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93-44 REVISIONS IN PROCEDURE FOR TAKING
ECONOMIC CENSUSES

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KANSAS STA

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HEARING

BEFORE THE

SUBCOMMITTEE ON CENSUS AND STATISTICS

OF THE

COMMITTEE ON

OFFICE AND CIVIL SERVICE

USE OF REPRESENTATIVES

NINETY-THIRD CONGRESS

SECOND SESSION

ON

H.R. 9189 and H.R. 10510

BILLS TO AMEND SECTION 131 OF TITLE 13, UNITED STATES
CODE, PERTAINING TO MID-DECADE CENSUSES OF MANUFAC-
TURES, MINERAL INDUSTRIES, AND OTHER BUSINESSES, AND
FOR OTHER PURPOSES

MARCH 25, 1974

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REVISIONS IN PROCEDURE FOR TAKING ECONOMIC CENSUSES

TUESDAY, NOVEMBER 27, 1973

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

[The following is a transcript of a conversation between Mr. Edwin B. Brown, associate publisher of, and management consultant to, the Willows Publishing Co., of Willows, Calif., and Mr. Austin C. Bray, Jr., Assistant Counsel to the House Subcommittee on Census and Statistics, held on November 27, 1973, in lieu of the scheduled hearing for that date concerning the subcommittee's action on H.R. 9189 and H.R. 10510.]

Mr. BROWN. Thank you Mr. Bray. I appreciate being invited to this hearing, at least to make this statement with you in respect to the Subcommittee on Census and Statistics.

I was prompted to complain to our Representative, Congressman Leggett, about the long, lengthy, hairy request from the Bureau classifying, first a newspaper as a manufacturer, and second, demanding under penalty of fine and imprisonment the answer to many questions regarding our business which I felt were immaterial and were also impossible to answer. Even though I did complain and under strong protest was forced to devote three of my Sundays, limited time which I have, in completing the questionnaire. I think it is pretty ridiculous and I do appreciate the efforts of the Honorable Richard White's committee to look into this matter and bring some common-sense out of a really chaotic situation.

Mr. BRAY. Sir, this form I hold up is census form MC-27-A. It says 1972 Census of Manufacturers Newspaper Publishing. Is this the form you had to fill out?

Mr. BROWN. That is correct. Now I don't think a form like that would be difficult for General Motors. I am sure that they can tell you how many times their employees sneeze during every workday. But it is impossible for us to keep these kind of records unless we put in an accounting system that would be prohibitive in our small operation. I am sure that from my written testimony you will discover that we are not getting rich and even though on our very tight ship operation we were only about to realize a net profit of 1½ percent out of every dollar volume and this means that we are operating very close. At the completion of this fiscal year, which will be April 30, 1974, the way it looks now, we will do a little better than we did last fiscal year so it is a pretty tight situation and to ask and demand this kind of questions and reports is pretty ridiculous in my opinion. Now if you were to ask me what to do or what I think about it, I would suggest that this be broken down into two parts. One part be simple

questions which are readily available to a newspaper or manufacturer of our size, such as annual volume, annual payroll, in the newspaper business, it would be the amount of advertising, circulation revenues or it could be broken down into advertising, classified, national, and local display.

These simple questions could be answered on one page and would probably give the Bureau all the vital information needed and then there could be an 8- or 10-page questionnaire as they saw fit that could be voluntary or that could be answered by a newspaper or a small businessman if he did have the figures available and was so prone to give it the time to answer but not under the threat of imprisonment and fine.

Mr. BRAY. Would you favor one census form for very large corporations such as General Motors for instance, and a more simplified one page form for instance, for businesses about your size?

Mr. BROWN. I think that is a logical approach. I think it would answer a lot of the problems.

Mr. BRAY. Do you have any idea of the manpower hours and costs that were incurred by your company in filling out this form?

Mr. BROWN. Well, the manpower hours and cost was all mine because we couldn't afford to spend a thousand dollars or so to hire a competent firm to answer this so it destroyed almost three Sundays of my time because I am pretty busy other times and I have other commitments, to complete the form as best I could.

Mr. BRAY. Was this the only Census Bureau publication that you had to complete in 1972?

Mr. BROWN. This is correct.

Mr. BRAY. Did the questionnaire describe any of the purposes sought and what would be accomplished by it?

Mr. BROWN. No, sir.

Mr. BRAY. In other words, it just warned you about the jail penalties.

Mr. BROWN. That is correct.

Mr. BRAY. Have you read both of the bills before this subcommittee for consideration?

Mr. BROWN. I have read only the title of it and the limited information provided by both bills.

Mr. BRAY. I was going to say would you have a preference to which you would like to see enacted into law if any?

Mr. BROWN. No, I wouldn't; as long as it is one or the other and reaches a conclusion which I think we should reach.

Mr. BRAY. Well, that is all I had unless you have anything else you would like to add.

Mr. BROWN. No; I have nothing else except that I want to compliment the committee for looking into this matter and I think it will be a big help.

Mr. BRAY. On behalf of Chairman White I would like to thank you very much for taking all your time and effort to come from Willows, Calif. It has been very nice meeting you. With your permission we will enter your full statement in the record.

Mr. BROWN. Thank you.

[The prepared statement submitted by Mr. Brown follows:]

STATEMENT OF EDWIN B. BROWN, ASSOCIATE PUBLISHER OF WILLOWS PUBLISHING
Co., WILLOWS, CALIF.

A brief background on our operation: The Willows Publishing Co. owns and operates two small daily newspapers and six weekly newspapers serving Shasta, Tehama, Glenn and Colusa Counties in Northern California west of the Sacramento River.

Our annual volume, fiscal year ending April 30, 1973, totaled \$451,124.32. From this total we made a gross profit of \$8,370.00, a net of \$7,029.00 after payment of IRS Corporate Income Tax. And that, gentlemen, is only one and a half percent (1½%) on each dollar of business.

We have spent our entire lives in the newspaper business, and we think we know something about it. But the fact remains that operating costs and taxes have risen faster than we have been able to generate income. As a young man I paid \$16.00 a ton for newsprint, today we are paying \$190.00 a ton for the same paper, and the mill could care less whether they sell to us or not. Japanese buyers are offering \$240.00 a ton.

Taxes? In addition to IRS Corporate Income Tax, we paid last year in county taxes, state and federal payroll taxes a total of \$12,497.25. We withheld from our employees (effecting that take-home pay) for the state and federal government a total of \$25,070.43. Any way you figure it, we had to earn last year \$44,596.68 just to pay taxes, before there was a dime available to pay for ink, paper or buy a loaf of bread.

Eking out this small net of one and half percent was possible only because we run a tight ship. We do not have one extra employee or spend one dollar that is not absolutely necessary. It can be truly said of any business, that if you make a dollar a year, you will never go broke, but if you lose a dollar a year, eventually you will.

In this economic climate, here comes an additional call on our remaining time and energy by an agency of the Federal Government.

Under penalty of fine and imprisonment, the Bureau of Census demands completion of a long hairy questionnaire about our "manufacturing" business, seeking answers of impossible questions, or at best, not available without sacrificing several week-ends of our little free time in research of the expenditure of a thousand dollars or so to employ some competent firm to do this work.

However, following the strongest possible protest to no avail—I did answer many of the questions—those within the limits of my knowledge, and mailed the questionnaire to Jeffersonville. This destroyed three Sundays.

Certainly the will of Congress, the spirit and intent of any given law should not be violated by bureau formulated regulations. As you know, this has been done more than once.

In closing, let me congratulate your committee for taking a good hard look at this matter.

I wish to thank you for the time you have given me.

[The following letters are an exchange of correspondence between Chairman White, Congressman Leggett, Mr. E. B. Brown, and the Census Bureau:]

SEPTEMBER 26, 1973.

Hon. ROBERT L. LEGGETT,
U.S. Representative, Rayburn Office Building,
Washington, D.C.

DEAR BOB: Reference is made to our exchange of correspondence concerning the various Economic Census forms, and the complaint you received from Mr. E. B. Brown of the Willows Publishing Company.

Yesterday I introduced legislation to require Congressional approval of Economic Census questionnaires. Enclosed for your information is a copy of the news release I have disseminated concerning this legislation.

I am hopeful this Subcommittee can begin consideration of this legislation at an early date. I will see that you are notified of the dates of these hearings in order that you might participate if you desire.

With best regards, I am,

Sincerely yours,

RICHARD C. WHITE,
Chairman.

AUGUST 15, 1973.

Hon. ROBERT L. LEGGETT,
*U.S. Representative,
 Rayburn Office Building,
 Washington, D.C.*

DEAR BOB: Attached is the letter and information received from the Director of the Bureau of the Census in response to my request for information on the Census of Manufacturers. The enclosure mentioned, "1972 Economic Censuses-Facts", was not attached. I have asked the Bureau to send this pamphlet and as soon as it is received, I shall forward it to you.

I have noted that the Director responded directly to Mr. Brown, and I hope the response was of assistance in clarifying the need for this particular census.

As I indicated in my earlier correspondence, it might be a worth while endeavor to look further into the various forms and the selection process. For your information, I am enclosing a copy of Congressman Froehlich's bill calling for repeal of section 131 of title 13 providing for censuses of manufacturers, mineral industries, and other business. Although I have scheduled no action on this bill to date, if and when I do, our hearings will no doubt encompass the complaints outlined by Mr. Brown.

Please call on me if I might be of further assistance to you. With best regards,
 I am

Sincerely yours,

RICHARD C. WHITE, *Chairman.*

U.S. DEPARTMENT OF COMMERCE,
 BUREAU OF THE CENSUS,
 Washington, D.C., August 8, 1973.

Hon. RICHARD C. WHITE,
*Chairman, Subcommittee on Census and Statistics, Committee on Post Office and
 Civil Service, House of Representatives, Washington, D.C.*

DEAR MR. CHAIRMAN: This is in reply to your letter of July 13 to Mr. Robert L. Hagan, Deputy Director of the Bureau of the Census, requesting background information on the 1972 Census of Manufactures. I have replied directly to the letter of June 30 from Mr. E. B. Brown of the Willows Publishing Company which your colleague, the Honorable Robert L. Leggett of California, forwarded to you. For your information, I am enclosing a copy of my reply to Mr. Brown.

The 1972 Census of Manufactures is part of the 5-year Economic Censuses currently being conducted. These censuses are required by law (Title 13, U.S. Code 131) which provides penalties for failure to file a report. The nature and purposes of these censuses are described in more detail in the enclosed pamphlet, "1972 Economic Censuses-Facts."

