and Natural Gas Acts; one-time questionnaires dealing with individual cases or proceedings; and occasional or one-time reports dealing with substantive matters. All repetitive, occasional, or one-time reports which we request of the industries are either authorized under the Federal Power and Natural Gas Acts or are required by the Commission's uniform systems of accounts prescribed by those acts and are cleared with the Bureau of the Budget as required by the Federal Reports Act of 1942.

Our relations with the Bureau of the Budget, particularly with regard to the clearance of report plans and forms, are excellent. Its staff concerned with administration of the Federal Reports Act of 1942 has cooperated fully with us in refining existing report forms and in establishing new ones when needed. We have recently refined our procedures for internal staff coordination and liaison with the Bureau of the Budget, whereby the Chief of our Office of Economics, who has overall responsibility for coordination and control of the Commission's reports and statistics program, plays the key role. Through these improved procedures we hope to develop a more orderly and systematic plan for liaison with other Federal agencies and the Bureau of the Budget.

We now turn to the seven points of inquiry contained in Congressman Olsen's letter of April 28, 1964.

1. The volume of paperwork presently required of the public by departments and agencies of the Federal Government as compared with the volume at the time of the Hoover Commission report in 1955, and the principal reasons for the increases and decreases.

This section deals with repetitive reports from the industry made on forms approved by the Bureau of the Budget under the Federal Reports Act of 1942, as amended, and with records retention requirements of concern to the industries.

The categories of companies that are required to file reports with the Federal Power Commission are the public utilities and licensees, municipal electric utilities, and interstate natural gas pipeline and independent producer companies. The volume of paperwork presently required must be viewed in context of the rapid growth of these industry groups since 1955. During the decade ending December 31, 1962, the privately owned segment of the electric utility industry increased its plant investment about 125 percent, its operating income about 133 percent, and doubled both its sales and operating revenues. The aggregate investment in major hydroelectric licensed projects grew from \$2.4 billion as of June 30, 1955, to \$5.9 billion at present. In the same period, the natural gas pipeline industry increased its plant investment by more than 150 percent, its sales just over 100 percent, its operating revenues 250 percent, and its operating income tripled.

The Commission has not permitted its paperwork to grow with the industry. On the contrary, we have made a determined effort to shorten and expedite administrative proceedings, to reduce paperwork, and to refine our report forms.

New reporting requirements imposed on the industry have been primarily to obtain information vital to effective regulation. Many reporting requirements have been reduced substantially since 1955. As will be shown later in this statement, the volume of paperwork involving reports from the industry for 1963 was 35.9 percent less than for 1955.

We have attached as exhibit A a tabulation which shows at a glance the industry report forms currently in use, number of companies reporting (reports received), time period allowed for preparation of the reports, report volume, and estimated man-hours required by the industry to complete the reports.

As of December 31, 1955, 22 repetitive report forms were in existence, approved under the Federal Reports Act of 1942, the same number as presently in effect. However, they are not the same 22 forms, 8 of the 1955 forms having been eliminated and 8 new forms added.

The following information is furnished to show the repetitive forms in use in 1955 and changes which have occurred since that time:

(a) Forms used in 1955 and still in effect (14 forms):

- 1—Annual report, electric utilities and licensees, classes A and B.
- 2—Annual report, natural gas companies, classes A and B.
- 2-A—Annual report, natural gas companies, classes C and D.
- 3—Typical net monthly bills for residential, commercial, and industrial service.
- 4—Monthly powerplant report.
- 5—Electric utilities monthly statement of operating revenues and income.
- 11—Monthly statement of natural gas companies operating revenues and income.
- 12—Annual power system statement.
- 12-A—Annual power system statement.
- 12-C—Annual report of industrial electric generating capacity.
- 12-D—Annual power system statement.
- 12-E—Monthly power statement.
- 12-F—Annual report of powerline and generating construction data.
- 13—Annual summary for national electric ratebook.

(b) Forms in use in 1955 but since discontinued (eight forms):

- 1-A—Annual report of electric utilities and licensees—Privately owned (class C). (Now in new form 1-F.)
- 1-B—Annual report of electric utilities and licensees—(class D) privately owned. (Now in new form 1-F.)
- 1-C—Annual report of electric utilities and licensees—(class D) publicly owned. (Now in new form 1-M.)
- 1-D—Annual report of licensees using special, condensed accounting rules. (Now in new form 9.)
- 1-E—Annual report of licensees (class I). (Now in new form 9.)
- 4-A—Monthly report of generation of electric energy, consumption and stocks of fuel, multiple plant utilities. (Now in form 4.)
- 4-B—Monthly report of generation of electric energy, consumption and stocks of fuel, single plant utilities. (Now in form 4.)
- 8—Annual report of claimed increases or decreases in licensed project plant accounts. (Now in new form 9.)

(c) New forms developed since 1955 and still in use (eight forms):

- 1-F—Annual report of public utilities and licensees (classes C and D).
- 1-M—Annual report of municipal electric utilities having annual electric revenues of \$250,000 or more.
- 3-A—Annual all-electric home data sheet.
- 3-P—Monthly residential electric bill data for U.S. Bureau of Labor Statistics-Consumer Price Index.
- 9—Licensed project annual report.
- 15—Annual report of natural gas companies gas supply. (Approved March 1964.)
- 301-A—Annual summary of natural gas sales by independent producers under filed FPC gas rate schedules.
- 301-B—Annual report of independent producers selling annually 2 million thousand cubic feet or more gas under filed FPC gas rate schedules.

Of the 22 report forms used in 1955, 11 electric power and 3 natural gas forms remain in effect. Perhaps a few details will illustrate our efforts to keep our reporting requirements to a minimum. Fiscal and operating data on licensed projects were previously contained in a separate section of form 1, "Annual Report, Electric Utilities and Licensees, (Classes A and B)," and later in three other reports (1-D, "Annual Report for Licensees Using Special Condensed Accounting Rules"; 1-E, "Annual Report for Class I Licensees"; and 8, "Report of Claimed Increases and Decreases in Licensed Project Plant Accounts"). These reports were consolidated and are now incorporated in a new and improved form 9, "Licensed Project Annual Report," which is 40 percent less in volume than the three discontinued reports combined.

Information on generating capacity, power production, and fuel consumption previously obtained through the use of FPC forms 4, "Monthly Power Plant Report"; 4-A, "Monthly Report of Generation of Electric Energy Consumption and Stocks of Fuel (Single Plant Utilities)"; and 4-B, "Monthly Report of Industrial Generation of Electric Energy," is now incorporated in an improved form 4.

Data previously reported on form 1-A, "Annual Financial and Statistical Report for Class C Electric Utilities and Licensees," 1-B, "Annual Report for Electric Utilities and Licensees Class D (privately owned)," and 1-C, "Annual Report for Electric Utilities and Licensees, Class D (publicly owned)" are now reported on new forms 1-F, "Annual Report—Public Utilities and Licensees, Classes C and D" and 1-M, "Annual Report—Municipal Electric Utilities (having annual electric revenues of \$250,000 or more)."

Eight new forms have been established since 1955. They are the forms 1-F, 1-M, and nine referred to above, and five others; namely, forms 3-A, 3-P, 15, 301-A, and 301-B. These new reports are necessary to meet new needs. For example, form 3-A, "All-Electric Home Data Sheet," was developed to obtain information on annual bills for all-electric homes in various sections of the Nation as the use of electricity for home heating has become an item of major interest. This report is no burden on the industry which is cooperating in supplying the public with valuable information used in the FPC publication "All-Electric Homes." Form 3-P, "Monthly Residential, Commercial, and Industrial Electric Bill Data for the U.S. Bureau of Labor Statistics" is used to obtain and supply that agency with increasingly important data for the Consumer and Wholesale Price Indexes.

Form 15, "Natural Gas Pipeline Companies—Annual Report of Gas Supply," has been prescribed to provide the Commission with the basis for a continuing review of total gas supply and deliverability. The form was not approved until March of this year and the initial annual report for 1963 is not due until July 1, 1964. Thus, it has been excluded from the paperwork volume analysis we have made, but is included for other purposes. Once supplied with the information called for in this report form, the Commission will be able to expedite processing applications and the granting of certificates of public convenience and necessity, and the companies will be relieved of supplying this information on a case-by-case basis as in the past. The time required by the companies to prepare this initial report will save time in the preparation of future certificate applications requiring proof of deliverability of gas supply over a period of years and these cases can be handled in a more expedited manner.

Form 301-A is the only regular report we receive from all producers of natural gas. It is a simple card form filed annually. Producers selling annually 2 million M c.f. or more of gas file more detailed information using form 301-B.

Although the electric power and natural gas industries continue to expand and we find a continuing need for better information from them, we have been able to maintain our total reporting requirements at the level which existed at the time of the Hoover report in 1955, and the volume of paperwork requirements has been reduced significantly. We have expended considerable time and effort to reduce paperwork in both the substantive and statistical reporting areas and we are again reviewing all of our existing report forms with the objective of eliminating any unnecessary reporting in line with the President's memorandum of March 10, 1964.

Much of the reduction in the paperwork volume between 1955 and 1963 is attributable to actions we have taken to combine report forms calling for the same or similar information. Although somewhat more comprehensive in terms of information required of the electric power and natural gas industries, most of the report forms currently in use have been streamlined and simplified, and the number of copies of reports required has been kept to the minimum con-

sistent with Commission needs. The quality of the reports we receive indicates that the industry has been permitted sufficient time in which to prepare them.

A well-managed business requires up-to-date statistical data in planning and carrying out its operations. The reports which we require of the industries are needed for effective regulation at both the Federal and State levels. The companies, themselves, find them to be of value in appraising their own performance in relation to that of other companies in the two industries. The information which we publish from the reports also satisfies a public need and interest, on the part of the academic community, the general and technical press, and consumer and investor interests. We will continue to search for means for further streamlining and simplifying these requirements.

The increase in the report volume for the natural gas industry has resulted from the establishment of new forms calling for information from producers engaged in the sale of natural gas in interstate commerce. This report volume may, of necessity, continue to increase to the extent necessary to carry out our statutory responsibilities for regulating the sales in interstate commerce by gas producers, an activity that is now being implemented on an area basis.

The following comparisons between 1955 and 1963 reveal some significant trends in reporting requirements and the results we are obtaining from our efforts to reduce paperwork for both the industry and ourselves.

	1955			1963		
	Electric power	Natural gas	Total	Electric power	Natural gas	Total
(a) Report forms in use.....	19	3	22	16	5	1 21
(b) Forms under (a) requiring annual reports.....	14	2	16	12	4	16
(c) Forms under (a) requiring monthly reports.....	5	1	6	4	1	5
(d) Average copies of reports under (a) required ²	2	2	2	2.6	2.3	2.4
(e) Pages in report forms under (a) requiring completion ³	284	135	419	204	150	354
(f) Completed pages received in report forms under (a).....	311	135	446	222	161	383
(g) Days allowed industry to complete reports:						
(1) Annual reports.....	15-120	90	15-120	10-120	90-180	10-180
(2) Monthly reports.....	10-25	30	10-30	10-25	30	10-30
(h) Completed report pages received:						
(1) Total annual and monthly.....	199, 105	12, 403	211, 508	120, 231	15, 380	135, 611
(2) Total annual.....	162, 865	11, 323	174, 188	88, 227	14, 444	102, 671
(3) Total monthly.....	36, 240	1, 080	37, 320	32, 004	936	32, 940
(i) Percent increase or decrease in completed report pages received (1963 versus 1955):						
(1) Total annual and monthly.....	-----	-----	-----	-39.6	+24.0	-35.9
(2) Total annual.....	-----	-----	-----	-45.8	+27.6	-41.0
(3) Total monthly.....	-----	-----	-----	-11.6	-13.3	-11.7

¹ FPC Form 15 excluded since it was not established until March 1964.

² Increase in average number of copies of reports required is attributable primarily to copies of reports containing vital emergency planning data required at relocation points by the Office of Emergency Planning.

³ For 1955, number of pages in 22 reports requiring completion ranged between 1 and 123 pages, with 17 of the 22 reports having 15 or fewer pages; in 1963, the number of pages in 21 reports requiring completion ranged between 1 and 128 pages, with 16 of the 21 reports having 15 or fewer pages. All monthly reports have 3 or fewer pages requiring completion.

The Hoover Commission report devoted considerable attention to the matter of retention of records and contained specific recommendations for alleviating what it considered unnecessary and burdensome record storage requirements. With the continuing rapid growth of both the electric power and natural gas industries, the problem involving the retention and storage of records and statistical reports became a matter for growing concern. In December 1962 the Commission published two booklets "Regulations To Govern the Preservation of Records" for (1) public utilities and licensees, and (2) natural gas companies. These publications comprise the first complete revision by the Commission in 23 years of the regulations for the retention of records by public utilities and licensees and the first issuance, in any detail, governing the retention of records by natural gas companies. The basic drafts for the new regulations evolved

from a cooperative effort of industry committees, the National Association of Railroad and Utility Commissioners, and the Commission staff. The regulations which evolved from this joint effort have saved the companies considerable time and expense which would have otherwise been required to develop a suitable records preservation and disposal program.

Virtually every member of the industries commenting upon the proposed rulemaking relaxing the requirements for the retention of records commended the Federal Power Commission for its action to relieve the companies of the storage burdens previously imposed. Most of the Hoover Commission report recommendations have been adopted in full or modified form, or extended to impose even less a burden on the industries.

One hundred sixty-eight of a total of 349 records retention requirements, including those covered by the Hoover Commission report, have been modified in one way or another. Another 98 of the total requirements have been relaxed to allow the companies to destroy the records after they cease to have operating value. Seventy-nine of the 266 requirements have resulted in relief to the industries from the heavier burdens of records retention in effect in 1955. Types of changes which have brought relief to the industries include the following:

- (a) From permanent retention to a specific period with microfilming authorized.
- (b) From specific retention period to destruction at option of the company.
- (c) From no microfilming to authorization for microfilming.
- (d) From permissive microfilming with specific period to shorter period.
- (e) From specific retention period to shorter retention period.

In updating and modifying our records retention regulations, we have found it necessary to add 50 requirements as a part of the 349 referred to previously. However, very few of these are permanent in character and most of them are consistent with the modified requirements we have adopted. In only five cases has there been a lengthening of the retention period and in only one case is there now a longer period preceding microfilming than was formerly the case.

We shall continue to analyze the requirements for retention of records and reports under our regulations to assure that none are required to be retained any longer than necessary.

2. The effectiveness of the Federal Reports Act of 1942, and the need for legislation which may be required to guard against the growth of unnecessary paperwork in the agency, including records retention requirements.

The Commission collects information and statistical data required in carrying out its regulatory responsibilities under the Federal Power and Natural Gas Acts, and under the Uniform Systems of Accounts for Public Utilities, Licensees and Natural Gas Companies. The respondents are normally persons or companies rather than the general public. The information is generally of the type covered by the Federal Reports Act of 1942.

Whenever information is required of the industry, the Commission issues a notice of proposed rulemaking as provided for in section 4 of the Administrative Procedure Act (5 U.S.C. 1003). Notice is sent to interested persons and is published in the Federal Register, affording all interested parties an opportunity to express their views. Copies of the notice are supplied the Bureau of the Budget. Our staff meets with the responsible officials of the Budget Bureau and its industry advisory groups. We also consult with industry representatives and groups and, when appropriate, with officials of other agencies. Since State regulatory bodies are also concerned on many occasions, we coordinate reporting requirements and other accounting and statistical matters with the National Association of Railroad and Utility Commissioners, whose membership comprises primarily the State commissions. Both the intergovernmental and industry conferences have proved helpful in tailoring requests for information and in designing useful report forms to minimize requirements on the respondents.

Once the staff work is completed and the new or revised report forms are ready for Commission consideration, and the Bureau of the Budget has been consulted, the proposed rulemaking is referred to the Commission for consideration. Following tentative Commission approval, formal request is made to the Bureau of the Budget for approval of the proposed new or revised form. The Commission then acts on the proposed rulemaking which, if approved, is published in the Federal Register. Appropriate press releases further disseminating information as to action taken by the Commission are usually issued.

From our standpoint, administration of the Reports Act by the Bureau of the Budget has been effective and, insofar as our information collection responsibilities are concerned, there does not appear to be any need for amending the act in order to guard against growth of unnecessary paperwork. As our authority to prescribe regulations for the retention of records by the industries is contained in the Federal Power and Natural Gas Acts, no other legislation is considered necessary.

3. The administrative controls which exist in the agency to protect the public from excessive Federal Government paperwork. The success or lack of success of these arrangements in accomplishing this objective, and the reasons therefor.

On February 12, 1964, the Commission ordered significant changes in the reports and statistics program whereby the Chief, Office of Economics, was made responsible for the control and coordination of this program, including reports coordination under the Federal Reports Act of 1942. This reorganization has improved the administrative controls related to industry reporting requirements.

Basic responsibility for the collection, compilation, and preparation for publication of industry data from the electric public utilities and natural gas companies has been assigned to the Bureau of Power and the Bureau of Natural Gas, respectively. The collection, compilation, and preparation for publication of accounting and financial statistics remains the responsibility of the Office of Accounting and Finance. The Office of Economics is also responsible for establishing standards and guidelines and for conducting periodic inventories and continuing reviews and analyses of reports and publications, determining the need for new and improved reports, and serving as the focal point for intra-agency and interagency coordination of the Commission's overall program, including clearance of report forms and plans with the Bureau of the Budget.

Probably the most effective control available to this regulatory agency is its rulemaking procedure which requires that any changes in existing report forms or the development of any new report forms be proposed in the form of a Commission rule. This procedure provides for the development of the proposed rule by the staff, approval by the Commission, coordination with the Bureau of the Budget under the Federal Reports Act of 1942, and publication of the proposal in the Federal Register. Midway in this process, the proposals are coordinated with the industry committees, associations and groups, with State commissions, with the Advisory Council on Federal Reports of the Bureau of the Budget, and in some cases, with sections of the industry itself. Following publication of such a proposal in the Federal Register, comments for improving the proposal are received and evaluated. Frequently, the original proposal is modified to reflect the suggestions made, with the result that benefits accrue to all concerned with the use of the new or revised report form. The Commission must finally order adoption of the new or revised report plan or form. In this way, ultimate control rests with the Commission.

Typical of the Commission's efforts to reduce paperwork requirements is the notice of proposed rulemaking issued under docket No. R-262 on May 19, 1964, which proposes to revise FPC Form No. 11 into a more serviceable form. This proposed rulemaking has as its primary objectives the following:

(a) Reduction from 78 to 35 in the number of natural gas pipeline companies required to complete and submit FPC Form 11, "Monthly Statement of Operating Revenues and Income for Natural Gas Companies (classes A and B)." The reduced number of companies are those that are most frequently involved in Commission actions, and the more numerous smaller companies are relieved of monthly reporting.

(b) Revision of the existing form to include more useful information on gas purchases from producers, production by pipelines, current consumption and prices for gas, revenues, and costs under pending rate increases, and other significant economic and financial data.

Numerous other examples can be cited of actions taken by the Commission to reduce both the administrative and substantive paperwork requirements imposed on the industries. The consolidation of report forms mentioned earlier exemplifies the manner in which we are attempting to reduce and simplify reporting requirements. We should like to mention just a few cases typical of what we have done to reduce paperwork requirements, either by procedural or substantive improvements:

(a) Simplified forms have been developed for small producers in making various types of rate and certificate filings.

(c) Settlement of pending rate cases by natural gas companies has been encouraged to eliminate the expense, delay, and paperwork required in formal hearings.

(c) New procedures for processing independent producer certificate applications have been introduced which have eliminated hearings before the examiners with resultant paperwork reduction and a reduction in the time between filing and issuance of certificates of more than 50 percent.

4. Current agency programs for reducing the paperwork burden on the public and the small businessman, including a description of specific problem areas and suggested solutions.

The Federal Power Commission does not require any reports from the general public and is making continuing efforts to keep to a minimum reports from the smaller licensees, electric utilities, and natural gas companies. Thus, annual reports are not required of municipalities with revenues of less than \$250,000 and the reports from the larger municipalities in the electric power business have recently been simplified and condensed. Similarly, the class C and D investor-owned public utilities and licensees and the class C and D natural gas companies file annual reports which are only about one-tenth as detailed as those provided for by the larger utilities and gas companies.

The thousands of small gas producers subject to FPC regulation file no annual reports at all except a card form giving summary sales information. We have simplified the forms for rate filings by small producers which now consist of a one-page filing.

The further simplification of all reports is a constant objective of the Commission and our newly established Office of Economics has been assigned the task of maintaining constant scrutiny over such reports to insure that we are not securing any information which no longer is necessary in the performance of our regulatory functions and to simplify to the extent possible the techniques of reporting.

5. Estimated cost to the agency for collecting, compiling, processing, publishing, filing, storing, or disposing of forms, records, reports, etc.

The total annual cost to this agency for collecting, processing, publishing, filing, storing, and disposing of repetitive reports and related forms and records required of the electric power and natural gas industries is estimated to be about \$533,000. This figure is based on current experience and known requirements as we approach the beginning of the new fiscal year.

In response to your request in June 1963 for information on statistical activities, we reported 56 man-years engaged in statistical work, at an annual personal services cost of \$360,877, and equipment rental and related costs of \$28,803, or a total of \$389,680. Our present estimate includes an additional 7.2 man-years and \$143,136 to include time spent by personnel engaged in the initial review and analysis of data received from the industries; printing and reproduction costs; the expense of filing, storage, and disposal of records, reports and materials involving statistical activities; and related costs considered to fall within the scope of your present inquiry. The salary increase authorized by the Congress has contributed to the overall increase in our budget for this program. None of these items was included in our report to you a year ago.

The total estimated cost of \$533,000 is broken down as follows:

(a) Personal services costs (includes automatic data processing and drafting activities)-----	\$476,700
(b) Automatic data-processing supplies and equipment-----	13,000
(c) Printing and reproduction costs (includes public use forms, FPC publications, and maps shown in FPC budget estimate for fiscal year 1965)-----	38,800
(d) Statistical press releases (FPC preparation, printing, and reproduction costs)-----	1,500
(e) Filing, storing, and disposal costs, including cost of storage space--	3,000

The total costs to FPC for this activity is 4.5 percent of our total appropriation of \$11,850,000 for the current fiscal year. We have already supplied you with a tabulation showing the formal reports required of the industries and how we have reduced their reporting requirements since 1955. We are attaching hereto as exhibit B a list of the formal publications produced by the Commission.

We issue four annual and two monthly press releases containing statistical data needed by the public. These are issued at a nominal cost.

6. Estimated man-hours required by industry, business, and the public to complete all reports (voluntary and compulsory) sent out by the agency to 10 or more persons.

The total man-hours for this purpose are estimated to be 624,040 annually. A breakdown of the number of hours required to complete these report forms appears on the tabulation which we have already supplied. We believe these estimates are reasonable and indicative of the time spent by the industries in this work. The 624,040 man-hours are distributed through several thousand electric power and natural gas companies, and we estimate that the average amount of time spent by each company in preparing the reports is less than 1 man-week per report.

Of the total estimated 624,040 man-hours required by the industry to complete all repetitive report forms currently in effect, 410,250 man-hours, or two-thirds of the total are estimated to be devoted to the preparation of the following four annual reports:

<i>Form number and title</i>	<i>Man-hours spent preparing</i>
Form 1, annual report of electric utilities and licensees (classes A and B) ¹ -----	85, 000
Form 2, annual report of natural gas pipeline companies (classes A and B) -----	76, 000
Form 12, annual power systems statement (class I and II installations) -----	136, 750
Form 15, annual report of gas supply, natural gas pipeline companies (classes A and B) -----	112, 500

¹ Classes A and B are utilities with operating revenues over \$1,000,000.

The remaining 13 annual and 5 monthly reports consume only a third of the total man-hours estimated for the preparation of all 22 recurring reports currently in effect. Our estimate of the time required to prepare the new FPC form 15 report on gas supply (112,500 man-hours for the initial report due July 1, 1964) takes into consideration the current availability of some of the data. With further regard to this new report form, it is estimated that subsequent annual reports may require as little as 50 percent of the time involved in the preparation of the initial report, once reporting procedures have been established and the companies become familiar with the new reporting requirement.

FPC forms 1 and 2 requiring annual reports from the major electric utilities, licensees and natural gas companies are commonly referred to as coordinated report forms. They meet both Federal and State requirements and are adaptable for use by combination utilities merely by incorporating the appropriate plant, revenue, expense, and statistical schedules. This procedure was worked out jointly with the Accounting Committee of the National Association of Railroad & Utility Commissioners, the Edison Electric Institute, and the American Gas Association. These completed report forms, particularly FPC form 1, satisfy the needs of both the Federal and State regulatory bodies, as well as that of the companies themselves, and the consuming public.

The FPC form 12, the fourth of the major report forms required of the industry, is used to collect engineering data concerning generating stations, energy transfer, load, uses of electric energy, transmission lines, and estimates of future loads for all electric utility systems.

The number of companies filing each report range from 20 for form 2-A, the annual report from the smaller natural gas companies, up to 3,600 companies who submit FPC form 301A, which is a brief annual report summarizing natural gas sales by gas producers under filed FPC gas rate schedules.

The report volume of 135,611 completed pages for 1963 was considerably less than the 211,508 filed in 1955 at the time of the Hoover Commission report.

7. Effectiveness of the agency's internal records management program and recommendations for improvements.

A systematic records management program has been in operation in the Federal Power Commission for several years, in accordance with the Federal Records Act of 1950. Appropriate standing instructions have been issued to the staff, including current records disposal schedules authorized by the General Services Administration.

Following the issuance of records disposal schedules by the General Services Administration on January 1, 1959, covering records generally used by all agencies, this Commission on July 8, 1959, issued disposal schedules for its substantive and administrative records. The Commission has subsequently made 46 individual changes in these schedules to shorten records retention time or to otherwise improve its records management program.

From 1961 through 1963, the Commission has disposed of over 5,700 cubic feet of records, equivalent to over 950 four-drawer filing cabinets. In addition, 3,000 cubic feet of records, the equivalent of another 540 four-drawer filing cabinets, have been transferred to Federal records centers and will be disposed of eventually according to approved schedules.

We have developed a plan to microfilm annual reports of public utilities. This will drastically reduce the records storage space requirements and provide quicker and easier reference to record information. Further improvement is under consideration in our records management program, which provides for permanent retention of official documents only, i.e., applications, decisions, orders, opinions or other documents granting or withdrawing authority, and committing these records to microfilm. We estimate that complete implementation of this proposal will reduce our records volume by about 75 percent.