The Economic Censuses require reports from all businesses operating in manufacturing, construction, mining, retail and wholesale trade, and in selected industries within the service areas. The service areas excluded from the Census are typically those in the educational, medical, and nonprofit sectors of the economy. According to the Standard Industrial Classification developed under the direction of the Office of Management and Budget, publishing, including newspaper publishing, has been considered a manufacturing activity for many years.

Report forms are designed for each specific industry as defined in the Standard Industrial Classification system. As a result, there are many different types of report forms, all of which request the same standard information, supplemented by information unique to each industry. In the manufacturing sector, there are approximately 200 different report forms used. Prior to the Census, these report forms are circulated to virtually all trade associations in each industry, many individual firms, and other Government agencies for comment. The purpose of this review is to make certain that the information requested is needed by private industry for production and marketing purposes and by Congress and the Executive Branch for legislative planning and policy decisions. This review also ensures that the information requested is readily reportable from the accounting records of most firms in the industry. A final review is made by the Office of Management and Budget, assisted by industry committees of the Advisory Council on Federal Reports. The clearance procedure eliminates many obsolete inquiries but also leads to the addition of many new inquiries which are more pertinent to the current

needs of the business community and the Government. Most of the questions relating to materials consumed, products shipped, and special processes are designed to meet the needs of businessmen; Government's needs usually are met from the more general inquiries.

Despite this review, we find that a number of the small firms do not maintain their records in a way to provide the information as requested. Our instructions recommend that these companies make reasonable estimates, and our experience indicates that most small businessmen are close enough to their operations that their estimates are very accurate.

As mentioned above, all firms in the industries included in the Census are required to file a report. However, mindful of the demands made of the businesses by the Federal, State, and local governments, the Census Bureau developed a procedure that made it unnecessary to mail questionnaires to the very smallest firms. Recent improvements in the Federal Government's administrative records of the Social Administration and the Internal Revenue Service enabled us to incorporate limited information from these files into the Census for the small firms. About 140,000 small firms in manufacturing, and about 2 million in trade and services, were thus relieved of the necessity of completing reports. At this time we cannot use administrative records for the larger firms without seriously affecting the reliability of resulting statistics.

The Census of Manufactures provides published information on the operating costs and sales for industries by size of establishment, legal form of ownership, States, counties, and cities. In addition to providing detailed information on the industrial and geographic structure of the manufacturing sector, the Census provides a universe to select samples for special surveys such as the measurement of the affects of exports and Government purchases on manufacturing employment by industry and area.

I trust this explanation will provide you with some insight into the Economic Censuses, and the Census of Manufactures in particular. If you have further questions, please let me know.

Sincerely,

VINCENT P. BARABBA,
Director, Bureau of the Census.

U.S. DEPARTMENT OF COMMERCE,
BUREAU OF THE CENSUS,
Washington, D.C., August 2, 1973.

Mr. E. B. BROWN,
Willows Publishing Company,
Willows, Calif.

DEAR MR. BROWN: In accordance with the request contained in your letter of June 30, I am enclosing a copy of the Census of Manufactures form MC-27A, "Newspaper Publishing."

We appreciate your willingness to complete the report form. My reminder letter cited the legal obligation to file a Census report because we are close approaching the date at which we must receive all reports if we are to meet our commitments to publish the preliminary results from the Economic Censuses by early fall. The reports were originally mailed in December, and all but a small proportion of companies have returned them.

The Economic Censuses have been taken at 5-year intervals in order to provide key statistics for industries, geographic areas, size of establishment and company, and legal form of organization. This information provides insight into the structure and growth of the Nation's economy, which is used by Congress and the Executive Branch in policy decisions and program planning and by private business in production planning and marketing. The data are also important components of broad aggregate measures of the Nation's economic activity such as Gross National Product, National Income, Index of Industrial Production, and other production and price indexes.

The importance of this type of information is reflected in the fact that Congress has required reporting by law and provided penalties for failure to file a report. Most businessmen recognize the importance of these data and file their reports willingly, even though it requires some expense on their part. There are also some Census surveys which are conducted strictly on a voluntary basis, and in our correspondence it is necessary for us to distinguish for the businessman the surveys which are required and those surveys which are voluntary.

The workload imposed on businesses by the reporting demands of Federal, State, and local governments is of deep concern to us. Therefore, in fulfilling our responsibilities under the law to conduct the Censuses we make a concerted effort to minimize the information requested. The proposed report forms are reviewed by virtually all trade associations in each industry, many individual companies, and many other Government agencies. Before final adoption they are cleared with the Office of Management and Budget, which is assisted in the review by industry committees of the Advisory Council on Federal Reports. The purpose of this review is to avoid duplication in reporting to Government agencies and to ensure that the information requested is both necessary and reportable from company records.

Although the questionnaires are designed to obtain information maintained in the accounts of most firms, we find that some do not have summary records to provide all the data. The reporting instructions permit reasonable estimates for items not readily available from accounting records. Most managers of small companies are close enough to their operations to make such estimates with a high degree of accuracy. Since the data are to be used in statistical summaries, minor estimating errors will not significantly affect the reliability of the results. If you are having difficulties with specific parts of the report form, you may call collect Mr. Lonnie Conner of the Industry Division who will be able to answer your questions (Area Code 301, 763-7626).

We would appreciate your cooperation in giving prompt attention to this form, so that we can be certain that we will be able to meet our obligation to publish the preliminary results within the next few weeks.

Sincerely,

VINCENT P. BARABBA,
Director, Bureau of the Census.

JULY 13, 1973.

HON. ROBERT L. LEGGETT,
*U.S. Representative,
Washington, D.C.*

DEAR BOB: Thank you for your letter of July 11th concerning the correspondence you received from the Willows Daily Journal making a complaint about the rather voluminous 1972 Census of Manufactures. I regret that due to my transition to the Chairmanship of this Subcommittee, your earlier correspondence was not answered.

To be perfectly frank, Bob, I have not had an opportunity to familiarize myself with all of the various economic censuses. The Subcommittee staff tells me that yours is the first complaint received about the Census of Manufactures. Therefore, I cannot give you the views of the Subcommittee on this particular issue, but I have contacted the Bureau of the Census asking for information and clarification of their procedures in selecting the firms for inclusion in this census.

As you may be aware, this Subcommittee has been holding hearings on the proposed postponement of the 1974 Census of Agriculture, and prior to that, hearings were held on legislation calling for a mid-decade census of population. It was brought out in both hearings that the forms are often voluminous and place a tremendous burden on those required to complete them, and especially, those in business and industry.

Additionally, I recently learned that Congressman Harold Froehlich, has introduced legislation to amend that Section of Title 13 dealing with the various economic censuses, of which the Census of Manufactures is one. Copies of this bill are not yet ready for distribution, but I understand that the bill calls for repeal of this section of Title 13, which in essence would do away with the economic censuses.

Perhaps, based on this and other complaints, it might be a worthwhile endeavor to look further into the various forms, and the selection process. I will ask the Subcommittee staff to look further into this problem.

As soon as I have additional information from the Bureau of the Census, I will be in touch with you.

With best regards, I am

Sincerely yours,

RICHARD C. WHITE,
Chairman.

JULY 13, 1973.

HON. ROBERT L. HAGAN,
Deputy Director, Bureau of the Census, Department of Commerce, Washington, D.C.

DEAR MR. HAGAN: I am attaching a copy of the correspondence received from Congressman Robert L. Leggett of California, and copies of the correspondence he has received from the Willows Daily Journal.

Since I have not yet had an opportunity to become familiar with the Census of Manufactures, I would be most appreciative if you could provide me with information on this particular Census in order that I might respond more fully to Congressman Leggett.

I can certainly see that this could place a hardship on small business, and would appreciate your including information on how the particular firms are selected for inclusion in this Census.

With thanks for your assistance, I am

Sincerely yours,

RICHARD C. WHITE,
Chairman.

CONGRESS OF THE UNITED STATES,
Washington, D.C., July 11, 1973.

HON. RICHARD C. WHITE,
Chairman, Subcommittee on Census and Statistics, Rayburn Building, Washington, D.C.

DEAR DICK: For your review I enclose copy of communication received from the Willows Daily Journal, one of my outstanding independent California enterprises making complaint with respect to the rather voluminous 1972 Census of Manufactures which has been provided that firm.

I earlier addressed a communication, copy of which I attach, to Congressman Charles Wilson who earlier chaired your committee. With your transition no reply has been received.

I have received an additional communication from the Willows Daily Journal indicating that they are being pressed for completion of the document. For your review I attach the document in its entirety which I think is voluminous and involves complexities which are utterly ridiculous for a small newspaper to complete. A newspaper performs a service and only by a contrived view of the definition of "manufacturer" can they be considered as such.

If firms are selected at random for completion of these forms I would think the firms selected should receive some kind of compensation for their efforts. The views of your committee on this matter would be much appreciated.

Very sincerely,

ROBERT L. LEGGETT,
Member of Congress.

WILLOWS PUBLISHING CO.,
Willows, Calif., June 30, 1973.

VINCENT P. BARABBA,
Director, Bureau of Census, Jeffersonville, Ind.

DEAR MR. BARABBA: Your threat of legal action against us, forces us to comply with your directive under the strongest protest, thus we will complete your questionnaire to the best of our ability and within the limits of our knowledge.

However, it will be necessary for us to have a new form, as our copy was mailed to our Congressman, Hon. Robert L. Leggett in our complaint of your time consuming demands.

However, I will be out of town from today (June 30) to July 16th, so it will be impossible to get this report back to you prior to July 25th.

Yours truly

E. B. BROWN,
Management Consultant.

WILLOWS PUBLISHING Co.,
January 16, 1973.

Hon. CHARLES H. WILSON,
*Chairman, Subcommittee on Census and Statistics, Committee on Post Office and
Civil Service, House of Representatives, Cannon House Office Building, Wash-
ington, D.C.*

DEAR MR. CHAIRMAN: I enclose for your review a communication received from the Willows Publishing Company indicating their distress at the recurrent Department of Commerce requirements respecting their business reporting.

I would appreciate your analysis of this complaint and the penalties involved respecting the failure to complete the document. Certainly the forms call for a great deal of research respecting items which many businesses do not automatically keep records.

If individual businesses are going to perform research like this for the Government, I think some provision should be made for compensation.

Your early views would be appreciated.

Very sincerely,

ROBERT L. LEGGETT,
Member of Congress.