EXHIBIT A.—Information concerning FPC repetitive report forms currently in use

Form No.	Title of form	Frequency	Companies reporting or systems or projects requiring reports	Days between end of report period and date due in FPC	Estimated annual number of pages (Volume) report forms completed	Estimated annual man-hours required by industry to complete
1-F	Annual report, electric utilities and licensees (classes A and B)	Annual	280	90	30,800	85,000
1-M	Annual report, public utilities and licensees (classes C and D)	do.	24	90	216	680
2	Annual report, municipal electric utilities (having annual electric revenues of \$250,000 or more)	do.	720	90	9,360	24,000
2-A	Annual report, natural gas companies (classes A and B)	do.	78	90	9,984	76,000
3	Annual report, natural gas companies (classes C and D)	do.	20	90	380	1,240
3-A	Typical net monthly bills for residential, commercial, industrial service.	do.	3,217	4 15-20	2,675	2,500
3-P	All-electric home data sheet.	do.	175	4 15-20	875	10,000
4	Residential electric bill data for U.S. Bureau of Labor Statistics Consumer Price Index	Monthly	88	10	284	200
5	Monthly power plant report	do.	2,075	10	24,900	18,380
6	Electric utilities monthly statement of operating revenues and income.	do.	230	25	2,700	9,280
9	Licensed project annual report.	Annual	85	120	1,700	11,320
11	Natural gas companies monthly statement of operating revenues and income.	Monthly	78	30	986	3,040
12	Power system statement	Annual	847	120	27,360	136,730
12-A	do.	do.	1,885	120	9,425	73,400
12-C	Industrial electric generating capacity	do.	1,200	15	1,200	1,200
12-D	Power system statement	do.	96	120	32	1,040
12-E	Monthly power statement	do.	200	15	4,800	17,680
12-F	Powerline and generating station construction data.	Annual	67	31	2,264	25,080
13	Summary for national electric rate book	do.	1,500	10	2,600	112,500
14	Natural gas companies annual report of gas supply.	do.	70	120	3,600	14,000
301-A	Summary of natural gas rates by independent producers under filed FPC gas rate schedules.	do.	3,600	180	3,600	14,000
301-B	Independent producers report for producers selling annually 2,000,000 M c.f. or more under filed FPC gas rate schedules.	do.	240	180	480	6,000
	Total	17 annual, 5 monthly.	(⁵)	(⁶)	135,611	624,040

1 Based on 1963 report year experience.
 2 Additional 30 days allowed without prior FPC approval if certain schedules are submitted by established date.
 3 2 198 companies complete 1 schedule of 1 page, 179 companies complete 3 1-page schedules.
 4 15 days for companies east of Mississippi River, 20 days for those west of Mississippi River.
 5 Every 5th year with start of decade, additional 1,200 systems are reported upon.
 6 Initial report for 1963 due July 1, 1964.
 7 No experience on which to base estimate; may range from 35 pages for some of 44 smaller companies to 1,200 for few of 26 largest companies.
 8 Annual, 20 to 3,600; monthly, 78 to 2,075.
 9 Annual, 10 to 180; monthly, 10 to 30.

EXHIBIT B.—*Formal publications produced by the Federal Power Commission*

Electric publications:	<i>Frequency</i>
Typical electric bills-----	Annual.
All-electric homes, annual bills-----	Do.
National Electric Rate Book (50 States sections)-----	Do.
Electric power statistics: Include production of electric energy and capacity of generating plants in the United States; electric utility system loads; consumption of fuel for production of electric energy; sales of electric energy by class of service.	Monthly.
Steam-electric plant construction costs and annual production expenses.	Annual.
Hydroelectric plant construction costs and annual production expenses.	Do.
Statistics of electric utilities in the United States, privately owned	Do.
Statistics of electric utilities in the United States, publicly owned	Do.
Gas publications:	
Statistics of natural gas companies-----	Do.
Sales by producers of natural gas to gas pipeline companies--	Do.
Natural Gas Rate Book-----	¹ Do.
Rates for gas delivered at city gate of major cities-----	Quarterly.
Other publications: Consumption of fuel—Annual summary-----	Annual.

¹ Scheduled to be released annually.

Mr. OLSEN. Our next witness will be Mr. Stuart Finley of Falls Church, Va.

We welcome you here Mr. Finley. You may proceed, as you wish.

STATEMENT OF STUART FINLEY, FALLS CHURCH, VA.

Mr. FINLEY. Thank you, Mr. Chairman.

I want to thank you for the privilege of presenting this testimony, and would like to congratulate you and your fellow committee members on your interest and determination in combating excessive paperwork in Government.

I operate a very small business. I have one salaried employee, and that is not very many. But because of my firm's small size and what I refer to as my personal fiscal illiteracy, I probably spend more time per employee filling out tax forms than most employers. While this is bothersome to me, I view this matter as one of principle, and the opinions I am going to express are formed on this basis.

I contend that when essential functions are performed in an unnecessarily complicated manner or inefficiently, there are two losers. The employer loses time or employee time and both of these are tantamount to money. The Federal Government spends actual taxpayer dollars performing unproductive work which is also often unnecessary and duplicative.

As you know, an employer must file a Federal depository report (form 450) and make a payment each month if his total withholding tax and social security obligation exceeds \$100. Then, each quarter, the employer must file a form 941 which summarizes this information. Finally, at the end of the year, there are various forms which summarize, reconcile and perform other functions.

In my case, my single salaried employee and myself involve the filing of the following forms every year:

Form 450 (Federal depository receipt).....	12
Form 941 (employer's quarterly Federal tax return).....	4
Form W-2 (withholding tax statement).....	1
Form W-3 (reconciliation of income taxes withheld from wages).....	1
Form 1040 (U.S. individual income tax return).....	1
Form 1040-B (supplemental schedule of income and credits).....	1
Form 1040-C (profit or loss from business or profession).....	1
Form 1040—Schedule C-3 (computation of social security self-employment tax).....	1
Form 1040-D (gains and losses from sales or exchanges of property).....	1
Form 2950-SE (self-employed retirement deduction).....	1
Form 3468 (computation of investment credit).....	1
Form 1040-ES (declaration of estimated income tax).....	4

Now, in case you think this is all quite routine, I wish to recall a recent episode in which the IRS addressed me on form 1331 and 2-355 and I had to respond to them on form 941-C. This all came about because I happen to pay my employee in advance instead of in arrears. This puzzled my IRS agent and he sent me a refund check. Knowing that I was not entitled to the check, I wrote him an explanation and sent the check back. He returned it and insisted that I cash it. Before we had finished, we had exchanged several long and confusing letters and I had to apply to rebate the rebate which I hadn't wanted in the first place. In trying to prevent a recurrence of this, the IRS instructed me to pay my man in arrears. I refused to do this pointing out that he might get hungry during a 2-month period without a paycheck and, furthermore, it was none of IRS's business how I paid him. Finally, we compromised and I listed 13 month's salary on my last year's tax return and plan to list from February through January each year in the future. When I showed this correspondence to my CPA, he just looked sad and commented that IRS wasn't going to like this either.

Notice that in my list of tax form reports I am not including Virginia forms 760, Virginia-5, Virginia-2, Virginia-6, Virginia-1099, or Virginia-760-ES. Disregarding these State forms and an assortment of county forms, I am required to fill out a total of 29 Federal tax reporting forms. Unlike some people, I do not enjoy filling out tax forms. Accordingly, I have at various times written letters to the Internal Revenue Service suggesting that we diminish some of this paperwork. As of this moment, they seem somewhat unconvinced.

Incidentally, the very small employer is at a decided disadvantage. He has no staff bookkeeper. Usually, he keeps his own books with the monthly or annual help of a professional bookkeeper or CPA. Thus, he is in quite a different position from the larger firm which has a professional available who understands this kind of thing and does his work quickly or the very large firm which uses data processing machines quite efficiently.

For the sake of simplicity, I restrict myself to the consideration of form 450 and form 941. Please do not interpret this to mean that I endorse forms W-2, W-3, 1040, 1040-B, 1040-C, 1040-C-3, 1040-D, 2950-SE, 3468, and 1040-ES. I hope we can take these up sometime later.

With my method of bookkeeping, it requires 144 operations to fill out the 12 Federal depository receipt forms which I must file each year. The four quarterly 941 forms involve over a hundred individual entries. I maintain we don't need both systems.

The Treasury Department has been kind enough to supply me with some views on this and other matters. It seems that the Congress established the Federal depository receipts system of paying monthly for a very real purpose. They did it to keep up with fly-by-night business operators who might use withholding capital for operational purposes and then go broke before paying their taxes. Thus, IRS does not want to abandon the Federal depository receipt system for this reason and several others, some of which are rooted in procedures which might be modified.

In an effort to be realistic, I am only making recommendations to you which I believe to be practical within my limited knowledge of the situation. Since the complete abandonment of the Federal depository receipt system seems to be beyond reach, the next consideration is a reevaluation of the exemptions which are permitted under this system.

In this connection, let me give you some statistics which have been provided by a very cooperative Treasury Department official.

A survey in the second quarter of 1962 reveals that there were a total of 3,700,000 employers who filed a form 941.

Of these 1,660,000 had a quarterly obligation of \$1 to \$300. Employers in this group would have had to file a form 450 only if \$100 or more of their obligation had occurred during a single month. There were 70,000 employers in this group who did file a 450 once or more often.

There were 902,000 employers who had a quarterly obligation of \$300 to \$1,000; 437,000 of these did not file a 450 and thus were either housewives or tax deviates. This leaves 465,000 employers in this category who were required to fill out the 450 form.

Thus, a total of 535,000 employers with a total obligation of \$1,000 a quarter or less filled out the monthly form 450. And, it is possible that several hundred thousand others are simply not conforming to this responsibility. Furthermore, there may be a great many farmers in this same situation with respect to their comparable reporting obligation on form 943.

Based on this information, I make a simple and, I believe, practical proposal. I suggest that the minimum obligation requirement be raised from \$100 a month to \$1,000 a quarter. You will notice that I switched from a monthly requirement to a quarterly requirement in the interest of simplicity. This approximately triples the allowable amount of obligation required to compel an employer to fill out a form 450 and releases at least 535,000 employers from a vast amount of paperwork.

Let's see what harm this does. It is my belief that it does not seriously impair the capability of the IRS to keep up with the fly-by-night operator. It does not significantly complicate the posting of social security credits in the sense that I understand there is current consideration of switching this to a quarterly or annual basis anyhow. And, to the best of my knowledge, it does not seriously impact IRS in any other manner except, perhaps, to throw some clerical employees out of work.

What is the composition of this group of 535,000 employers? To derive this, let us consider a \$100-a-week employee with three dependents as our base. He amasses an obligation of \$211.25 per quarter. Thus, for an employer to fall under the \$1,000 minimum, he must have four or less such employees. It is my belief that employers of this nature are largely operators of filling stations, restaurants, barber-shops, etc. The fly-by-night operator in the construction trades or in New York's garment district which the IRS is so concerned about certainly has a bigger base than this. If he does not, his impact on the Federal Treasury must be quite infinitesimal. Furthermore, how many of these small operators have actually been made to conform and pay up as a result of the monthly filing system alone? This, again, is a matter of balance in the public interest. Should we penalize half a million honest small businessmen to collect a relatively small amount from a very few irresponsible operators?

On the positive side, by suggestion to increase the minimum to a \$1,000 a quarter release approximately 535,000 employers from the obligation of filing a form 450 every month. This amounts to a total of 6,420,000 forms which need not be printed, distributed, filled out, mailed back, processed and, when erroneously filled out, corrected through intricate correspondence. The saving in postage alone (Government and employers) amounts to \$642,000 a year. In my case, I do this function in 12 separate operations per month. If this is average, this procedure will delete 77 million separate operations on the part of these employers. I think the employers will be pleased.

You will notice that by eliminating these 535,000 employers from the responsibility of filing form 450, they are no longer obligated to file form 941-A which recapitulates this information. Since there are 20 separate items to be filled in on form 941-A per employee, assuming that these employers have an average of 2 employees and must file 4 times a year, our 535,000 employers are relieved of making 95,600,000 separate entries.

Do not construe anything I may have said here to indicate that it is acceptable for the larger firms to be required to fill out form 941-A. While I have no direct knowledge of this, I would think it would be quite a tedious assignment to require an employer of 1,000 persons to fill out such a long recapitulation of already recorded information. Personally, I think form 941-A should be completely abandoned. If the IRS insists that it is necessary, I think it would be within the purview of this committee to demand precise and documented details on how many tax evaders were trapped by the use of this form, how much additional revenue was brought in, how much the investigative work cost, and how much it cost to administer form 941-A, and what the net profit was.

If the net profit was not in the order of many millions of dollars, I would think it would be justifiable to abandon 941-A and seek some more ingenious and efficient method.

While this plan I have just discussed seems the most practical, it is not the only one I investigated. First, I simply suggested doing away with the Federal Depository System. IRS (and probably Congress) might not agree to this because the system was adopted for a reason which I must assume was valid. Next, I offered to prepay my entire year's obligation on January 1 or prepay quarterly. IRS would

oppose this on the ground that it would establish a "dual track system" and such a system is uneconomic if the newly established alternative is not elected by a substantial portion of the total group being processed. There are also other lesser objections. However, if my proposal to raise the minimum to \$1,000 a quarter is rejected for some reason, I would like to dig further into this angle in the hope that it might turn out to be productive.

Briefly, let me introduce two other problems which relate to the small employer. The depository receipt must be in the mail by the 15th of the month after the month covered. This means that the small employer who employs a consultant-bookkeeper must have the bookkeeper show up after the 1st of the month but before the 15th. Accordingly, these bookkeepers work feverishly for the first 15 days of every month and then twiddle their thumbs for the last 15 days. I suggest that the period be extended to the first of the next month to permit bookkeepers to set up a reasonable schedule and thus be able to service small employers more economically and satisfactorily. Similarly, Federal income tax returns must be in by April 15 despite the fact that Uncle Sam has all the money in hand. My CPA recently related to me that an acquaintance of his recently went down his list of clients and served notice on all of them which did not require regular monthly service that they were being cut adrift because the workload in the February-through-April period was excessive. The implication was clear that my CPA is planning to unload me. If he does and I can't get someone else, the IRS is going to get much less professional looking tax returns from me in the future. I suggest that the April 15 date be substantially lengthened or that some more liberal arrangement for the convenience of CPA's be set up.

In conclusion, I would like to make the personal observation that America's "apparent tax load" is really a composite of three separate factors:

- (1) The actual economic tax burden;
- (2) The additional real cost of tax data administration by the taxpayer;
- (3) The imaginary burden caused by harassment or inconvenience.

The total of these three factors determines when an "apparent tax load" is bordering on the unbearable. It behooves the Federal Government to diminish the "apparent tax load" without diminishing income. Indeed, this produces some additional potential income. Obviously, this objective can only be achieved by reducing the latter two factors. They are related. Tax data administration costs being reduced tend to reduce harassment and the whole cumulative process is in the Federal interest.

Above all, we should not allow the 3 percent of the taxpayers who are guilty of fraud, deceit, or laziness to involve the 97 percent who are honest, prompt, and accurate in a Sargasso Sea of paperwork designed as a gigantic defense mechanism. It is my view that the increasing proliferation of paperwork is largely a state of mind on the part of those whose occupation is paper and whose responsibility involves accurate reporting and financial responsibility.

I wish to thank the committee and Chairman Arnold Olsen for the efforts it is making in this worthwhile cause. I am afraid that the Americans who will benefit from these efforts will never know exactly

who has been championing their cause. But, while it is essentially a thankless task, there will be certain rewards. For instance, if you can manage to increase the minimum figure for filing form 450 to \$1,000 a quarter, there will be half a million happy taxpayers. And, a happy taxpayer is hard to find. You can take certain pride in the fact that you found a half million of them.

Mr. OLSEN. Thank you very much, Mr. Finley. We appreciate very much your coming here and telling us about the reporting difficulties of the small businessman. I think that you have made the most comprehensive statement in that regard, though we have heard from others who have the same view as yours.

I like your statement for its specifics. Very often we just have generalized discussions. Specific examples are very valuable.

You refer to IRS form 941-A, Quarterly Employers Report. I want you to know that we fully expect to see this report made once a year only, and will introduce legislation for this purpose, if necessary. It is our understanding now that it is necessary for the social security records, but that annually would be sufficient. Some of the States depend on form 941-A for information in providing unemployment compensation, but we find that those States actually refer back to the employer anyway, if an employee or a former employee applies for unemployment compensation, so we finally come full circle, that form 941-A should not be required more than once a year.

I hope that you can stay here later this morning. We are going to hear from the Bureau of the Budget, and have quite a discussion with them, particularly about form 941-A. We understand if that form were only once a year, the taxpayers would be saved a total of \$50 million a year.

We will proceed with our next witness for the Bureau of the Budget, Dr. Raymond T. Bowman, Assistant Director for Statistical Standards, and Mr. Walter F. Ryan, Deputy Chief, Office of Statistical Standards.

Do you have a prepared statement, Doctor?

STATEMENT OF DR. RAYMOND T. BOWMAN AND WALTER F. RYAN, ASSISTANT DIRECTOR FOR STATISTICAL STANDARDS AND DEPUTY CHIEF, OFFICE OF STATISTICAL STANDARDS, RESPECTIVELY

Dr. BOWMAN. The prepared statement was put in the record last time, and we are at your disposal at this time for questioning. We don't believe we completed the statement, but it is in the record anyway, so I don't think it is necessary that we finish the reading of the statement, unless you prefer that we do.

Mr. OLSEN. I would prefer to proceed with the questioning.

Mr. RYAN. We did promise you in our statement that we would report to you the results of the first phase of the current review of reporting requirements. This report, as of June 1, has become available, and we have analyzed it. I would like to present the results for your information.

Mr. OLSEN. Without objection, we will make it part of the record at this point.

(The information follows:)

EXECUTIVE OFFICE OF THE PRESIDENT,
BUREAU OF THE BUDGET,
Washington, D.C., June 24, 1964.

ELIMINATION AND SIMPLIFICATION OF REPORTS TO THE GOVERNMENT

In response to the President's March 10, 1964, memorandum, Federal agencies, as of June 1, have eliminated or simplified 304 repetitive reports required of the public. These actions will reduce the annual responses required by 1,834,000. There were 135 forms involving 1,032,000 responses completely eliminated. Simplification of 169 forms resulted in reductions in reporting equivalent to the elimination of 802,000 annual responses.

During this same period, March 10 to June 1, however, 74 new repetitive public reports were started, involving 211,000 responses per year. In net terms, then, 230 reports were either discontinued or simplified, representing a net reduction in annual responses of 1,623,000. The efforts to effect further reductions will continue.

The attached lists provide the details of the action taken through June 1, in response to the President's memorandum.

OFFICE OF STATISTICAL STANDARDS.

List of reports discontinued to June 1, 1964, under President's Mar. 10, 1964, memorandum, "Simplification or Elimination of Reports to the Government"

Agency	Budget Bureau or agency No. ¹	Title	Type ²	Annual number of responses ³
FAA-----	04-R085-----	Questions Asked by Civil Air Surgeon of Pilots Involved in Aircraft Accidents.	B	5,000
FHLBB-----	09-R011-----	Monthly Report of Selected Insured Savings and Loan Associations on Selected Financial Items.	C	2,568
Department of Defense.	22-R129-----	Production Scheduling of Selected Materials.	A	6
	45-R206-----	Report of Delivery Status.	B	200
	45-R316-----	Contract on Order Shipping Data.	B	150
		Total, 3 forms-----		356
Selective Service.	(TSS-80-3 Tenn.)	Employer Report for Critical Skills Program.	B	2,000
	(Tex. SHFM 26)	Report of Openings for Conscientious Objectors.	B	200
	(108)	College Qualification Test Score Report.	B	50,000
	(Ill. 13-1)	Critical Skills Individual Appeals Record.	B	100
	Total, 4 forms-----		52,300	
Atomic Energy Commission.	38-R044-----	Bonus for Initial Production of Uranium Ores for Domestic Mines.	E	2,000
	38-R075-----	Radioisotope Research Support Program.	F	20
	38-R098-----	Uranium Prospecting Permits and Mining Leases on Lands Administered by Federal Agencies Without Authority To Lease Such Lands.	E	100
	38-R122-----	Preliminary Request for Irradiation Services.	B	5,000
	38-R123-----	Irradiation Services Purchase Order.	B	5,000
	38-R139-----	Former Employee's Statement in Subsequent Business Dealings With AEC.	B	35
	Total, 6 forms-----		12,155	
Civil Aeronautics Board.	39-R069-----	Airport to Airport Airline Traffic Report Selected Domestic Route Segments.	C	132
	39-()-----	Report Re Free Transportation of Tour Conductors.		64
	39-(509)-----	Report of On-Time Departure Data: Flint and Grand Rapids, Mich.		12
	39-()-----	Report of Enplaned and Deplaned Passenger Data: United Airlines at Toledo, Ohio.		12
	39-()-----	Report by Certificated Route Carriers of Family Plan Statistics.		56
	39-()-----	Report on Traffic at Oakland, Calif.		78
	39-()-----	Report on Traffic at Waco, Tex.		12
	Total, 7 forms-----		366	

See footnotes at end of table, p. 735.

List of reports discontinued to June 1, 1964, under President's Mar. 10, 1964, memorandum, "Simplification or Elimination of Reports to the Government"—Continued

Agency	Budget Bureau or agency No. ¹	Title	Type ²	Annual number of responses ³
Department of Agriculture.	40-R1963	Operating Budget (REA Cooperatives Buying TVA Power).	B	55
	40-R2498	Forest Tree Nursery Inquiry	C	110
	40-R435	Request for Cotton Price Quotations and Market Information.	C	(4)
	40-R2099	Report of Poultry Tests	B	3
	40-R2615	Report and Penalty Receipt for Wheat not Marked by Marketing Card Certificate or Intermediate Buyer's Record.	B	5,000
	40-R2616	Wheat Marketing Certificate	B	10,000
	40-R2617	Intermediate Buyer's Record and Report	B	25,099
	40-R2770	Mainland Sugar Production and Marketing Report.	B	48
	40-R2879	Credit and Financial Situation—Grade A Dairy Operators—Wisconsin.	C	200
	40-R3058	Tabulation of Low Bid for General Contract	B	450
	40-R3158	Production Labor Costs	C	150
	40-R3163	Application for Classification of U.S. Performance Tested Parent Stock.	A	45
	40-R3243	Inspection of Manufacturing and Use of Cotton Bagging for Cotton Bales.	B	15
	40-R3263	Grain Storage and Handling Costs in Commercial Warehouses.	C	45
	40-R3299	Schedule I—Retail Store Audit Study of Superconcentrated Apple and Grape Juices.	C	270
	40-R3322	Rural Areas Development Survey	B	1,880
		Total, 16 forms		43,271
Department of Commerce.	41-R1778	Construction Machinery and Equipment	C	350
	41-R2200	Postal Card Effectiveness of Trade Opportunity Program.	C	450
	41-R2184	Recruitment Questionnaire	C	2,000
	41-R1936	Oregon Wind and Hail Damage Report	C	(4)
	41-R2179	Hail Reporting Form	C	1,000
	41-R327	Annual Foreign Bond Amortization and Interest Service Questionnaire.	C	35
	41-R1222	Employment Status of Migrants	C	40,000
	41-R2123	Quarterly Household Survey-Control Card	C	16,000
	41-R2130	Survey of Residential Alterations and Repairs, etc.	C	12,000
	41-R1831	Current Trade, Interview Form, etc	C	500
	41-R3183	National Travel Survey, Intensive Screening Card.	C	12,000
	41-R2191	Survey of Local Government Finances (County Agencies).	C	300
	41-R2135	Survey of Permits Issued for Bomb and Fall-out Shelters.	C	4,200
		Total, 13 forms		88,835
Department of Interior.	42-R325	Report of Operations by Holders of Permits for Scientific Experimental Waterfowl Breeding.	B	300
	42-R359	Sundry Notices and Reports on Wells by Lessees and Operators on Indian-Land Oil and Gas Leases.	B	4,500
	42-R428	Annual Records on State Outdoor Recreation Areas for Research and Planning Purposes.	C	300
	42-R510	Irrigation and Crop Results From Lands Under Water-Service Contracts.	B	(5)
	42-R519	Status of Irrigable Lands	B	(5)
	42-R981	Application for Power by Distributors in Southeast States.	A	500
	42-R1174	Annual Survey of Waterfowl Hunting on Different Types of Ownership.	C	15,000
	42-R1201	Weekly survey of Crude Oil Stocks at Refineries, Tank Farms, Terminals, and on Leases.	C	3,500
	42-R1234	Sundry Notices and Reports on Wells by Lessees and Operators on Outer Continental Shelf Mineral Leases.	B	100
	42-R1235	Completion Report and Log of Oil or Gas Wells by Lessees and Operators on Outer Continental Shelf Mineral Leases.	B	100
42-R1242	Ground-Water Pumpage Data Obtained From Individuals, Industries and Municipalities.	B	100	
42-R1388	Quarterly Stocks, Production, and Shipments of High-Purity Silicon by Makers.	C	36	

See footnotes at end of table, p. 735.

List of reports discontinued to June 1, 1964, under President's Mar. 10, 1964, memorandum, "Simplification or Elimination of Reports to the Government"—Continued

Agency	Budget Bureau or agency No. ¹	Title	Type ²	Annual number of responses ³	
Department of Interior—Con.	42-R1401.....	Flathead Lake Survey of Past Season Results.	C	40,000	
	42-R1415.....	Fishing Log to be Kept by Salt-Water Sport Fishermen.	C	900	
	42-R ().....	Commercial Fishers' Outlook.....		48	
	42-R (3-279).....	Application for Possession of Waterfowl.....		250	
	42-R (3-1387).....	Application for Special Use of Wildlife Refuge.		475	
		Total, 17 forms.....		66,099	
Department of Justice.	43-R292.....	Annual Report on Staff Employed in Correctional Institutions for Adults.	C	200	
Department of Labor.	44-R447.....	Application To Employ Learners at Wage Less Than Minimum—Independent Telephone Industry.	A	100	
	44-R886.....	Employees First Notice to Employer of Accident or Occupational Disease—Injured Longshoreman.	B	13,500	
	44-R1028.....	Request for Names of Parties To Work Stoppages on Construction Projects.	C	15	
	44-R1054 ⁶	Vehicle Inspection and Arrival Reports.....	B	11,100	
	44-R1072.....	Survey of Highway Construction Wage Rates.	B	50	
	44-R1096 ⁶	Identification Card of Mexican Agricultural Workers in Transit.	A	180,000	
	44-R1109 ⁶	Mexican Workers Complaint Form.....	B	1,100	
	44-R1121 ⁶	Day-Haul Drivers Report, Worksheet—Farmer-worker Placement Program.	B	48,000	
	44-R1147 ⁶	Food Service Profit-and-Loss Statement.....	B	6,400	
	44-R1188, 1205.....	Area Redevelopment and Manpower Development Training Selection and Placement Activities.	B	17,780	
	44-R1195.....	Report of On-the-Job Training of Sheltered Workshop Clients in Commercial Industry.	B	60	
	44-R1212.....	Employee Earnings in Selected Manufacturing Industries (Walsh-Healy Impact Survey).	C	800	
	44-R1223.....	Report of Sheltered Workshop Wage Adjustments Under \$1.25 Minimum.	B	650	
	(ES-344) ⁶	Local Office Authorization To Use Foreign Workers.		25,000	
	(ES-354A) ⁶	Notice of Employment of Foreign Workers.....		1,000	
	(ES-354B) ⁶	Notice of Termination of Foreign Workers.....		1,000	
	(ES-346) ⁶	Employer Assignment Manifest of Mexican Agricultural Workers.		25,000	
	(ES-356) ⁶	Daily and Monthly Progress Reports of Migratory Stations.		1,136	
	(ES-360) ⁶	Authorization To Contract Mexican National Workers, and Extension Agreement.		2,000	
	(ES-374) ⁶	Individual Work Contract.....		264,000	
			Total, 23 forms.....		598,691
	Civil Service Commission.	50-R 242.....	Qualifications Inquiry—Historian.....	B	100
		50-R 239.....	Qualifications Inquiry—Ocean Transportation.	B	(³)
50-R 306.....		Qualifications Inquiry—Military Research Specialist.	B	(³)	
50-R 314.....		Annual Survey of Engineer and Science Graduates.	B	300	
50-R 315.....		Qualifications Inquiry—Construction Inspectors.	B	50	
50-R ().....		Minimum National Emergency Manpower Needs.		60	
50-R (2M-5).....		Designated Federal Medical Examiners.....		NA	
(AT-I-210).....		Preliminary Report Under Executive Order 10450.		25	
(AT-I-229).....		Information on Employment Status.....		75	
(AT-I-245).....		Clarification of Answers on Vouchers.....		75	
		Total, 10 forms.....		685	

See footnotes at end of table, p. 735.