WILLOWS PUBLISHING Co.,
Willows, Calif., January 11, 1973.

Congressman ROBERT L. LEGGETT,
*House Office Building,
Washington, D.C.*

DEAR BOB: Every year for the last few years we have received a long form (like the one inside) to fill out for the Department of Commerce.

If we were to complete this in any meaningful manner it would cost us far too much in time and money.

With operating costs and taxes what they are, balanced against the money we are able to generate, we have to operate a lean, tight ship to stay in business. There is just no fat in our personnel to do this job!

Ed Davis and I hope that you could help us in this matter, one way or another. Thanks!

Sincerely,

EDWIN B. BROWN,
Associate Publisher.

REVISIONS IN PROCEDURE FOR TAKING ECONOMIC CENSUSES

MONDAY, MARCH 25, 1974

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

The subcommittee met at 9:30 a.m. in room 210 of the Cannon House Office Building, Hon. Richard C. White (chairman) presiding.

Mr. WHITE. The Subcommittee on Census and Statistics will come to order. We are convened for the purpose of conducting hearings to consider testimony on H.R. 9189, introduced by Representative Froehlich of Wisconsin; and H.R. 10519, introduced by myself and cosponsored by Congressmen Hanley, Lehman, Pickle, and Charles H. Wilson of California.

We are pleased to have with us today Mr. Vincent P. Barabba, Director of the Bureau of the Census. With Mr. Barabba is Mr. James W. Turbitt, Associate Director for Economic Fields; and Miss Shirley Kallek, Chief, Economic Census and Surveys Division.

Following the appearance of the Census Bureau officials, we will hear from Dr. Joseph Duncan, Deputy Associate Director for Statistical Policy, Office of Management and Budget.

Before we begin the testimony, I would like to make a few opening remarks.

The current law, section 131 of title 13, U.S. Code, provides that the Secretary of Commerce shall take various economic censuses in years ending in "3" and "8." No provisions are made in the law, however, for any congressional approval or rejection of the form, length, or content of such questionnaires.

H.R. 9189 would repeal section 131 in its entirety.

H.R. 10510 would require the Secretary to submit to the Congress his determination of the questions proposed to be included and the type of information to be compiled, not later than 2 years prior to the taking of such censuses. Not later than 1 year thereafter, the committees of Congress having jurisdiction over the Census Bureau may notify the Secretary of their acceptance or rejection of the form and content of the questionnaires.

At this time I am happy to call Mr. Barabba to testify.

STATEMENT OF HON. VINCENT P. BARABBA, DIRECTOR, BUREAU OF THE CENSUS; ACCOMPANIED BY JAMES TURBITT, ASSOCIATE DIRECTOR FOR ECONOMIC FIELDS, AND MISS SHIRLEY KALLEK, ECONOMIC CENSUS AND SURVEYS DIVISION

Mr. BARABBA. Mr. Chairman, I appreciate your invitation to appear before this committee to provide you with a summary statement on H.R. 9189 and H.R. 10510. A more detailed presentation on our position has also been submitted to the committee.

I am accompanied by Mr. James Turbitt, Associate Director for Economic Fields, and Miss Shirley Kallek, Chief, Economic Census and Surveys Division.

Toward this end, the Bureau has inaugurated a series of economic census data users conferences to reach small and medium-sized firms which would benefit from a detailed knowledge of this information.

The conferences have been set up through the Department's field organization, and are being sponsored by the Chambers of Commerce and other local groups in each city. Travel and other related costs for Bureau personnel are paid by the local groups.

To date, conferences have been held in Dallas, Philadelphia, San Francisco, and Seattle, with 175 to 250 attendees at each session.

Between now and the end of June, conferences will also be held in Los Angeles, New York, Denver, Kansas City, Boston, Chicago, and Atlanta. Six or seven staff members, experts in the fields of manufacturing, mining, construction, and the distributive trades, present detailed descriptions of the program and answer questions.

I am pleased to have the opportunity of providing this committee with information about the Bureau's program in the economic area, and in particular to explain the impact of the proposed bills as they relate to both the Bureau's program and programs of users of census data.

I would like to comment first on the bill H.R. 9189 which proposes to repeal section 131 of title 13, United States Code, providing for quinquennial censuses of manufactures, mineral industries, and other businesses.

The Bureau of Census strongly objects to the enactment of this bill for the following reasons:

The effect of this bill, if enacted, would put an end to the basic economic census data collection programs now conducted by the Bureau of Census, which were initiated, in one case, over 160 years ago. Effects would be far reaching, as the data are not available from any other source. Current programs of both the Bureau and other major statistical agencies would also be adversely affected, as many current programs are dependent upon these data as benchmarks or bases.

The economic censuses are the primary source of facts about the structure and functioning of the economy; accordingly, their use is widespread among manufacturers and distributors, management, and various industries and trades, trade associations, chambers of commerce, and State and local government. These facts about the country's business structure and the changes in that structure are, of course, essential for the Federal Government.

Its results also provide the necessary benchmarks and controls totals for a majority of the Government's statistical series. For example, the censuses provide the industrial and product weights of the Federal Reserve Board's Index of Industrial Production, and the Bureau of Labor Statistics' Index of Wholesale Prices. These censuses are basic inputs to the gross national product accounts and provide the sampling frame for the Bureau's monthly wholesale and retail sales reports. Many private series are evaluated against the census results for the industries or products involved.

Other uses, or users, could be amplified, but probably more compelling is a review of the 1953-54 experience of the Bureau and the business community.

The provisions of section 131 of title 13, United States Code, authorized the Census Bureau to conduct economic censuses in 1954 covering calendar year 1953. Congress appropriated funds for planning and preparatory operations, but the fiscal year 1954 budget request for the actual taking of the census was not allowed.

There was considerable opposition in Government and in the business and academic communities to the elimination of the full-scale economic censuses. As a result of this opposition, the Secretary of Commerce appointed an Intensive Review Committee to study the Census Bureau's programs from the standpoint of their importance in the functioning of the American economy. This committee submitted its report to the Secretary strongly recommending that the economic censuses be resumed.

Congress responded to this recommendation with dispatch and, in June 1954, section 131 was amended, providing that the census be resumed.

We cite this experience for several reasons, the major ones being that with the increasing reliance of almost all major groups upon the Bureau for data, it is probable that the repeal of the census would cause a similar and even stronger reaction. Second, the study was quite extensive, and its findings and recommendations remain equally valid more than 20 years later.

Key points brought out through the survey and stated by the committee were: the bulk of census data are not available from any other source; information provided by the censuses is critical to any kind of mobilization planning; and possibly the most important is that our comprehensive system of economic indicators is dependent on the censuses.

In summary the committee recommended not only that the quinquennial censuses be resumed, but also that the Bureau retain and improve its sample surveys which provide current information between census years.

Repeal of section 131 of title 13 would have a devastating effect on the Federal statistical system and would seriously impair the entire process of economic policymaking in both public and private sectors.

The second bill in question, H.R. 10510, also provides for amendment of section 131 of title 13 and specifically proposes a plan for congressional review and approval, requiring approximately a year's time, of economic census questionnaires.

Although the Census Bureau recognizes the rationale for such a plan, we feel there are certain ramifications which indicate a basically untenable position.

More specifically, there are three areas of major conflict created by the amendment which appear to seriously impair the ability of the Census Bureau to conduct the quinquennial economic census.

First, there would be a conflict with the present review and clearance system used by the Census Bureau. The current system has proved invaluable for insuring that census report forms continue to provide information that:

1. Is pertinent to contemporary problems.
2. Is as comparable as possible to information collected in past periods.
3. Imposes a minimum of reporting burden on the respondent.

The review procedure conducted by the Census Bureau in an attempt to obtain these goals has been developed and refined over a period of several decades and in itself requires over a year of the 5-year cycle for censuses. The major thrust of this extensive review procedure is aimed at ascertaining what information would provide the most utility for users and how best to facilitate the supply, collection and compilation of the data. Toward this end, the Bureau maintains an interaction of discussion with the business community (including all respondents who make suggestions), other government agencies and advisory committees. In the course of preparing for the 1972 census, the Bureau contacted approximately 3,000 companies, 1,000 trade associations, all major Federal agencies and numerous university and research organizations. These contacts are carried out by a professional staff highly sophisticated in the complex subject-matter. To give you an idea how extensive this questionnaire development process can be, we estimate that 65 person-years were devoted to this census questionnaire.

The Bureau's program is designed to be extensive, comprehensive and organized to meet the public interest. To impose an additional year's review time, would allow insufficient time for actual conduct and publication of the Census.

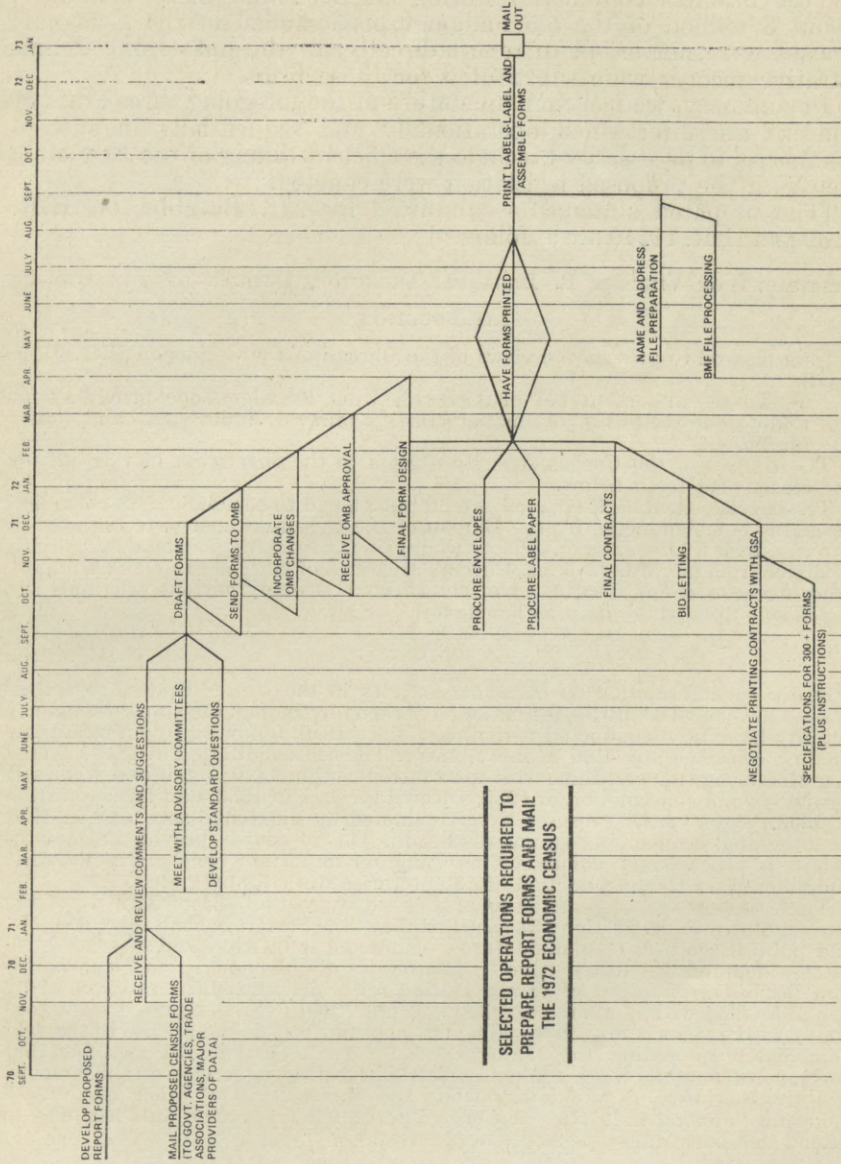
Secondly, timing problems associated with adhering to the proposed amendment appear insurmountable, as the disruption in the rather lengthy and involved review procedures would result in a delay in the release of Census publications of 6 to 12 months.