List of reports discontinued to June 1, 1964, under President's Mar. 10, 1964, memorandum, "Simplification or Elimination of Reports to the Government"—Continued

Agency	Budget Bureau or agency No. ¹	Title	Type ²	Annual number of responses ³
FCC-----	52-R 030-----	Application for Standard Broadcast Station Special Service.	A	3
	52-R 149-----	Report of Conelrad Telephone Line Check.	B	1,000
	52-R 151-----	Station Report on Emergency Broadcast System Service.	B	3,700
	52-R 163-----	Conelrad Alerting Information—Broadcasters Report.	B	77,000
	52-R 164-----	Conelrad Alerting Information Req. Supervisor Report.	B	2,000
	52-R 169-----	Attachment to Resubmittal Application.	A	25,000
		Total, 6 forms-----		108,703
Department of Treasury.	(843 silver)-----	Claims for Abatement.		2,400
ICC-----	60-R005-----	Notice to Interested Parties That Application for Certificate or Permit as Common Carrier by Water Has Been Filed.	B	49
	60-R010-----	Notice to Interested Parties That Application for Permit as Freight Forwarder Has Been Filed.	B	21
	60-R070-----	Notice to Interested Parties of Filing of Motor Carrier's Application for Certificate or Permit.	B	4,897
	60-R311-----	Report of Mechanical Failures (motor Carriers of Property).	B	50
		Total, 4 forms-----		5,017
HHFA-----	63-R861-----	Referral and Response Form on Assistance Application.	C	2,400
	63-R869-----	Form Letter to Builders Who Request Assistance.	B	250
	63-R870-----	Form Letter to Accompany Builder's Statement.	B	500
	63-R()-----	Mortgage Servicing Activity Report.		1,104
	63-R()-----	Financial Representatives Monthly Report.		1,104
	(FHA 2540)-----	Mortgage Collection, Servicing, and Sale.		400
	(FHA ())-----	Conversion of Commitment or Change of Borrower.		4,004
	Total, 7 forms-----		9,762	
Railroad Retirement Board.	70-R004-----	Railroad Report of Employee's Compensation for Service, 1924-31.	B	100
	70-R005-----	Railroad Report of Supplemental Information Regarding Employee's Occupation, 1918-36.	B	100
	70-R174-----	Statement by Widow of Remarriage and Acknowledgment of Ineligibility for Benefits at Age 60.	B	50
	70-R240-----	Report of Previous Year Employment by Applicant for Benefits.	B	2,500
	70-R297-----	Certification by Claimant (for Railroad Unemployment Insurance Benefits) Regarding Employment Refused or Quit.	B	15,000
		Total, 5 forms-----		17,750
TVA-----	74-R 069-----	Questionnaire Relating to Fertilizer Dealer Programs.	C	300
Veterans Administration.	76-R 333-----	Information on Hearing Aid Batteries.	B	250
	76-R 460-----	Report on Cost of Selected Food Items.	C	340
		Total, 2 forms-----		590
NSF-----	99-R 155-----	Notification of Teaching for Pay While on Tenure.	B	346
	99-R 195-----	Status of Projects (Science Teaching Equipment Development Program).	B	130
		Total, 2 forms-----		476

See footnotes at end of table, p. 735.

List of reports discontinued to June 1, 1964, under President's Mar. 10, 1964, memorandum, "Simplification or Elimination of Reports to the Government"—Continued

Agency	Budget Bureau or agency No. ¹	Title	Type ²	Annual number of responses ³
Small Business Administration.	100-R 020.....	SBA Credit Report.....	B	4,000
NASA.....	104-R 015.....	Supplement to SF-57 (Employment Application).	B	2,000
	104-R 018.....	Job Applicant Interview Record.....	B	10,000
	(GSFC 18-38).....	Contractor Final Cost Report (Goddard Space Flight Center).		1,000
		Total, 3 forms.....		13,000
Smithsonian Institution.	105-R 005.....	Request for Information Regarding Preparation of Handbook of Marine Biology.	C	300

¹ Forms reviewed under Federal Reports Act identified by Budget Bureau number; e.g., 04-R 016, 079, etc.; the agency code (in this example 04-R) being shown only for the 1st entry for the agency. Forms not so reviewed identified by agency number shown in ().

² Type of forms shown only for those reviewed under Federal Reports Act as follows:

A. Application or registration: Any form used in applying for materials, grants, loans, licenses, or privileges. Registrations, birth and death certificates, and customs declarations are included.

B. Other administrative forms: All other forms used to apply a Federal law or regulation to an individual or firm; and forms used in administering a program.

C. Statistical forms: Forms used to collect data which, when compiled, will provide information about a group of respondents for policymaking purposes or for other general-purpose uses.

E. Recordkeeping requirements: Any regulation, order, or system of accounts or classification which specifies records that individuals or firms affected must keep.

F. Reporting requirements: Any regulation, order, etc., containing a requirement that the individuals or firms affected make reports containing specified information.

G. Contracts: Agreements entered into by the sponsoring agency with a second party which call for obtaining information from the public.

³ Number of respondents times the number of responses made each year.

⁴ Minor.

⁵ Not available.

⁶ These reports pertain to Public Law 78 which expires December 31, 1964. Reports are gradually being phased out under this program.

List of reports simplified to June 1, 1964, under President's Mar. 10, 1964, memorandum, "Simplification or Elimination of Reports to the Government"

Agency	Budget Bureau or agency No. ¹	Title	Type ²	Annual number of responses ³	Equivalent reduction ⁴
FAA.....	04-R001...	Notice of Proposed Construction or Alteration of Structures Affecting Navigable Airspace.	E	10,000	1,000
	04-R002...	Application for Appointment as Aviation Medical Examiner.	A	3,000	210
	04-R056...	Monthly Report of Controlled Materials, etc.	B	156	23
	04-R073...	Application for Certificate of Waiver for Air Meet.	B	400	40
	04-R084...	Certificate and Lawful Authority to Operate a True Light.	B	1,000	500
	04-R118...	Reappointment as Aviation Medical Examiner.	A	6,000	2,000
	04-R122...	General Aviation Survey.....	C	3,471	1,735
		Total, 7 forms.....		24,027	5,508
Department of Defense.	45-R280...	Supplement to Application for Admission to Nursing School.	B	2,500	500
	45-R289...	Report of Parts Replaced at Overhaul.	B	800	200
	49-R374...	Estimated Cost Date Sheet.....	B	5,000	2,500
	120-R038...	Confidential Employment Inquiry..	B	500	200
	Total, 4 forms.....		8,800	3,400	

See footnotes at end of table, p. 740.

List of reports simplified to June 1, 1964, under President's Mar. 10, 1964, memorandum, "Simplification or Elimination of Reports to the Government"—Continued

Agency	Budget Bureau or agency No. 1	Title	Type 2	Annual number of responses 3	Equivalent reduction 4
Selective Service	33-R099	Selective Service System Registration Card.	A	1,500,000	(5)
	33-R124	Certificate of Student Enrollment.	B	2,000,000	500,000
	33-R134	FM(i) (Colorado) Request for Agricultural Deferment.	B	9,375	375
	33-R135	Michigan FM-2, Request for Occupational Deferment.	B	29,000	5,100
	33-R136	Pennsylvania, SSSP-988 and SSSP-989, Apprentice Training Program Information.	B	4,500	500
	33-R138	Florida, 105, Report on Registrant in Institution.	B	25,000	2,500
	33-R139	Indiana, SSS-10, Report on Conscientious Objector.	B	6,235	2,235
	33-R140	Kentucky, 16, Information for Deferment as a Minister.	B	14,100	1,600
	33-R196	Minnesota, FM-74, Armed Forces Enlistment Statement.	B	3,000	500
			Total, 9 forms-----		3,591,210
Department of Agriculture.	40-R437	Request for Cotton Price Quotations and Market Information.	C	1,800	180
	40-R3097	Progress Report—Cooperative Forest Management.	B	100	50
	40-R047	June Livestock Survey-----	C	172,000	51,000
	40-R2644	Combined Crop Insurance Acreage Report.	B	5,500	550
	40-R2929	Endorsements to FCI Register-----	F	750	(5)
	40-R123	Fall Acreage Survey-----	C	213,433	4,268
	40-R302	Potato and Sweetpotato Inquiries-----	C	14,038	2,800
	40-R132	Peanut Inquiries (April and November).	C	3,315	265
	40-R134	December Livestock Survey-----	C	184,000	54,000
	40-R1491	Survey of Wheat, Barley, and Sorghum Growing Practices.	C	31,056	4,660
	40-R3074	Application for Inspection Services on Poultry Products not Frozen in Official Plants.	A	200	150
	40-R3186	REA, Central Office Equipment, Acceptance Test Results.	B	150	(5)
	40-R1809	Report on Receipts of Poles Cut From Timber.	C	21	4
	40-R3087	Fresh Pork Survey-----	C	240	36
	40-R3173	Beef Operations Survey-----	C	280	42
	40-R3261	Pork Operations Survey-----	C	60	30
	40-R3308	Annual Survey of Farm Coops-----	C	1,200	180
	40-R149	Survey to Identify Farm Cooperative Enterprises.	C	500	(5)
		Total, 18 forms-----		628,643	118,215
Department of Commerce.	41-R1201	Current Population Control Card.	C	52,500	2,600
	41-R1202	Current Population Survey—Basic Form.	C	420,000	21,000
	41-R1204	Individual Census Report-----	C	4,000	200
	41-R1206	Special Dwelling List Sheet-----	C	500	25
	41-R1213	Current Population Survey (May 1964) Survey of Hours Worked.	C	35,000	1,750
	41-R1706	Fosdic Schedule, Housing Vacancy Survey.	C	42,000	2,100
	41-R1922	Survey of Consumer Buying-----	C	64,000	3,200
	41-R1355	Monthly Survey of Iron and Steel Foundries, etc.	C	13,000	43
	41-R2144	Survey of Housing Starts and Housing Sales.	C	12,000	600
	41-R1073	Revision in Export Licensing Procedures—Projects.	A	400	150
		Total, 10 forms-----		643,400	31,668

See footnotes at end of table, p. 740.

List of reports simplified to June 1, 1964, under President's Mar. 10, 1964, memorandum, "Simplification or Elimination of Reports to the Government"—Continued

Agency	Budget Bureau or agency No. ¹	Title	Type ²	Annual number of responses ³	Equivalent reduction ⁴
Department of Interior.	42-R054...	Monthly Report of Crude Petroleum Movements by Pipelines.	C	1,980	1,485
	42-R041...	Monthly Stocks, Production and Deliveries of Aviation Gas by Refineries.	C	840	805
	42-R019...	Monthly Tanker and Barge Shipments of Crude Petroleum and products from District III by Oil companies.	C	13,200	12,780
	42-R083...	Injuries and Employment in Non-ferrous Smelters, Refineries, and Reduction Plants.	C	150	45
	42-R090...	Injuries and Employment in Quarries and Mills.	C	4,700	3,525
	42-R843...	Injuries and employment in metallic Ore Mills.	C	3,000	2,750
	42-R1347...	Injuries and Employment in Non-metallic Mineral Mines and Mills.	C	2,700	1,415
	42-R355...	Well Completion or Recompletion Report and Log by Operators on Federal and Indian Oil and Gas Leases.	B	12,000	(6)
	42-R1424...	Sundry Notices and Report on Wells by Operators on Federal and Indian Oil and Gas Leases.	B	25,000	(6)
	42-R1425...	Application for Permit to Drill, Deepen, or Plug Back by Operators on Federal and Indian Oil and Gas Leases.	A	15,000	(6)
	Total, 10 forms.....		78,570	22,805	
Department of Justice. Department of Labor.	43-R424...	Annual Report on Prisoners Under Sentence of Death.	C	45	(5)
	44-R882...	Bureau of Employment Compensation—Application for self-insurance.	A	50	(7)
	44-R883...	Employer's 1st Report of Injury or illness.	B	16,000	(7)
	44-R887...	Employer's 1st Report of Accident or Illness.	B	94,000	(7)
	44-R891...	Notice to Deputy Commissioner That Compensation Payment Has Begun Without Awaiting Award.	B	31,000	(7)
	44-R898...	Application for Lump-Sum Award.	B	100	(7)
	44-R901...	Notice of Death.	B	200	(7)
	44-R902...	Supplementary Report of Employer in Death Case.	B	200	(7)
	44-R1097...	Employer's Supplemental Report of Accident or Occupational Disease.	B	8,000	(7)
	44-R1235...	Agreement for Payment of Liability Under Longshoreman's Compensation Act.	B	100	(7)
	44-R963...	Domestic Agricultural Wage Reports.	F	1,900	(7)
	44-R1203...	Trainees Status Report, Manpower Development and Training Act and Area Redevelopment Act.	C	(7)	(7)
	44-R1248...	Veterans' Reemployment Rights Information.	B	75,000	67,500
	44-R223...	Retail Prices: ³ Gas.....	C	-----	-----
	44-R226...	Residential Telephone Rates.	C	-----	-----
	44-R233...	Automobile Repairs	C	-----	-----
	44-R236...	Motor Fuels and Lubricants	C	-----	-----
	44-R238...	Tobacco	C	-----	-----
	44-R239...	Street Car and Bus Fares	C	-----	-----
	44-R240...	Motion Picture Theater Admissions.	C	-----	-----
	44-R241...	Newspapers	C	-----	-----
	44-R245...	Dentist	C	-----	-----
	44-R246...	Hospital	C	-----	-----
44-R247...	Optometrist	C	-----	-----	
44-R248...	Barber	C	-----	-----	
44-R249...	Beauty Shop	C	-----	-----	
44-R250...	Dry Cleaning	C	-----	-----	
44-R251...	Laundry	C	-----	-----	

See footnotes at end of table, p. 740.