Concomitantly, such a delay would have an adverse effect on the Census Bureau practice of informing companies of the resultant report form content and format. Advance notification is necessary to allow respondents sufficient time to adjust their recordkeeping practices and is effected in the fall of the year prior to the year to be covered.

There are numerous other operations preparatory to mailing the Economic Census, including the design and layout work for over 300 report forms, printing of forms and envelopes, computer programming, and assembly and verification of the mailing packages. These operations encompass extremely technical and complex tasks and in lieu of a detailed explanation, it is felt that a general overview would provide the committee with a better perspective.

To graphically illustrate the operations necessary to bring the economic census to fruition within the available time span, we would like to introduce a chart which shows the selected operations required to prepare report forms and mail the 1972 economic census.

The chart depicts the sequential, interdependent nature of the operations, as well as the need for early planning and completion.



Mr. BARABBA. Thirdly, the proposal doesn't recognize the extensive administrative records processing efforts of the Bureau. In conforming to the policies required by the Federal Reports Act of 1942, the Census Bureau has utilized the administrative records of Federal agencies to greatly diminish the reporting burden faced by the business community during an Economic Census. In fact, about 3 million of the 5.5 million firms included in the Economic Census were not asked to report directly, as the data from administrative records were substituted for those firms.

In summary, we feel that the nature of the foregoing three areas of concern are intertwined operationally and sequentially in such a manner as to necessarily preclude the efficient taking of the Economic Census if the proposed legislation were enacted.

[The prepared statements submitted by Mr. Barabba on H.R. 9189 and H.R. 10510 are as follows:]

STATEMENT OF VINCENT P. BARABBA, DIRECTOR, BUREAU OF THE CENSUS

INTRODUCTION

I am pleased to present the views of the Bureau of the Census on H.R. 9189, a bill

"To repeal section 131 of Title 13, United States Code providing for mid-decade censuses of manufactures, mineral industries, and other businesses."

The Bureau of the Census strongly objects to the enactment of this bill for the reasons set forth below.

The effect of the bill, if enacted, would put an end to economic data collection programs now conducted by the Bureau of the Census, which were initiated in one case over 160 years ago. Effects would be far reaching, as the data are not available from any other source. Current programs of both the Bureau and many other agencies would also be adversely affected as many current programs are dependent upon these data as benchmarks or bases.

HISTORY

Statistical information on economic activity in the United States, as well as in most developed countries, is now largely taken for granted. Censuses of economic activity have been conducted periodically since 1810, following by only 20 years the first census of any kind in this country. The census initiated in 1810 covered manufacturing; mineral industries were introduced in 1840; retail and wholesale businesses and construction in 1929, selected services in 1933, and transportation in 1963. These earlier censuses were conducted on different bases, and in 1954 an integrated economic program was begun. This of course, provided some economies in processing, a common time frame for important benchmark statistics, and allowed for the introduction of an enterprise statistics program.

These censuses are conducted as authorized by section 131 of Title 13 of the United States Code. Section 131 specified that "the Secretary shall take, compile, and publish censuses of manufactures, of mineral industries, and of other businesses, including the distributive trades, service establishments, and transportation (exclusive of means of transportation for which statistics are required by law to be filed with, and are compiled and published by, a designated regulatory body), in the years ending in 3 and 8 and each such census shall relate to the year immediately preceding the taking thereof * * *." Section 131 specifies that coverage of manufactures, minerals, distributive trades, service establishments, and transportation is mandatory while the phrase "and of other businesses" following "mineral industries has been interpreted to provide authorization to extend the industrial scope as the need arises.

USES AND USERS OF ECONOMIC CENSUSES

The economic censuses are the primary source of facts about the structure and functioning of the economy; accordingly, their use is widespread. These facts about the country's business structure, and changes in that structure, are of course essential for the Federal Government.

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

These uses as sample frames and benchmarks for current economic statistics programs, as a periodic benchmark for other major statistical systems, such as the National Economic Accounts, and the provision of analytical tools including the input/output tables, provide Federal economic policy makers with the data necessary for the conduct of their functions.

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

Census facts are invaluable for manufacturers and distributors who need to establish measures of their potential markets in terms of areas, kinds of business, and kinds of products; management in various industries and trades which needs facts for purposes of economic or sales forecasting, for analysis of sales performance, for the layout of sales territories, for the allocation of advertising budgets, and for the location of plants, warehouses, and stores. Likewise trade associations need census information to learn how their industries are changing, and chambers of commerce to learn how their communities are changing. State and local governments need to understand the structure and changes occurring in their areas. Business magazines rely on census facts as background for their articles.

THE 1954 BUDGET CRISIS

The provisions of Section 131 of Title 13, United States Code authorized the Census Bureau to conduct censuses of business, manufactures, and mineral industries in 1954, covering calendar year 1953. Congress appropriated funds for planning and preparatory operations in fiscal years 1952 and 1953 but the fiscal year 1954 budget request for the actual taking of the censuses was not allowed.

There was considerable opposition in Government and in the business and academic communities to the elimination of the full-scale economic censuses. Trade associations, economic and marketing research agencies, community planners, professional organizations, and individual data users recommended that these censuses be resumed. In October 1953, the Secretary of Commerce appointed an Intensive Review Committee to survey the Census Bureau's programs from the standpoint of their importance in the functioning of the American economy. This Committee, which consisted of professors, business executives, economists, and other specialists not affiliated with the Census Bureau, submitted its report to the Secretary in March 1954. Among other things, the report strongly recommended that economic censuses be resumed.

Congress responded to this recommendation with dispatch and, in June 1954, Section 131 was amended, providing that "the censuses of manufacturing, of mineral industries, and of other business, including the distributive trades and service establishments, directed to be taken in the year 1954 relating to the year 1953, shall be taken instead in the year 1955, relating to the year 1954."

We cite this experience for several reasons, the major ones being that with the increasing reliance of almost all major groups upon the Bureau for data, it is probable that the repeal of the census would cause a similar and even stronger reaction. Secondly, the study was quite extensive, and its findings and recommendations remain equally valid more than 20 years later. As an initial part of their review, the committee conducted a survey of users. The groups responding to the survey were as follows: 12 Federal Reserve Banks, The American Marketing Association, 241 trade associations, 24 professional groups, 3 labor organizations, 13 business groups, 4 agricultural associations, 18 Chambers of Commerce, 9 State and local government groups, and 15 Federal agencies.

Some of the key points brought out through the survey and stated by the committee were: the bulk of census data are not available from any other source;

information provided by the censuses is critical to any kind of mobilization planning; and possibly the most important is that our comprehensive system of economic indicators is dependent on the censuses. This system of indicators is the basis for Administration decisions regarding economic fluctuations, and without the solid foundations provided by the census it is impossible to measure and interpret these current changes. Committees of the Congress also rely on such statistics to evaluate economic policy, the most active being the Joint Economic Committee.

In summary the committee recommended, not only, that the quinquennial census be resumed, but that the Bureau retain and improve its sample surveys which provide current information between census years.

Repeal of Section 131 of Title 13 would have a devastating effect on the Federal Statistical system and would seriously impair the entire process of economic policy-making in both public and private sectors.

STATEMENT OF VINCENT P. BARABBA, DIRECTOR, BUREAU OF THE CENSUS

H.R. 10510

This bill would amend Section 131 of Title 13 to provide for Congressional review of questionnaires within a specified time frame. Specifically, the Secretary would be required to submit to the Congress his determination of the questions prepared to be included in the censuses not later than April 1 of the year prior to the year the census covers. In turn, the committees of Congress having legislative jurisdiction over the Bureau may by April 1 of the year to be covered, review the questions and type of information to be compiled, and notify the Secretary of their recommendations for acceptance or rejection of the proposed questions and the type of information to be compiled.

The Bureau of the Census recognizes the rationale and reasons for the introduction of the bill and share with the Congress a concern for reducing reporting burden. We object to the enactment of the proposal, however, for several major reasons. The proposal if adopted, would:

- (1) Duplicate and/or conflict with the present system under which the Economic Censuses are formulated;
- (2) Cause extreme difficulties in terms of timing, and flexibility in adapting to changes in needs for statistics;
- (3) Fail to recognize our extensive administrative records processing efforts designed to minimize the reporting burden involved in the economic censuses.

DUPLICATION AND/OR CONFLICT WITH PRESENT SYSTEM OF DEVELOPING THE ECONOMIC CENSUS QUESTIONNAIRES

Planning the inquiries for the quinquennial censuses is a large and important undertaking. Inquiries must be selected with great care so as to provide information (a) pertinent to contemporary problems and (b) comparable to the information obtained for past periods. The ability of companies to report the information requested is of equal importance. These matters involve extensive consultation with both users and suppliers of information.

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

Within this framework the Bureau conducts a stringent review of the questionnaire content which has been developed and refined over a period of several decades; this review itself requires almost a year of the five-year cycle for censuses. To impose another year's review upon this would allow insufficient time for actual conduct and publication of the census.