List of reports simplified to June 1, 1964, under President's Mar. 10, 1964, memorandum, "Simplification or Elimination of Reports to the Government"—Continued

Agency	Budget Bureau or agency No. ¹	Title	Type ²	Annual number of responses ³	Equivalent reduction ⁴
Department of Labor—Continued	44-R252	Retail Prices—Continued			
	44-R255	Shoe Repairs.....	C	-----	-----
	44-R255	Petroleum Fuels.....	C	-----	-----
	44-R255	Domestic Service.....	C	-----	-----
	44-R500	Physician and Surgeon.....	C	-----	-----
	44-R501	Men's and Boys' Clothing.....	C	-----	-----
	44-R502	Women's and Girls' and Infants' Clothing.....	C	-----	-----
	44-R503	Yard Goods and Household Textiles.....	C	-----	-----
	44-R504	Footwear.....	C	-----	-----
	44-R506	Blank Book Schedule.....	C	-----	-----
	44-R507	Floorcoverings and Furniture.....	C	-----	-----
	44-R508	Appliances and Housewares.....	C	-----	-----
	44-R509	Prescriptions, Drugs, Toiletries, and Sundries.....	C	-----	-----
	44-R523	Wood Fuels.....	C	-----	-----
	44-R640	Automobiles.....	C	-----	-----
	44-R650	Automobile Tires.....	C	-----	-----
	44-R651	Anthracite, Coke, Briquets.....	C	-----	-----
	44-R652	Bituminous Coal.....	C	-----	-----
	44-R758	Automatic Laundry Services.....	C	-----	-----
	44-R940	Plumbing and Heating Equipment.....	C	-----	-----
	44-R979	Residential Property Tax, Small Cities.....	C	-----	-----
	44-R985	Residential Fire and Extended Coverage Insurance.....	C	-----	-----
	44-R989	Carpentry and Materials.....	C	-----	-----
	44-R990	Painting and Materials.....	C	-----	-----
	44-R991	Television Set Repairs.....	C	-----	-----
	44-R1001	Schedule.....	C	-----	-----
	44-R227	List of Reporters.....	C	-----	-----
	44-R387	Outlet Information.....	C	-----	-----
	44-R822	Water and Sewage Rates.....	C	-----	-----
	44-R923	Alcoholic Beverages.....	C	-----	-----
	44-R1030	Purchase of Houses, First Mortgage Interest Rate.....	C	-----	-----
	44-R1144	Residential Property Tax Questionnaire.....	C	-----	-----
	44-R1145	Survey of Tax Officials.....	C	-----	-----
	44-R1146	Residential Property Tax Listing.....	C	-----	-----
	44-R1210	Taxicab Fares.....	C	-----	-----
	44-R1211	Transit Fares.....	C	-----	-----
	44-R1230	Reminder—Letter Magazine Subscription Rates.....	C	-----	-----
	44-R1229	Settlement Charges to Buyer for Purchase of Home.....	C	-----	-----
	44-R1236	Residential Telephone Service.....	C	-----	-----
	44-R1238	Bank Charges.....	C	-----	-----
	44-R224	Food Stores Master Schedule.....	C	-----	-----
	44-R228	Delivered Milk.....	C	-----	-----
	44-R225	Retail Food Stores Outlet Information.....	C	-----	-----
	44-R965	Restaurant—Outlet Information.....	C	-----	-----
	44-R966	Restaurant—Menu Price List.....	C	-----	-----
	44-R1076	Retail Prices—Collection Scheduled Food Stores.....	C	-----	-----
	44-R1078	Restaurants—Supplementary Menu Information.....	C	-----	-----
44-R1232	Food Store Retail Prices.....	C	-----	-----	
44-R433	Rents—Retail Prices.....	C	-----	-----	
44-R1179	Rent Schedule.....	C	-----	-----	
		Total, 76 forms.....		226, 550	67, 500
Department of Treasury. Civil Service Commission.	48-R393	Application for Appointment as a Cadet, U.S. Coast Guard.....	A	6, 000	150
	50-R293	Report of Employment Experiences by Occupation; Instructions for Completing CSC F659.....	C	750	(?)
	50-R311	Request for Preliminary Employment Data.....	B	255, 000	(?)
	50-R096	Qualification Inquiries for Special Jobs.....	B	181, 915	(?)
	50-R279	Supplemental Applications for Special Jobs.....	A	150, 167	22, 980
	50-R340	Survey of Former Professional Employees.....	B	500	400
		Total, 5 forms.....		588, 332	23, 380

See footnotes at end of table, p. 740.

List of reports simplified to June 1, 1964, under President's Mar. 10, 1964, memorandum, "Simplification or Elimination of Reports to the Government"—Continued

Agency	Budget Bureau or agency No. ¹	Title	Type ²	Annual number of responses ³	Equivalent reduction ⁴
Department of Health, Education, and Welfare.	51-R388	Curriculum Patterns in Higher Education: Biological Sciences, Humanities, Physical Sciences, Social Sciences.	C	2,820	940
	51-R400	Occupational Training Project: Expenditures, Summary, Guide for Preparing Training Plan.	A	1,500	500
	68-R312	Standard Specification Forms For Construction Work.	B	125	(⁵)
	68-R668	Schools of Public Health—Applications for Grants, Applications for Payment, Annual Financial Report.	A	75	(⁵)
	68-R795	Specimen Identification and Surveillance Forms, Brucellosis, Tularemia, Respiratory Illness—Alaska.	B	(⁵)	(⁵)
	68-R817	Dental Auxiliary Utilization Program: Current Status and Future Needs.	C	45	5
	68-R852	Report of Psychiatric Day-Night Unit.	C	300	(⁵)
		Total, 7 forms.....		4,865	1,445
Federal Communications Commission.	52-R144	Application for Commercial or Amateur Radio Operator Reexamination Prior to Expiration.	A	1,125	112
	52-R156	Television Interference; Request for Additional Information.	B	1,000	100
		Total, 2 forms.....		2,125	212
Interstate Commerce Commission.	60-R018	Reports on Automatic Train Stop, Train Control and Cab Signal Systems.	B	354	71
	60-R250	Rules and Regulations Governing Applications to Issue Securities, Assumption of Obligation, and Filing of.	A	175	26
		Total, 2 forms.....		529	97
Housing and Home Finance Agency.	63-R877	Justification of Requisition for Project Capital Grant Progress Payment—Urban Renewal.	B	500	275
	63-R906	Quarterly Physical Progress Report.	B	2,750	1,678
		Total, 2 forms.....		3,250	1,953
Railroad Retirement Board.	70-R289	Questionnaire for Guardians (Representative Payees) of Railroad Insurance Beneficiaries.	B	7,000	2,300
Tennessee Valley Authority. National Science Foundation.	74-R048	Annual Report on Distribution and Use of TVA Fertilizers.	C	200	60
	99-R013	Fiscal Report on Grants.....	B	8,000	4,000
	058	Fellowship Report.....	C	2,400	1,600
	164	Grant Cancellation Notice.....	B	5,000	(⁵)
	165	Grantees Monthly Cash Request.....	B	14,400	(⁵)
	174	Fellowship Acceptance Form.....	B	3,200	13
	175	Fellowship Starting Certificate.....	B	3,200	13
	183	Summary Sheet for Conferences for Teachers of Science, Mathematics, and Engineering.	A	1,000	(⁵)
	184	Reference Report on Applicants.....	B	60,000	188
	185	Supplement to Fellowship Application.	B	16,500	141
	186	Award Application for Fellowship.....	A	50,500	47
	143	Participant Record, NSF Student Science Program.	B	7,000	3,500
		Total, 11 forms.....		171,200	9,502
Small Business Administration.	99-R(468)	Financial Report.....		700	210
	99-R(.....)	Report of Earmarked Securities.....		700	350
		Total, 2 forms.....		1,400	560

See footnotes at end of table, p. 740.

¹ Forms reviewed under Federal Reports Act identified by Budget Bureau number; e.g., 04-R016, 079, etc.; the agency code (in this example 04-R) being shown only for the first entry for the agency. Forms not so reviewed identified by agency number shown in ().

² Type of forms shown only for those reviewed under Federal Reports Act as follows:

A. Application or Registration: Any form used in applying for materials, grants, loans, licenses, or privileges. Registrations, birth and death certificates, and customs declarations are included.

B. Other Administrative Forms: All other forms used to apply a Federal law or regulation to an individual or firm; and forms used in administering a program.

C. Statistical Forms: Forms used to collect data which, when compiled, will provide information about a group of respondents for policy making purposes or for other general purpose uses.

E. Recordkeeping Requirements: Any regulation, order or system of accounts or classification which specifies records that individuals or firms affected must keep.

F. Reporting Requirements: Any regulation, order, etc., containing a requirement that the individuals or firms affected make reports containing specified information.

G. Contracts: Agreements entered into by the sponsoring agency with a second party which call for obtaining information from the public.

³ Number of respondents times the number of responses made each year.

⁴ "Equivalent reduction" is an estimate, in terms of annual number of responses. For example, if before simplification, 1,000 responses were received then if the sample is decreased to 800 the simplification is clearly measured by 200; or if the same number of responses are received, but the number of questions has been reduced one-half the "equivalent reduction" is 500.

⁵ Minor.

⁶ Forms standardized so as to be usable by State and Federal Governments and to simplify reporting by operators.

⁷ Not available.

⁸ All 64 Retail Price Forms are being consolidated into 12 forms, resulting in little decrease in burden on respondents, but in processing advantages to the Government.

Mr. RYAN. A second report will be due July 31, and a final report December 31. We think this is essentially a progress report.

Mr. OLSEN. Will the July 31 report be more complete?

Mr. RYAN. Yes, sir.

Mr. OLSEN. Your bulletin No. 64-11, March 16, 1964, stated that you are submitting a list to the agencies of all repetitive public-use forms approved by the Bureau of the Budget. Would you furnish a copy of this list for the committee files?

Mr. RYAN. Mr. Chairman, I will be glad to do that. I might say, however, that this listing is not too informative for someone who doesn't have the background records. The forms are identified by only Budget Bureau number and agency number, and I recall you had a problem with this the first day of the hearings. We would like to get together with you or your staff and determine just what it is that would be useful to you, and we will be glad to provide it.

Mr. OLSEN. I think that is what we should do. Mr. Corcoran of our staff will call you, and we will try to have prepared a list that will be meaningful.

Now, what about the nonrepetitive, or one-time reports? There is a great deal of paperwork in these, and we want to know whether you are planning to review these one-shot studies, too.

Dr. BOWMAN. We always do review these. These are always reviewed. You mean as a special review?

Mr. OLSEN. Yes. In connection with the President's memorandum requesting a review.

Dr. BOWMAN. In a sense, once a one-time report is approved, then it is only good for that one time. It then disappears.

We are calling to the agencies attention the fact that in this review of existing reports, they should also take considerable cognizance of the fact that they should review very carefully all requests for new reporting requirements, including single-time reports. In that sense, we are reviewing and examining more carefully and asking the agencies to examine more carefully their requests for single-time reports.

Mr. OLSEN. That is approval for only that one occasion?

Dr. BOWMAN. That is right.

Mr. OLSEN. So if it comes, again, it does get an individual review at that time?

Dr. BOWMAN. Yes.

Mr. OLSEN. In connection with the President's memorandum of March 10, what kind of an inspection program have you established? Is there any particular routine inspection program?

Dr. BOWMAN. Do you mean for the single-time inquiries?

Mr. OLSEN. No, for these surveys, generally. As you have reports now coming from every agency, and you say they will be in by the end of July, are you going to have a standard review in the future, of that kind?

Dr. BOWMAN. You will remember that the President asked each agency to examine its reporting requirements quite carefully, and while he wasn't asking them to eliminate essential information which the Government needed, he was asking that they take a very hard look at their reporting requirements and do everything possible to reduce the burden on the public.

In connection with that, he requested the Bureau of the Budget to arrange to have a report from the agencies in their carrying out of his instructions under this memorandum. The Bureau of the Budget bulletin indicated that we wanted a report on June 1, July 31, and December 31, 1964. In order to get a better idea of how the thing was proceeding, we also asked for a preliminary report on May 1. That was more or less of an after-thought, and we did get a preliminary report on May 1. The first regular report, prescribed in the Bureau of the Budget instructions, was June 1, and we have just given you the information that came from the agencies as a result of that report.

You will notice that the information we gave you not only indicated the overall results, but it provided you with a list of each individual form that was discontinued. Each individual report that was discontinued, and each individual report that was simplified, and provided certain information associated with each of those.

It is only fair to indicate that as a result of this review, we are discovering numerous adjustments that should be made in our inventory. In other words, obsolete forms that were not in use and which should be taken out of the inventory. We have not included those in the results of the agencies effort under the President's memorandum, because they haven't really reduced any burden. The burden had already been reduced by the fact that the form was obsolete. But we will use that information, of course, to bring our records into better order.

We are examining the reports of the agencies very carefully. I would say that the results to date, while valuable and useful, are not as much as we hope we will be able to accomplish by July 31, or particularly by the end of the year. Reporting requirements have to be reviewed very carefully. So we will be examining these reports and as we examine them, we will be getting in touch with agencies with respect to success that we think they are having with respect to the modification of their reporting requirements.

Mr. OLSEN. What I had in mind was whether or not you people were planning a program in the future that would give you a periodic review of this kind that you are now pursuing.

Dr. BOWMAN. We really have a regular program of periodic review. You see, each form, when it is approved is given an expiration date. When that expiration date has been reached, the agency must ask us whether—request either that the report be extended over another period, or that they want to modify it. They must discuss with us modifications in the report, and if it is to be discontinued, then this becomes part of the regular operation.

Mr. OLSEN. This is my whole point, that now it turns up by this particular, specific view you are pursuing, that there are obsolete forms that have been out of use for a long time. This would indicate to me that your functioning of reviewing just hasn't been working.

Dr. BOWMAN. I think in part that is right. I think in the case of most of these, as a result of a practice which I think we will discontinue—many years ago we gave certain reporting requirements an indefinite date. When we gave them an indefinite date, they never did tell us what they had done with respect to that reporting requirement. We are not going to give any more indefinite dates on approval of repetitive forms.

I think you have made a point that certainly we are considering, and that is a periodic review of the character the President has set up of the overall repetitive reporting load. It might be an excellent idea.

Mr. OLSEN. You have personnel checking on these reports that you are getting from the agencies now?

Dr. BOWMAN. Yes, we do. Our entire staff is examining each of the reports that comes in from the agencies.

Mr. OLSEN. How many people do you have actually investigating the agency on the accuracy of its reports?

Dr. BOWMAN. I don't like to use the word "investigating" the agency, but when the reports come to us, the reviewer who normally handles that agency's reporting requirements, examines the report, is in touch with the liaison person appointed by each agency to supervise the review which they were instructed to make by the President, and we have our own records indicating the information about the particular reporting requirements and in general I would say we are quite well informed as to whether the action indicated was certainly taken and whether it was an effective action, or whether it was purely an accounting adjustment.

Mr. OLSEN. I am not commenting specifically on your jurisdiction, but it is an example of how tardy we are in reporting reforms. The Archives testified a few days ago about forms in the maritime use, where they reduced 14 reporting forms into 1 reporting form. This has been a long overdue reform in maritime paperwork.

I wonder if this kind of review wouldn't be within your jurisdiction with respect to those agencies that you supervise.

Dr. BOWMAN. I think we should take a certain amount of credit, even for this work that has been done in the maritime area. The Bureau of the Budget was particularly instrumental in helping to set up the Facilitation Committee, which is examining the whole arrangement of reporting of the clearance of vessels and of the various customs clearances.

It is true, these obstacles seem to move out of the way very slowly. They take long efforts. Sometimes one gets discouraged, but we have participated in this effort all along, Mr. Olsen.

Mr. OLSEN. I certainly don't want to take any credit from you. What I wanted to express was an impatience on my part and a great deal more impatience on the part of people involved directly, with the need for reform, and the slowness of its coming.

Mr. RYAN. I think the slowest—the slowness, in part, which bothers us, as well, is particularly apparent in this kind of situation where, in order to reform, you don't just change your reporting requirement, you change a whole series of procedures which go back into existing legislation. This is particularly true as you well know, in the shipping area. It is less true and less difficult to handle in the airline international movements. This not only involves domestic, but also international, in order to get the full benefit for our shipowners. There is a great deal moving along on the international basis, in the shipping area, as well as on the national or domestic basis.

Mr. OLSEN. We haven't made any specific review of many of the reforms that have been testified about before our committee, but we intend to. We have, on the spot here, in our hearings, come upon very lengthy reporting forms that appear very useless to me and to other members of the committee. While we are not professionals, we are not unintelligent, you know. We can, after sitting here many days, observe that a lot of the paperwork is created just because of the curiosity of some people, rather than any particular use or benefit to anyone.

Dr. BOWMAN. The more help we can get—and we certainly appreciate the efforts of this committee in this area—this is one in which we have been working diligently for some years. Frustrations do creep up on us. There are times when we can be stimulated to do more than we have been doing. But on the whole, I think without the Federal Reports Act and without our efforts, things would have been a lot worse than they are.

Now, I think that these things are being done, but not fast enough. On that I agree 100 percent with you. Stimulating therefore to do more, and more quickly, would certainly be a big help to us.

Mr. OLSEN. I am at the point where I feel like placing some blame or fault upon the part of your agency for not having come forth with suggestions of needed legislation more often.

Mr. RYAN. Mr. Chairman, we haven't felt, from our contacts with the public—any need for significant change in the legislation. This is because we believe the objectives of the act can be as effectively sought under the present arrangement as under any proposed amendments.

Mr. OLSEN. Repeatedly, witnesses come here and they say, "Well, this can't be changed, because it is in the law." But they say it with almost the admission that it ought to be changed and somebody should have introduced amendments.

Mr. RYAN. The individual types of legislation bearing on agency responsibilities?

Mr. OLSEN. Yes. We have talked of one in the maritime industry, and particularly the 14 forms being reduced to 1. We are told there is some needed legislation.

Legislation apparently has been needed since Queen Anne's time, according to some of the testimony, here, but no one in the industry and no one having any supervision over forms in the Government came forth with any suggestion of legislation until recently.

Dr. BOWMAN. I think they have. I think periodically the Bureau of the Budget has sponsored legislation to eliminate reporting requirements in certain acts of the legislature. This has happened not every year, but it has been done periodically. I am not disagreeing that perhaps we should do more of this, but it does take a gathering together of a considerable number of loose ends, to indicate which acts of the legislature should be changed in order to reduce reporting burdens.

Now, the form 941-A is an illustration in point. Bills were introduced in several sessions of Congress, and with the support of the administration, but they were not passed. We still strongly support something like the amendments that would eliminate 941-A.

Mr. OLSEN. Is there an administration bill on that subject here, now?

Dr. BOWMAN. There is not at the present time, and there hasn't been, I believe, since 1962. In fact, I cannot say that the administration wishes to introduce a bill at this time, because the situation since the time of the introduction of the bill as an administration bill, reflects change in a lot of other factors. The Bureau of the Budget is looking into this possibility of having the administration sponsor an amendment to the Social Security Act, which would provide for the problem associated with 941-A.

Mrs. ST. GEORGE. Mr. Chairman, I would like to repeat a question that I asked the other day, and I think it comes properly to the Bureau of the Budget. I would like to read a paragraph from a letter we received from Mr. Carl L. Shipley, who, as you know, was formerly with the Department of Justice and is now a private attorney. This is the quote:

Yet another major weakness of the existing law is the section 3(e): Exemption for certain agencies, particularly the Internal Revenue Service and the Federal bank supervisory agencies.

Other agencies such as the Antitrust Division of the Justice Department, the Federal Trade Commission, and the Securities and Exchange Commission question the applicability of the act to certain of their extremely burdensome reporting requirements. The FTC frequently conducts business surveys to obtain enforcement information, in violation of the purposes of the Federal Reports Act. The SEC ignores the requirements of the act as it would apply to annual reports, registration statements, and other reports required under the Federal securities law.

Now, would you comment on that statement of Mr. Shipley, Doctor?

Dr. BOWMAN. I will be glad to. The exemptions which the act provides, the IRS, the Comptroller of the Currency, the bank regulatory agencies, the Bureau of Public Debt, and the Comptroller of Currency, so far as any evidence we have is concerned, we don't believe these exemptions have seriously interfered with the functions and purposes which the Federal Reports Act was supposed to meet. This does not mean that we would be opposed to suggested amendments, but we haven't, ourselves, felt that it was necessary or desirable, or would accomplish any particular—would advance in any way the carrying out of the major functions of the Federal Reports Act, to eliminate these exemptions.

Now, I haven't commented yet on the SEC and the FTC.

These two agencies, as we understand it, are covered by the act. We don't agree with the SEC that these reporting requirements do not come under the act.

With regard to the Federal Trade Commission, we don't agree that the surveys they have claimed do not come under the Federal Reports Act—we think they do come under the act.

So far as the Federal Trade Commission is concerned, that issue is now being settled in the courts. There is a court case in which the question is being raised. I think this will dispose of that one.

Mrs. ST. GEORGE. Will that set a pattern for the others?

Dr. BOWMAN. If the court should decide, for example, that the Federal Trade Commission is not required to have reviewed by the Bureau of the Budget under the Federal Reports Act certain reporting requirements, if the court were to agree with the Federal Trade Commission, I think this would have effect on other regulatory commissions, also, and in that case, I think we would be properly prepared to make recommendations with regard to the amendment of the Federal Reports Act.

Mrs. ST. GEORGE. Don't you think a change in the act would be more helpful than waiting for court decisions on all these different matters?

I can foresee if there is a case in court now, there may be many more cases. Why won't there also be cases for private individuals? You heard the witness who appeared just before you, I am sure, and after all, private industry suffers more from this than any agency of Government.

Dr. BOWMAN. I am not a lawyer. All I can say is that it has been my understanding that in general, before amendments to an act are made, and we get necessary support for their approval; that it is necessary to see what it is that the act now covers, and if it doesn't cover certain things, how to amend it in such a way that it will, without at the same time making it so inclusive as to not be possible to administer it.

But I think this is an open question.

Mrs. ST. GEORGE. I was going to say, Mr. Chairman, that may explain the length of time it takes to get some of these much-needed reforms through.

Dr. BOWMAN. I think that is true.

Mr. OLSEN. I think you are right.

Mr. ABELE.

Mr. ABELE. Has the Bureau of the Budget made any recommendation during this session of Congress as to any changes in the legislation?

Dr. BOWMAN. I don't believe they have. At least, not to my knowledge. Nothing specific in this direction.

Mr. ABELE. To your knowledge, they didn't during the last session?

Dr. BOWMAN. The Bureau of the Budget has never made a recommendation for change in the Federal Reports Act.

Mr. ABELE. They do not consider it their responsibility?

Dr. BOWMAN. They do consider it their responsibility. What I am saying is, we have not come to the conclusion that changes in the act are required in order to properly carry out the major purpose of the act.

Now, I was commenting on the question a moment ago with respect to the exclusion of certain agencies from the act. There are other things that have been raised, I believe. One is the act that now says we review questionnaires which address identical questions to 10 or

more respondents. Should the 10 or more be made 5 or more, 3 or more, 2 or more? We have no evidence that this has been a boundary that has allowed very many reporting burdens to fall outside.

With regard to the provision where the Director of the Bureau of the Budget has discretion in considering requests from the public that he examine the reporting requirements of agencies—while he has discretion, I don't know of a single instance in which he has refused to exercise that discretion in making a review, so I don't believe this has hindered anyone from making a complaint and having an investigation made, where this seems desirable.

Mr. ABELE. The subcommittee has received a number of suggestions for amendments to the Federal Reports Act of 1942. I was wondering if we have a copy of that act in the record.

Mr. CORCORAN. The Federal Reports Act of 1942 was inserted in part 4 of these hearings at page 226.

Mr. ABELE. If this can be amended, why does the Bureau of the Budget wait for a congressional committee to point out the need?

Dr. BOWMAN. Our position is that it doesn't need amending.

Mr. ABELE. After all the testimony we have had here, do you still feel that way?

Dr. BOWMAN. I certainly do.

Mr. ABELE. I think that your position is entirely wrong.

Dr. BOWMAN. That may well be, but I just went over the only illustrations that I know of for the amendment of the act, and I gave the reasons why I think an amendment is not desirable.

Mr. ABELE. On your form 83 that asks the agencies to estimate the cost of a survey to the public, it is my understanding that most agencies ignore that question. Most of them don't seem to care how much inconvenience and how many hours it takes the businessman and the housewife to fill out the questionnaires.

Dr. BOWMAN. I think the conclusion does not necessarily follow, nor do the agencies ignore this problem where we press them for information along these lines. And at our reviews, where we discuss the form with the agency, and before the Advisory Council, we often get information of this sort.

It is true that we have not insisted that every request for a form clearance, or report clearance provide us with an estimate of the cost to the respondent of filing that, and we haven't done this for, I think, three major reasons. First, we don't want the agency making a survey to find out what the cost is. We don't want a survey in order to defend a survey.

Secondly, the cost of filling out a questionnaire, unless defined rather carefully, is a rather difficult figure to come up with accurately.

It is also true that many respondents' objections to the filing of reports is an objection against the program of the report, and not the report. So if they don't like the program, then costs may well include all the preparatory time of setting up the basic records from which the report must get its information. Or, if the program on which the report is based meets with the respondent's approval, the costs cited are often only those costs which are marginal—the costs associated with the actual physical time of filling out the inquiry.