The Bureau review is basically twofold. First, it is necessary to ascertain just just information is required in the public interest and how such requirements can be met by collecting and compiling answers to questions on a statistical reporting form. Secondly, the procedures are designed to find out how the business community can most easily supply the required statistical information in a form that will be sufficiently reliable to serve the public interest. A number of organiza-

tions are utilized and some Ad-hoc committees are specifically created to facilitate this extensive and time-consuming but necessary review.

In the development of Economic Census questionnaires, several government agencies who are users of statistics are consulted. These agencies include; Department of Commerce, Treasury Department, The Tariff Commission, the Departments of Agriculture, Interior, and Labor, and the Federal Reserve Board.

Secondly, comments are solicited from trade associations and providers of data. These comments deal with both the need and reportability of economic censuses. This review is normally accomplished through industry committee meetings, trade associations, and direct contact with individual companies. Thirdly, views are solicited of other private users, if any, and advisory committees such as American Statistical Association, the American Economic Association, and the American Marketing Association.

In the course of preparing for the 1972 Economic Censuses, the Bureau was in contact with about 3,000 large, medium, and small companies; more than 1,000 trade associations; all major Federal agencies; and numerous university and research organizations and labor unions. Attachment A contains a comprehensive record of the "Consultations and Meetings on the Census Inquiries" in connection with the 1967 program, and we would like to make it a part of the record as an indicator of the scope of the Bureau's review process. Additionally, thousands of individual firms were contacted to obtain their assistance in the development of inquiries.

After these consultations have been made by the Bureau and the forms have been drafted, the Census Bureau submits the forms to the Office of Management and Budget for clearance under the Federal Reports Act of 1942. The Statistical Policy Division of OMB reviews the forms and at times consults with other executive agencies and with potential respondents. Advice from potential respondents and the public can be obtained in several ways, including through public meetings of ad hoc panels of the Business Advisory Council on Federal Reports.

It should be mentioned that the Economic Census questionnaires number more than 300, and in addition to the general type inquiries, contain specific inquiries tailored to the particular type of establishment (retail store, mine, factory, etc.) being canvassed. These variations simplify individual reporting.

We are confident that the Bureau's program is extensive, comprehensive and designed to serve the public interest. Furthermore, a high level of technical expertise in the form of industry knowledge is associated with the development of inquiries to assure that proposed items meet necessary economic criteria for inclusion, or are of strategic importance, and that their relationship to historical information or current series are maintained.

TIMING PROBLEMS

Problems associated with the timetable in the proposed amendment would lead to a delay in the release of census publications. This delay would be anywhere from six months to a year, and would result from insufficient lead time to conduct the operations necessary to mail the report forms at the end of the year.

The timing would conflict with our own program to develop the questionnaires which would still have to be conducted to determine the specific detail to be collected and to assure these details conform to establish criteria for collection. Further, we deem it necessary to have that process completed by the fall of the year prior to the year to be covered, so that we can provide notification of the content in sufficient time to permit companies to adjust their record keeping systems. For the 1972 Economic Censuses, we mailed copies of Attachment B "1972 Economic Censuses—Preparatory Information" to all major firms in October of 1971. In addition to the booklet itself, sample copies of the questionnaires relating to the respondent's particular activity or activities were included in the mailing.

Other operations preparatory to mailing are the design of report forms, printing of report forms and envelopes, computer programming and processing, and actual assembly and verification of the mailing packages. The design and layout work for the report forms, which number more than 300, is initiated almost one and a half years prior to the actual mailout, and the actual printing is performed on a flow basis in the first and second quarters of the year to be covered in order to have all forms available by the summer of the year of coverage. This allows for quality checks of the forms and printing, and enables us to spend the last quarter

of the year in assembly and verification operations. For this past census the assembly operations began in October 1972 and were completed by December 26, 1972.

The assembly and verification operations are extremely time consuming due to the variability of the packages. That is, a package can contain anywhere from one to 5,000 reports in the case of the large multi-establishment companies. Verification is critical for many of the packages because a large number of the forms contain pre-printed data which would result in disclosure of individual company data if a form were placed in the wrong package. Prior to this assembly there is also extensive effort put into computer programming and processing to accommodate computer-generated report forms, develop control totals and listings, and select samples for quality control checks.

As you can recognize, the planning and conduct of the census is an extremely technical and complex task. We would expand on these operations in great detail, but a general overview of the development and processing of census operations will provide the Committee with a good perspective. To do this, we would like to introduce the attached chart: *"Selected Operations Required to Prepare Report Forms and Mail the 1972 Economic Censuses"*.

The chart illustrates the timing problem and depicts quite clearly the need for early planning and early completion of the operations necessary to accomplish the mailout of the 1972 Economic Censuses. Also note that the operations are to some extent sequential and frequently depend upon completion of earlier activities before they can proceed.

To illustrate the timing problem, we would like to detail some of the operations and associated schedules necessary to mail one of the imprinted forms for the 1972 Economic Censuses:

Operation	Date performed	Cumulative time (days)
Form sent to OMB	Aug. 27, 1971	
OMB number assigned	Nov. 9, 1971	74
Form sent to printer	Feb. 4, 1972	161
Form returned from printer	June 2, 1972	280
Computer processing started	Aug. 1, 1972	340
Computer processing completed	Aug. 21, 1972	360
Imprinting started	Sept. 5, 1972	375
Imprinting completed	Oct. 16, 1972	416
Assembly and verification started	Oct. 24, 1972	424
Assembly and verification completed	Dec. 15, 1972	476
Forms mailed	Dec. 26, 1972	487

This indicates that 16 months elapsed between the amount of time the form was forwarded to OMB for clearance and actual mailout. If H.R. 10510 were to be enacted it would result in a six to seven month delay in the mailout in order for the Secretary to review the recommendations of the specified committees.

ADMINISTRATIVE RECORD PROCESSING

As mentioned earlier, an important aspect of the Act in which Congress established policy regarding Federal Reports was that a minimum of burden should be placed upon business enterprises (especially small business enterprises) to obtain information. The Census Bureau has adhered vigorously to this policy, and through the increasing use of administrative records of agencies of the Federal Government has been able to relieve a significant portion of the business community from filing report forms. In fact these administrative records have become a vital input in the data collection efforts of the Bureau's economic statistics program.

For the quinquennial economic censuses, the Bureau principally utilizes business tax returns which must be filed by all firms engaged in economic activity, the basic mailing lists of business firms maintained by the Internal Revenue Service and the Social Security Administration, and report forms filed by employer firms on employment and payrolls in connection with employee income tax and social security payments. These administrative records provide the basic address sources ensuring complete coverage of firms within the scope of the censuses.

The first integrated census program covering manufactures, retail, wholesale and selected services, and conducted by mail, was initiated in 1954. This was the Bureau's first use of administrative records for assembling the mailing lists and obtaining industry classifications for employer firms to be included in the censuses. Information was also obtained about the industry classification of the firm from Social Security records and this was used to determine the particular

form which should be sent to the respondent. This technique is still in use. Over 300 different forms were used to collect information in the 1972 Economic Censuses in order to simplify respondent reporting. These forms are tailored to obtain the specialized type of data required from particular groups of industries.

In the 1963 Census of Business, administrative records were increasingly used as a source of data for the smaller firms. In lieu of obtaining reports from smaller firms, selected items of information such as employment, payroll, and value of receipts were obtained from administrative record sources. This use proved so satisfactory that it was expanded to include smaller firms in manufacturing and construction in 1967, and increased to a greater degree in the 1972 Economic Censuses. In fact about three million of the five million and one-half firms included in the 1972 Economic Census were not asked to submit Census reports, as the data from administrative records were substituted for those firms. However, a small scientifically selected sample of the smaller firms and all large firms were asked to file census reports to enable reliable data to be published on the wide range of subjects covered by the census. Studies are now under consideration in connection with the planning for the 1977 Census to determine if increased usage of administrative records can be made.

The Bureau's access to these administrative records is under the strictest of confidentiality rules. Records of the Internal Revenue Service are made available through an Executive Order of the President while the availability of other information from Social Security is through an administrative order of that agency. In both instances, as with all other data obtained by the Bureau, the information is compiled under the confidentiality provisions of the law (Title 13, U.S. Code) under which the Bureau operates. This law prohibits the Census Bureau from releasing any data which would disclose the figures of any firm. Moreover, the information collected by the Bureau cannot be used for purposes of taxation, regulation, or investigation and only statistical totals may be published.

This use of administrative record information is probably the most important achievement in our efforts to minimize reporting burden. However, there are others which should be mentioned as being integral parts of this overall effort. These include practices such as extensive consultation with the suppliers of data to formulate the inquiries in terms that reflect trade terminology and record-keeping practices, substitution of samples for complete coverage wherever possible, the use of a modified shorter form for smaller companies and the collection of summary data wherever our current commodity reports cover the same areas.

[Attachments A and B referred to in this statement were retained in the files of the subcommittee.]

Mr. WHITE. Thank you, Mr. Barabba. Before we proceed further with our interrogation, I want to allow Congresswoman Green, who is extremely knowledgeable in this field, an opportunity to address the subcommittee.

Mrs. GREEN. Thank you, Mr. Chairman.

Mr. WHITE. I'm sure this will be very short, if you could pass the microphone over to Mrs. Green.

Mr. BARABBA. Certainly.

Mrs. GREEN. Thank you very much, Mr. Chairman. I'm grateful to the gentlemen who are willing to step aside just for a few moments. I will then be able to go to my own committee meeting.

STATEMENT OF HON. EDITH GREEN, REPRESENTATIVE IN CONGRESS OF THE UNITED STATES FROM THE THIRD DISTRICT OF THE STATE OF OREGON

Mrs. GREEN. Mr. Chairman, I'm not going to testify specifically on the bills that have been introduced, but to express my concern and hope that you and your committee will consider the whole question of the census and the imposition on people who are requested to fill out forms.

My concern stems from letters which I have received from my constituents. The first letter was very short, succinct, to the point, and a bit profane. The second letter came after I wrote and asked for details. The second letter is as follows:

"Dear Congresswoman Edith Green:

"In January we received a letter from the Census Bureau. The letter was mailed to 'Occupant.' It stated the Census was taking a survey for CPI to find out how people spend their money, and what time of the month they spend it.

"Mr. Raush is retired on disability, so he was home the first time the interviewer came to the door. He told her how he spent his money was his business, and he would not answer any questions.

"Within a week she was back again, and he again would not answer any questions. He told her there were houses up and down the street and to go ask someone else and quit bothering him.