I think most of these difficulties can be overcome, and that we can get sensible information. I think we do get sensible information about the cost to the respondents of the report.

We have not insisted—we have not said specifically: “Well, we will not undertake a review unless the agency provides us with the information on the cost to the respondents of filling in the inquiry,” but we do try to get the information, we do use it in our review, we do assess the costs to the respondent against the benefits to the Government and to the public generally that comes from the getting of the information. So I don’t agree that we do not take this into account. I do agree that we have not made it a routine operation.

Mr. OLSEN. We have had a lot of complaints about duplication of reporting to the States and to the Federal Government.

Directing your attention to that in the field of, oh, taxation is one; various accident reporting is one. Have you worked in this field?

Dr. BOWMAN. Yes; we have. We have not done as much work in this field as I hope we will be able to do and the fields in which we have been most successful are the fields in which there are regular Federal-State programs.

One of the fields in which I think good work has been done to eliminate some of the duplication between local, State, and the Federal Government reporting is in the employment field, because we have a Federal-State employment security program through the relationship of the Employment Security Agency and the unemployment compensation agencies of the States.

In the field of agriculture our State agriculture statistics are tied in with the Federal agriculture statistics. We have, I think, had some very successful work in that area.

In the vital statistics work, I think there has been a considerable amount of simplification.

Remember when we work in this area we have no authority. We cannot compel a State to use or not use a form, if it does not want to.

Mr. OLSEN. Have you authority where Federal funds are involved?

Dr. BOWMAN. No; not always. In fact, the Federal Reports Act gives us what authority we have, and it says we will review forms used by Federal agencies or sponsored by them.

Mr. OLSEN. We have had several witnesses who have said they feel in many instances compelled to get the approval of the Bureau of the Budget whenever Federal funds are involved in reporting requirements.

Dr. BOWMAN. Wherever an agency like the unemployment compensation office of a State is carrying out surveys under the direction of the Bureau of Employment Security, and funds are provided by the Bureau of Employment Security for that purpose, in that case, the survey is “sponsored” and the Federal Reports Act governs, and we review the specifications for those forms.

In the instance where a State is making a survey of its own, the Federal Reports Act does not apply.

In that case, we do not have the authority to review and, if necessary, disapprove the form.

Mr. OLSEN. I am not so concerned about that as I am when Federal funds are involved, as they are in unemployment compensation. Where there is a Federal program of reporting, certainly you have authority to be in the field and to work. Federal agency and State agency should come to some agreement that will benefit the working businessman.

Dr. BOWMAN. That is right. We have been doing this, and I think quite effectively. One of the areas in which I think we have been quite effective is in the public utility area. There we have had considerable benefits received because annual reports to the State public utility commissions and to the Federal agencies have in many instances been tied together so they are virtually one and the same report.

In the educational area, we have a long way to go yet in getting the type of uniform reporting which is not particularly burdensome since such reporting arises both from State requests and Federal requests, but we are working in that area.

Mr. Ryan also would like to call to your attention something which has gradually come closer to fruition with regard to work that the Budget Bureau is doing with the budget officers of the various States. Mr. Ryan.

Mr. RYAN. Mr. Chairman, over the last 3 or 4 years the Bureau of the Budget in terms of general responsibility has established a liaison relationship with the National Association of State Budget Officers. A particular committee has been set up to work with the Bureau of the Budget. I have met with the committee on several occasions over the last couple of years.

Our problem has been to find an organization in the States that we can tie to in our work of trying to eliminate overall duplication and bring about coordination. The State budget officer is in relationship to the Governor in about the same way the Bureau of the Budget is to the President. So, the Bureau of the Budget looks to State budget officers for this kind of liaison.

In the last few months we have started talking actively in the liaison committee about the desirability, first of all, of State budget officers assuming a responsibility somewhat comparable to that of the Office of Statistical Standards of the Bureau of the Budget in national affairs. In the State of New York, as you may or may not know, the State budget officer has recently been assigned responsibility for coordination of statistical activities within the State.

This is the sort of thing we have been aiming for. We hope this will develop among other States, and there is reason to believe that it will. This will then give us a focal point in our relations with the States which we think we can use effectively.

Mr. OLSEN. How many people have you employed in liaison with the States?

Mr. RYAN. Part of my time on statistical problems. We are not contacting the States other than through the liaison committee of the State budget officers.

Mr. OLSEN. We have testimony in the record concerning the man running Joe's Bar & Grill. The place gets a form to be filled out to furnish information concerning an accident. It was in a comprehensive form, and one of the items to be furnished to the Bureau of Labor Statistics was accident statistics.

He gave it to his accountant, and the accountant wanted to find out the actual facts. He went finally to the Industrial Accident Commission of the State of New York and got all of the information.

We wondered, could not our Bureau of Labor Statistics be in some kind of cooperation with the Industrial Accident Commission of New York and gather the information without bothering the accountant

for Joe's Bar & Grill? It seems to me a rather simple way to get the information would be to get it from the 50 different industrial accident commissions.

Dr. BOWMAN. These all require review, but I think there are a lot of problems associated with doing it.

Mr. OLSEN. If it is only part of his time that you are giving to these many problems, you are not going to get very far this year or this century. We must have more people working in close coordination between the States and the Federal Government and simplifying the reporting.

Dr. BOWMAN. More time is devoted to liaison with the States than the time of our own office. Each of the agencies of the Federal Government that work in these different areas does devote a considerable portion of its time to working with the States.

For example, the State of Pennsylvania takes an annual census of manufactures. Their forms were designed to get information on manufacturing according to an industrial classification of their own. In cooperation with the State of Pennsylvania and through the Bureau of the Census sending some people to Harrisburg, arrangements were made whereby they would get the same information—they are not giving up their own census of manufactures for Pennsylvania, but they would get the information more in line with the kinds of information obtained by the U.S. Bureau of the Census.

This is a cooperative effort in which a considerable amount of Census Bureau time is devoted to this function.

The same thing is true between the Bureau of Employment Security and the various States in employment information, with the various public utility commissions and the regulatory commissions of the Federal Government.

I do not want to seem to be arguing if we had a larger staff we could not do more things, but we also know that every effort is being made to maintain staffs as small as possible for doing an effective job. I think our big problem in the States is to find an organization within each State with which the Federal Government can deal effectively in this area of duplicate reporting. At the present time there is not an effective organization within each State that we can deal with. There are 50 States and there are many municipalities and local governments.

We think the State budget bureau organizations, may provide that useful mechanism for dealing with States on the many problems of overlapping and duplicate reporting, and we are very hopeful that this may be done. If we have to put more time on this, we shall, if it seems to have as much promise as I think it has.

Mr. OLSEN. Many witnesses have provided examples such as you have set forth, of success in eliminating duplication in reporting or at least in having the reports to the Federal and State Governments be identical reports. For those examples, I feel we should be putting more effort into this field.

If it has been successful, then it could be eminently more successful if there were more effort. It is my observation you ought to have more people in this field. This is where you could really deliver some benefit to the taxpayer, the businessman, and the ordinary citizen, in relieving them from the great burden they have.

I think the same is true in the field of tax forms, which I understand is beyond your jurisdiction as it is beyond the jurisdiction of this committee, but it would be a very great relief to the taxpayer if more effort were made in eliminating the work for the taxpayer in paying his taxes.

Mr. Bowman, according to your prepared statement, your office took 2,510 review actions in 1963 and disapproved only 86 forms, or 3 percent of all forms acted upon. I must say I would not call this review action very helpful in our paperwork problem.

I want you to supply for the subcommittee files the following forms: (1) Schedules used in Project Talent conducted by the University of Pittsburgh for the Office of Education; (2) all Bureau of Employment Security surveys conducted by cooperating State agencies and the schedules used; (3) all enforcement schedules used by the Securities and Exchange Commission; and (4) all schedules used in socioeconomic studies by the President's Committee on Juvenile Delinquency, which is staffed by the Department of Health, Education, and Welfare.

Dr. BOWMAN. We shall be very happy to do that.

Mr. OLSEN. We will supply the request to you in writing so you will know exactly what the description was.

Dr. Bowman, we are concluding these hearings today. I cannot give you the opinion of the entire committee, but I can give you mine. I can tell you that the committee is not convinced that your efforts in reducing paperwork are effective enough. I think you got that indication from the questions here today.

I do not say this in an unfriendly manner, but our report will be in a critical vein.

I plan to ask Chairman Murray to write a letter to President Johnson informing him of our views and recommending that the President take action to correct the situation.

The efforts in reducing paperwork are not effective enough. I think in our report we will be critical of the size of staff for the enormous task. With that comparison we have high hopes that the President will direct that there be a larger staff to attack this really enormous task.

I want to thank you and your staff for coming here and for your contribution to our hearings. It has been valuable. I must say that I think you folks are spread too thin for this task.

I really should be commending you for what you have done, but I have some prejudice against you for what you have not done because you do not have enough people and, therefore, you cannot attack the problem as vigorously as the situation demands.

Dr. BOWMAN. I will accept this as a sort of compliment. Thank you.

Mr. OLSEN. The committee is adjourned.

(Whereupon, the subcommittee was adjourned at 12:15 p.m., Wednesday, June 24, 1964.)

(A letter dated July 14, 1964, received subsequent to the hearings, from Chairman Ben Dorfman, U.S. Tariff Commission, and a letter of July 30, 1964, from Richard C. Simonson, Program Analysis Officer, Department of Health, Education, and Welfare, follow:)

U.S. TARIFF COMMISSION,
Washington, D.C., July 14, 1964.

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

DEAR MR. OLSEN: In your letter of July 1, 1964, you refer to the problems related to the adjustment of U.S. international trade statistics to the standard international trade classification (SITC). You specifically request an expression of our views on the effects of the proposed changes upon Tariff Commission programs.¹

The Tariff Commission has often been referred to as the chief user of import statistics. This concept was perhaps recognized by the Congress when it included in the Tariff Act of 1930 section 484(e) which directs the Secretary of the Treasury, the Secretary of Commerce, and the Chairman of the Tariff Commission "to establish from time to time for statistical purposes an enumeration of articles in such detail as in their judgment may be necessary * * *." The statute further specified that "as a part of the entry there shall be attached thereto or included therein an accurate statement specifying, in terms of such detailed enumeration, the kinds and quantities of all merchandise imported and the value of the total quantity of each kind of article."

Whether or not the Commission is the chief user of import statistics, it is self-evident that the Commission's work is in large measure dependent upon its having access to accurate and detailed import statistics. With few exceptions the import statistics used by the Commission in its investigative work, its reports to the Congress, and its advice to the President for trade-agreement negotiations and other purposes must be geared to the provisions of the tariff schedules. This means that statistics in terms of the Tariff Schedules of the United States Annotated (1963) (TSUSA) are necessary for the proper functioning of the Commission. Also, as may be seen on pages 22 and 23 of the enclosed copy of the Submitting Report of the Tariff Classification Study, November 15, 1960, the Commission in drafting the new tariff schedules made a serious effort to overcome defects in the old tariff schedules which impeded the collection of accurate and meaningful statistics with respect to imports. It is believed that the provisions of the new schedules, together with the integrated statistical annotations, are an adequate base for a good statistical program.

The publication of data summarized on the basis of the SITC arrangement will not be in sufficient detail to satisfy the Commission's statistical requirements. However, it is recognized that statistics on imports and exports arranged according to the SITC are useful for a number of purposes, and presumably the decision to publish statistics on this basis was predicated upon the belief that the greater need of users would be served thereby than by publication arranged according to the TSUSA. When consideration was being given to this form of publication the Tariff Commission made no objection but pointed out that there would be a continuing need for statistical data in the detail of the TSUSA, both by the Tariff Commission and the public. It is our understanding that such detailed statistics will continue to be available and the Commission's functions therefore would not be affected by the publication of international trade statistics in the SITC arrangement.

If we can be of further service, please let us know.

Sincerely yours,

BEN DORFMAN, *Chairman.*

DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE,
Washington, July 30, 1964.

MR. THOMAS F. CORCORAN,
*Subcommittee on Census and Government Statistics,
Committee on Post Office and Civil Service,
Washington, D.C.*

DEAR MR. CORCORAN: The attached list identifies Department of Health, Education, and Welfare-Public Health Service forms which were discontinued

¹ For discussion of the proposed Standard International Trade Classification (SITC), see p. 522, pt. 5.

since our letter to you on June 19, 1964. That letter included one PHS form which we finally determined should be simplified rather than discontinued:

68-R668.1/PHS-3506-1: "Application for Grants—Application for Payment—Annual Financing Report for the Provision of Training in Schools of Public Health."

Our lists are based on agency form numbers and similar identification—not Budget Bureau reports approval numbers. The latter are included only for cross-reference purposes. The same Budget Bureau number may be assigned to several agency forms which are closely related to the same basic reporting requirement. Consequently, the Budget Bureau number may be continued even though a majority of the agency forms may have been discontinued. This is one of the reasons why we regard the Budget Bureau as the source for authoritative statements on final actions taken on reports—as contrasted to agency forms.

Sincerely yours,

RICHARD C. SIMONSON,
Program Analysis Officer.

Public Health Service—Record of forms discontinued

B O B clearance number	Agency number	Title
68-R422.4	PHS 307	Application for Residency Training.
68-R438.6	PHS 1494	Annual State Cancer Control Activity Report.
68-R480.4	PHS JFRF 7	State Public Health Plan (PHS-CH Joint Form).
68-R819	None	Montgomery County Stroke Study.
68-R825	PHS 4368-1	Medical Student Information Record.
	PHS 4368-2	Undergraduate Psychiatric Training Survey.