"Less than a week later, on February 7, 1973, Mrs. Reddington and a man from the Seattle office came for the third time." [Remember, Mr. Raush was a disabled man.] "He was working in the garage. They stood and intimidated and harassed him for 45 minutes trying to get him to answer. The man asked Mr. Raush, 'If you were living under a fascist government and had a gun pointed at your head, would you answer?'"

"Mr. Raush said, 'No.'

"Then he said, 'You are a bitter old man.'

"This letter was mailed to 'Occupant,' so why was it important for him to keep calling and why did they send so rude people like these two?"

Signed, "Mr. Raush."

Mrs. GREEN. Following that, Mr. Chairman, I asked for a copy of the particular census form that he was asked to fill out. And this is it. I am sure you have copies of it in your files.

Mr. WHITE. Well, we would like to have this. I am sure we are going to use it.

Is that the entire form?

Mrs. GREEN. 122 pages, Mr. Chairman. It's probably 20 inches by 12 inches. This same man was going to be asked to spend however many hours it took filling out the several hundred questions. I have some reservations about some of the questions in terms of how important they are, in terms of the information required by the Government. But that is not the main reason for my being here.

I am aware of the importance of the census to the Government and of its importance to us in the Congress in making our decisions, but, Mr. Chairman, I also am really concerned about the explosion of paperwork. A Senate committee recently made a study and estimated that it costs the Federal Government \$18 billion a year to print forms and send them out. And then sort and shuffle and store them! It costs the American business community another \$18 billion a year to fill out the blasted forms and send them back to the Government so they can sort and shuffle and file them. The Archives office said this estimate is on the conservative side. I think this census form is a part of the whole picture.

In my correspondence with the people in the Census Bureau they sent me their brochures and, of course, the part that says "participa-

tion in the survey is voluntary," and they make it very clear that it's voluntary. So I do have questions about why this particular gentleman should be harassed to the extent he was. If voluntary, one trip to his home should have been it—not three trips and harassment.

Later, I received a letter from the gentleman in the Seattle data collection center, and I will only read parts of it. It was following my inquiry to the Census Bureau. He said: "On February 7, Mrs. Joanna Reddington and I visited Mr. Raush in Portland. The purpose was to observe Mrs. Reddington during their actual fieldwork."

It's interesting that this should be that kind of a coincidence. The one time the observer and the fieldworker went to the home of the gentleman who wrote and complained to me! And then he goes on to say, "I attempted to advise him of the importance of the survey and of how much valuable data would be lost if he refused to cooperate, since his address represented many of the other addresses in the Portland area."

Then the last part of the letter, "I then thanked him for his time and explained that one of our interviewers would make a short visit in April to confirm that he still lived at the named address and had not changed his feelings about participating in the consumer expenditures survey." I presume this is the fourth visit to this home for a "voluntary" census inquiry!

I bring this to the attention of your committee, Mr. Chairman, because it seems to me that perhaps it might be considered as you are viewing this specific legislation. There surely ought to be some better way and not only from this incident, but from countless others that I'm sure every member of Congress encounters.

I think incidents like this contribute more to the erosion of confidence in Government than anything else. People see their Government in a very personal way, a way that puts down the little guy, and they get an impression, well, that's how the Federal Government works. I would just hope that in every instance that the Congress can, we would cut down the paperwork and cut out the harassment of individuals.

Mr. WHITE. Mrs. Green, would you feel that it might be helpful if Congress did have a review of the type of questions that were submitted in these economic surveys?

Mrs. GREEN. I haven't really given that much thought, Mr. Chairman. I think that somebody ought to give it a great deal more thought than at the present time. I'm sure this is just one of countless instances. The Census Bureau, also, ought to review the questions to see if the information is really needed.

One recently that has come to my attention is that in the basic opportunity grants, one of our student financial aid programs, they are asking every person who applies for funds under it to make their income tax forms available to the Federal Government. That was never the congressional intent.

Last week I questioned Wineberger about it, and he was sure that was not in the application. I didn't have one in front of me, so I couldn't read it to him.

I think that Members of Congress really don't know oftentimes what happens as a result of legislation that we pass. And we would be shocked, ourselves, if we followed through on the way it's implemented.

Mr. WHITE. Would you like to identify that sheaf of paper?

Mr. ROUSSELOT. Now, this is one, if I could interject, that this gentleman was asked to fill out. This form here?

Mrs. GREEN. That's correct. He was asked to respond to the questions—all several hundred.

Mr. WHITE. Could Mr. Barabba furnish us with a copy of that?

Mrs. GREEN. Yes, it's a consumer expenditure survey interview form for 1973.

Mr. WHITE. If Mr. Barabba could furnish us with that, we would appreciate it. And insofar as Mr. Barabba did allow you to give your testimony at the time that you presented it, would you allow him to respond with an observation of what you said?

Mrs. GREEN. Of course. Whatever your pleasure is.

Mr. ROUSSELOT. Again, what is that?

Mrs. GREEN. Consumer expenditure survey 1973.

Mr. ROUSSELOT. They list items. You remember the total number of the items?

Mrs. GREEN. Well, they're broken down, Mr. Rousselot, by pages. I don't think there is any final total number of questions—several hundred—maybe a couple thousand.

Mr. ROUSSELOT. Now, the purpose of this was an average consumer supposedly?

Mrs. GREEN. No, I would judge that this is a sample survey. I am not suggesting that this went to every person in the United States.

Mr. ROUSSELOT. No, I know that. But when they do a sample they usually take so many items out of a group.

Mrs. GREEN. That's correct.

Mr. ROUSSELOT. But is that supposed to be just an average consumer, or how was it represented to him?

Mrs. GREEN. Well, I'm sure the Census Bureau could respond to that more adequately than I could. But it came to my attention because of the constituent who wrote and felt that he was pretty badly abused by his Federal Government.

Mr. WHITE. I think your reaction was very natural. Maybe Mr. Barabba would like to make an observation.

Mr. BARABBA. I would first like to say that no employee of the Census Bureau has, to my knowledge, and having read the training program manuals, ever been instructed to make the kind of comments that this gentleman referred to. I can only assure you that I will look into it. If that can be substantiated, a reprimand as seriously as is allowed will take place.

[The following statement was furnished for the record at this point in further response to Mrs. Green:]

STATEMENT BY VINCENT P. BARABBA

Following the hearing on March 25, I familiarized myself with the facts regarding the incident concerning a constituent of Representative Edith Green. I found that this matter was called to our attention in April of 1973, the matter was investigated, and Ms. Green received a letter concerning the incident dated April 30, 1973, from the then acting director, Mr. Robert Hagan.

I asked our Seattle office to review the matter once again with the two employees referred to by Mr. Rosch, and these employees deny the allegations regarding specific remarks as quoted above in the transcript.

There is no doubt, nonetheless, that Mr. Rosch was offended, and I regret that very much. Furthermore, I apologize to Ms. Green, as Mr. Hagan did last year, that this matter was not handled at the highest level as it should have been.

Mr. BARABBA. Relative to the consumer expenditure survey itself Mr. Chairman, that is the basic document which provides the Bureau of Labor Statistics with the necessary benchmark information needed to revise the Consumer Price Index. It's a 2-year program conducted once every 10 years, and a sample of about 17,000 households in the United States is drawn.

Mr. ROUSSELOT. I would point out that 17,000 people, if I may interject, were asked to fill out one of those things?

Mr. BARABBA. That's correct.

Mr. ROUSSELOT. All of those pages?

Mr. BARABBA. That is a diary of 5 quarters of activity, Mr. Rousset, and it is a program wherein all of the major expenditures are identified so that the Bureau of Labor Statistics can develop the benchmarks and weights needed for the Consumer Price Index. This index is relevant to all major programs which deal with retirement and other programs which are linked to the Consumer Price Index.

Mr. ROUSSELOT. Is it compulsory that the persons answer that?

Mr. BARABBA. No; it's a voluntary survey.

Mr. ROUSSELOT. Why did this person come back three times?

Mr. BARABBA. We attempt to obtain the voluntary cooperation of as many respondents as possible. At this time nearly 88 percent of the people that were originally requested to participate in the survey have continued to do so.

Mr. ROUSSELOT. That's more than a form; it's a book.

Mr. BARABBA. It is a book used by the interviewer for five quarters to obtain detailed expenditure figures made by the respondent. The need for the information is very great because the entire Consumer Price Index is established on the basis of this information.

I assume I don't have to identify to this committee the importance of that index.

Mr. ROUSSELOT. Now maybe you will.

Mr. BARABBA. It is a voluntary program, and I can only point out to you that a great many Americans have been willing to fill it out inasmuch as they realize the importance of it.

I would also point out that many of those who fill it out have found utility for it themselves because they have a record of their expenditures over a 2-year period.

Mr. ROUSSELOT. Like "hair and scalp care for men and boys," that's important?

Mr. BARABBA. It is, because it's one of a great numbers of expenditures that are made by the consuming public.

Mr. ROUSSELOT. What's your monthly expense for haircuts and barber shops?

That's important?

Mr. BARABBA. Well, you can't take any one question out of context.

Mr. ROUSSELOT. It's right here.

Mr. BARABBA. Well, you're trying to identify all expenditures that are made, and that's one type of expenditure that is made continually over a period of time.

Mr. ROUSSELOT. Let me make this quick point: I realize that part of this is put upon you by the Congress, but I also find that many times we pass a law and an agency takes it over and God knows where it goes. And we certainly found this with the Internal Revenue Service.

So you are just telling me that it is important to your ability to do your job as Congress has passed it, is to go into hair and scalp care?

Mr. BARABBA. To the extent that that is a major component of a family expenditure, yes, sir.

Mr. WHITE. Let me ask you: Is there any attempt made to contact individuals in the beginning to elicit from them their willingness to answer this type of program so that they wouldn't be upset as this gentleman was?

Mr. BARABBA. A letter is sent out ahead of time to arrange an appointment for an interviewer to visit the respondent.

Mr. WHITE. What does that letter say? Does it say: We would like for you to join this program?

Mr. BARABBA. There is a paragraph in here which says something to the effect, Mr. Chairman, that your participation in this voluntary survey would be appreciated.

Mr. WHITE. Will you furnish us a copy of that letter?

Mr. BARABBA. We will furnish you not only a copy of the letter, Mr. Chairman, but a background relative to the consumer expenditure survey and the role that that particular study plays as it affects the design of the Consumer Price Index.

Mr. WHITE. I think that is what Mrs. Green is presently concerned about: any coercion or pressure toward this.

Mr. BARABBA. I think that is a separate issue, Mr. Chairman, and there is nothing in the training manual which instructs anyone to do that. Anyone who is instructed to do this does it on his own, and he is eligible for the wrath of the Director.

Mr. WHITE. She is also concerned possibly that this is maybe probing into a very private portion of one's life.

Mr. ROUSSELOT. Maybe?

Mr. WHITE. This is a problem we have had on the census.

Mr. BARABBA. Mr. Chairman, if I may make a statement relative to the privacy of one's life, our position at the Bureau is simply this: There is a distinction between asking private information and making it public, and asking private information and entering it into aggregate statistics which are of benefit to the entire society. The Bureau's position is that as long as we maintain this trust where an individual gives us information and we keep that information in confidence; that is, it is not made available to his neighbors or to his friends or to his enemies, and it is only included in statistical totals from which no inference can be drawn about this individual, then, we feel we have maintained this contract of trust and society is better off in that they have information to make better judgments and pass necessary legislation, as well.

So I think we have to distinguish between privacy as has been discussed most recently in the press relative to dossiers and taking personal information about people and using it to their disadvantage and requesting information under rules of confidentiality.

The laws which this Congress has set up for the operation of the Bureau protect against the first type of activity. When we ask private information it is in the interest of society that we get that information for use in statistical totals so that better judgments can be made.

Mr. WHITE. The element of courses as I say pressure, individual goals, to be strictly voluntary without repercussions or retribution against him for submitting it. Then this at some measure may justify it. I'm not sure all these questions are pertinent to the Government's position or need. However, I feel that since there is a provision for regular censuses and many other censuses that it would be important to the public to know that when they are contacted that this is absolutely a voluntary endeavor on their part.

Mr. BARABBA. That's correct.

Mr. WHITE. Mrs. Green, I know you have to go to committee, but possibly you may wish to make further comment.

Mrs. GREEN. Well, Mr. Chairman, I really have brought this one instance just as an example. My concern is much deeper. It goes to the extent to which our Federal Government is intruding upon the lives of individuals, and I think this is just one instance.

Mr. WHITE. This is one of the missions of this particular committee. We had taken this into consideration at the last census, and we do have continuing oversight. Of course that's why we are having our meeting today. We appreciate these inquiries.

Mrs. GREEN. My second concern is the just horrendous amount of paperwork that the Government is demanding.

The paperwork that is generated as a result of legislation. No Member of Congress has any idea that we are going to do it, and again both of these—the intrusion in the lives of the people and the tremendous amount of paperwork—contributes to this erosion of confidence in Government which I think is the most serious thing in our country today. In my judgment, all of these little matters put together have contributed to this erosion of confidence fully as much as Watergate. In fact the erosion of confidence was prior to Watergate.

Mr. WHITE. I think we all agree with you, and I am sure Mr. Barabba agrees with you in this.

Mr. ROUSSELOT, do you have any other comments?

Mr. ROUSSELOT. Yes, I am sure, Mrs. Green, your concern is not the method in this individual case by which your constituent was pressured, but also the fact of this questionnaire that you brought with you that he was asked to participate in and fill out. A wonderful way to participate in your Government, 122 pages, and it may be that Congress has mandated the Census Bureau to go into this kind of detail for this consumer expenditure survey, and I am sure Mr. Barabba will describe all of the necessity of this, but I too was not aware as to how detailed it was.

Mr. Barabba, roughly how long would it take to fill one of these out, the 17,000 interviews?

Mr. BARABBA. Well, we conduct these interviews quarterly, Mr. Rousselot. Each interview could take as long as 2½ hours.

Mr. ROUSSELOT. It could be done in that short a time, all these detailed questions?

Mr. BARABBA. That would be each quarter. Remember, this is a questionnaire form that lasts for five quarters. You don't fill that entire questionnaire out in one sitting.

Mr. ROUSSELOT. But this one individual, that is Ms. Green's constituent, if he voluntarily participated he would be requested over a period of a year—

Mr. BARABBA. One and one-quarter years, sir.

Mr. ROUSSELOT. They would just come back every so often to fill out additional material?

Mr. BARABBA. Once each quarter.

Mr. ROUSSELOT. Roughly, how much of this would be filled out the first time?

Mr. BARABBA. It would take 2½ hours within each quarter.

Mr. ROUSSELOT. All 122 pages, questions on 122 pages?

Mr. BARABBA. Look at the form. Some of those pages are set up to be handled each quarter and there is a column for the quarter and then another column for the second quarter.

Mr. ROUSSELOT. But basically, questions are almost the same each time?

Mr. BARABBA. That's correct.

Mrs. GREEN. Mr. Chairman, could I ask a question?

Mr. WHITE. Yes, Mrs. Green.

Mrs. GREEN. You know, it would seem to me important to make some judgment over the practicality of such an interview based on the accuracy of and the precision with which a person could answer. I must say that if a person came to my door and asked me a lot of these questions, I think I would do an awful lot of guessing. I would think it's "maybe in this neighborhood". I don't know whether the Census Bureau has information that would indicate that the answers are precise enough so that they really can make valid judgments based on this kind of an interview.

Mr. WHITE. Thank you so much, Ms. Green.

Mr. BARABBA. As to my response to the questions that were raised by Ms. Green, would you like us to respond fully relative to this hearing, or how would you like us to handle that?

Mr. WHITE. Well, we might as well do it right now.

Mr. BARABBA. I would just point out that this is a reimbursable survey that the Census Bureau does for the Bureau of Labor Statistics. It's not really classified within our economic area. It is classified in our population area. Additionally it's a reimbursable survey. We do the field work for the Bureau of Labor Statistics.

Mr. WHITE. I will advise Ms. Green, because I'm sure she would like to know that, also, Mr. Roussetot.

Mr. ROUSSELOT. Let's pursue this a little further if we could, Mr. Barabba.

Even though you are doing it on behalf of the Bureau of Labor Statistics, Ms. Green has indicated that your average constituent just thinks of it as the Federal Government, so it doesn't really matter who it's being done on behalf of.

Is that a normal procedure in a voluntary participating survey to come back three times to try to get somebody to answer?

Mr. BARABBA. Yes, for this purpose. We find at times—

Mr. ROUSSELOT. That's part of your regular procedure?

Mr. BARABBA. Yes, and the reason is that 17,000 people may seem like an awful lot, but relative to the population of the universe and the requirements of this particular survey, the total numbers in the sample do not make up a large portion of the total population of the United States. It's therefore very important that each unit in the sample be represented and that we have a high response rate. Because there is a program in which this gentleman receives benefits which may be based on the results of the consumer price index.

We return to the respondent for several purposes; one is to see if the person will change his mind and agree to report; another is if that gentleman moves we will contact the family that moves in. We draw these samples on the basis of households, not on the basis of an individual. In other words, the household is the sampling unit.

Mr. ROUSSELOT. OK, let's say the person moves. Then the next person that you contact becomes part of the same sample?

Mr. BARABBA. That's correct. It's the expenditures of that household.

Mr. ROUSSELOT. So you try to find somebody of a similar economic unit?

Mr. BARABBA. Yes, the people that moved into the housing unit became the sampling unit.

Mr. ROUSSELOT. Then if this person is not handicapped and replaces that person, it distorts the sample. The laws of probability would indicate that someone who is not disabled would move into that house to replace the person who is disabled.

Mr. BARABBA. Yes.

Mr. ROUSSELOT. So, you would have to replace that disabled person?

Mr. BARABBA. No, it is a probability sample which is represented by the housing unit.

Mr. ROUSSELOT. Why do you find it necessary to come back three times? Why just maybe not twice?

Mr. BARABBA. Because, normally in our society, 20 percent of the population is likely to move in a particular year and, therefore, there is a good likelihood of someone now having moved into that household unit.

Mr. ROUSSELOT. But, as I gather from what Ms. Green was saying on the basis of what her constituent told her, he made it clear for the first time that he didn't want to participate, and you mentioned to us that this is clearly a voluntary sample.

Why would you come back? Why don't you find the household down the street or something that might represent the same type of makeup?

Mr. BARABBA. The sampling conditions for this particular type of sample are very tight. In other studies this could possibly be done.

We go back also because people change their minds. We have found in many instances where someone might not want to do it in one quarter—

Mr. ROUSSELOT. Did it ever occur to you that why they might change their minds is because you harassed them? In other words, it's the Federal Government and they feel they will be fined or something else; isn't that part of the controlling reason?

Mr. BARABBA. Well, the point I was trying to make to the Congresswoman is that if the interviewer stated that they had to report and they were coercing the respondent, that individual has to be fired. That is unacceptable.

Our purpose is to point out the purpose the information will serve and to the extent an individual will have a change of heart and report, then that's to the betterment of society in our judgment, but there is no call for harassment from that point of view.

If having the U.S. Government contact you and saying something is important and we need that information is considered a harassment, then we're going to have harassment.

Mr. ROUSSELOT. Well, try to put yourself in the place of the average consumer. That may be the way it appears to them. Obviously you're after the information, so you have to encourage your people to get it the best way they can, but my point is, when it is represented to the citizen that the person is doing the interviewing represents the Federal Government, you just may wear them down like the IRS does. People just give up and quit. They decide it's not worth the fight, and that happens all the time, and it may be that that same type of pressure is apparent to the person that they finally give up.

My point is that I don't understand why, after the first and second turndown, you just don't walk away after that individual. It's hard for me to believe, even though you say that this is a very tightly drawn survey, that you can't find another person or another household in that town that will basically represent the same kind of statistics that you are trying to develop.

Mr. BARABBA. Mr. Rousselet, I guess the only way I can answer that question for you is by providing you with a set of procedures we use and the instructions we provide our interviewers.

If we get into a discussion of why it's necessary for us to have that sample unit, then we will get into a pretty esoteric conversation relative to the statistics, which is the kind of conversation we have to get into with our technical advisory committees. They ask us, why is that sample correct. Then there is more interest as to why we do not go back and stay with that unit.

Mr. ROUSSELOT. Mr. Chairman, I won't pursue the point except to say I think I realize the problem. I am trying to gather information I have been instructed to gather by the Congress, and I assume you have problems gathering the data which you are asked to gather, which is hard for me to completely understand, but I think a greater sensitivity on the part of Federal workers as to what happens when this kind of pursuit is made, even though that person is instructed to continue to go after that person because it's part of the quota, is that that type of thing is the thing that is badly misinterpreted by the average American, and they feel the Government is just after them, so I'll leave it go at that.

I've made my point. You understand it?

Mr. BARABBA. I would just point out that it's in the Bureau's best interest not to develop that kind of a reputation because we could through coercion get somebody to answer us, but whether they answer us correctly is another type of question, and our feeling is that we have to develop this feeling of understanding and trust so that people respond as accurately as they know how.

So, it's not in our interest to force a person to respond in a voluntary situation.

Mr. ROUSSELOT. Well, maybe you could develop and record an answer as to why you find it necessary to go back a third time if they have said no as important as they are to the sample as an individual type.

I would still like to know why you just can't drop it after the second time.

Mr. BARABBA. Yes, sir.

Mr. WHITE. It seems to me, Mr. Barabba, in line with Mr. Rousset's questions, that what you are really looking for are typical respondents and if the individual were different, then he really would not be that valuable. If he were typical, then you could go to another without too much trouble.

Mr. BARABBA. It's a lot more complex than that, Mr. Chairman, when it comes to selecting tightly controlled small samples. If we were trying to get a full census, this would be a much different matter, but when you draw a tight sample like this, each individual sample unit becomes very critical.

Mr. ROUSSELOT. I would like to know, too, if I could, Mr. Chairman, the general mandate that you have from the Bureau of Labor Statistics for this kind of survey. I realize it's pretty detailed, but I think we should know what it is.

Mr. BARABBA. I will be able to provide you with the complete background and the studies.

Mr. WHITE. The matters asked will be part of the record, and counsel will follow up on that.

Now, Mr. Barabba, I have a lot of questions. I would like to ask you, for instance, would you describe the procedures you use to establish the content of the economic census questionnaires.

Mr. BARABBA. If I might, Mr. Chairman, I would like to call upon Shirley Kallek, who is basically responsible for that area, to respond.

Miss KALLEK. As you can see from the chart, we start developing the contents of the basic censuses several years before it is actually conducted. From the 1972 census, you can say we started about January or February of 1970—

Now, as I recall, we have to take this on a basis of the third and eighth years—I'm sorry, sir, it's taken in the third and eighth years, and it covers the years ending in "2" and "7".

Mr. WHITE. But, I mean it's set down in the third and eighth years?

Miss KALLEK. That's right.

Mr. WHITE. Now, let's assume that there would be an overview by Congress with questions that would be submitted such as this, and let's just take this noncensus form for simplicity. How much leadtime would be required in the course of your procedure to allow you adequate time to have proposals picked up, your questionnaires to be sent down if Congress were to review them?

Miss KALLEK. Actually, the time schedule under which we work now is a very tight one. You see, you encounter many types of problems. If you're going to keep the census as up to date as possible and get all of the information that is currently being needed, you really can't close the door too early.

If you're just interested in extending the information from time period to time period without worrying about current problems, you could actually close it 10 years before. The problem is how to obtain the basic information that is necessary for the Government and for other users of data that will represent the needs of the time.

We, for example, got some questions on energy into the 1972 censuses, but perhaps if we were doing it now, our questions on energy would be slightly different. The time schedule we operate under now is a very tight one, working backward. You have to have the forms ready for labeling and mailing, et cetera, during the last quarter of the year prior to conducting the census.

Mr. WHITE. Now, we must assume that Congress is likely to pass a bill such as H.R. 10510.

So that Congress will have some guidance from the agency in the event that we do pass this, what is the minimum time you would need for Congress to review and report back to you their approval or suggestions?

Mr. BARABBA. Mr. Chairman, if we could utilize this chart. It depends where you would come into the review process.

If, for example, we made available the forms to you at the same time it was made available to other Government agencies, trade associations, et cetera, which would be in January of 1972 relative to this current census—

Mr. ROUSSELOT. Would this be on the line which says, "Receive and Review Comments and Suggestions," from that time frame, from November 1970 to August of 1971; is that correct?

Mr. BARABBA. That's correct. If you received it at that time and made your comments at that time.

Mr. WHITE. It would have to be received by when to be received by September of 1971?

Mr. BARABBA. In this case, beginning around November and December of 1970.

Mr. WHITE. And you would want it back by when?

Mr. BARABBA. We would like your comments and suggestions back by August of 1971. This assumes, Mr. Chairman, that there is still room to modify that questionnaire after it has received all of the other comments as well and relative to the rules we have to operate under, in the Federal Reports Act. We have to insure that it is possible for respondents to provide the information requested. This approach implies that the comments received at that time would not be the final word as to what would be included in the report form.

Now, if we accept that concept, then I think we can stay pretty much on schedule. If what you were saying is the Congress will have the final word as to what goes into the questionnaire, then we have to take some of the time frames shown on this chart and go through them again to insure that we can complete the requirements that have been established by Congress.

Mr. WHITE. Let me pin down the first time. Then I will ask you the second time. Congress is elected in 1970 and sworn in 1971 in the illustration you have on the chart, so if the Bureau submitted to Congress in January of 1971 for report by August of 1971, this would not interfere with your processes and formulizations?

Mr. BARABBA. So long as it's understood, Mr. Chairman, that what we're talking about is a recommendation and suggestions and not the final questionnaire.

Miss KALLEK. When we start looking to the questionnaires in the early part of 1971, we send out our proposals to the various committees and groups. The problem that arises is that there are never too many questions. What we always get from our advisers and our constituents is that they want to add additional items, not that they want to take anything out.

Mr. WHITE. Suppose Congress decided in the legislation that they passed that they want Congress to have some final approval prior to going to the printers, or final review at least if not approval; at what point would that review come?

Mr. BARABBA. Well, if it's just a review and not a change—

Mr. WHITE. Assuming, of course, that they would make a suggestion.

Mr. BARABBA. Well, at that point, it would take place, Mr. Chairman, in February of 1972, but I think it's important to point out that any change at that point becomes quite costly because if you notice on the bottom of the chart that we have negotiated a printing contract. In addition, not listed on the chart is our whole computer programming effort, which is begun at least the year before that period of time, so any change that takes place at that point—

Mr. WHITE. Even a matter of a few questions and not many questions? Say it was decided that you asked about haircuts and Congress felt that this was an invasion of privacy and a rather unseemly question on the part of Government; would that cost the Government very much to delete that particular question?

Mr. BARABBA. Mr. Chairman, it would depend on which section of the questionnaire and how that particular question related to a whole series of other questions. It's awkward because, Mr. Chairman, we're not dealing with one questionnaire. These documents that you see here in these two volumes are all of the questionnaires that are used in the economic census.

The reason that there are many report forms is that they are custom styled for each type of respondent. In other words, the basic questionnaire is the same but we design particular questions for individual industries to insure a lesser burden on an individual. One question may be on a series of questionnaires for one type of product and it may be not on the other. So, I just can't say.

When you say one question, you're dealing with more than one question. You're dealing with how that question relates to all 400 forms that are utilized in the economic census.

Mr. ROUSSELOT. Is that how many you have in the economic census?

Miss KALLEK. 324.

Mr. ROUSSELOT. Like the one that you have here?

Miss KALLEK. That's right. In each census for example the census of manufactures, the first 16 or 17 questions are the same. Item 17 and 18 which deal with specialized products produced and special inquiries are different.

Mr. WHITE. I notice for instance that you say you have forms in February of 1972, but your final form design lapped over into April of 1972.

Miss KALLEK. Because we design the forms on a flow basis. In other words, we attempt to first get the basic items designed and decided upon. Then we spend a fair amount of time on products and materials.

Mr. ROUSSELOT. In other words, you make the change yourself up to that point?

Miss KALLEK. These are done in a flow basis.

Mr. WHITE. What is the answer to that? Do you make the changes up to that point?

Miss KALLEK. On the later forms we do, but if once we have finished the design of the form, we don't.

Mr. WHITE. But, do you, yourself, make changes up to April 1?

Miss KALLEK. That's right, sir, but these would be only for the forms that would be the last ones designed.

Mr. ROUSSELOT. Out of the 340?

Miss KALLEK. That's right.

Mr. ROUSSELOT. So that this process is continuous?

Miss KALLEK. Yes.

Mr. ROUSSELOT. And that's where the final form design goes on from October of 1971 to April 1st, because you're going through the process of weeding out on all 340 some odd forms?

Miss KALLEK. That's right, but you must remember that the basic questions, the first 16 questions on the report forms in the census of manufactures have been decided at a very early stage.

Mr. WHITE. Well, if you have received changes up to even say January of 1972, but certainly December of 1971, these could be made without any great disruption of your branch?

Mr. BARABBA. It depends on what you mean by great disruption, Mr. Chairman.

Mr. WHITE. Suppose you had the deletion of maybe two questions and you look at it and determine whether or not it affects other questions; surely with the staff you have and the computers, et cetera, you can redesign and regroup to make the printer's deadline to start your forms, and of course, you're talking about the first forms and not talking about the total 360 odd forms.

Mr. BARABBA. I would say it's because of the staff we have and the size we're doing that it makes it difficult.

In other words, this is a massive undertaking. When I first got involved in it I kept thinking about the questionnaire, but we're really not dealing with one questionnaire. We're dealing with a series of questionnaires that are all related, and as soon as you delete one question you have to ask yourself how does that item affect all of these other questionnaires. Then you must consider the programing aspect and how the change will affect the tables and tabulations.

In addition, we have to go back to the agencies which initially requested the information and determine if we were omitting information which is quite critical to another Government program.

Mr. WHITE. Well, you do that with the OMB, you know to February of 1972.

Mr. ROUSSELOT. It says receive OMB approval, up to March of 1972.

Mr. BARABBA. That's after we go through the whole procedure.

Miss KALLEK. One we call the general statistic question. There are two types of questions. The general statistics questions relate to employment, payroll total, cost of materials, inventories, capital expenditures and the like. These are the basic questions which are asked in each of the censuses. These are discussed and approval is obtained very early.

Mr. WHITE. By OMB?

Miss KALLEK. By OMB in the process. In other words, we get approval of the questionnaire in two phases. Then we go through and get approval for each of the special inquiries and the product items. Yes, we can change a product line very easily in a sense—

Mr. WHITE. Well, I would think the specifics of what Congress would probably object would be that they are not interested in basic financial questions for the most part. They would be more interested in the confidentiality and invasion of privacy, and perhaps the ridiculousness of questions.

Mr. BARABBA. Mr. Chairman, I think those types of comments would be more obvious at the early stages where we are not getting into particular product lines.

I think as it relates to the invasion of privacy and things of this nature, when we get into economic type questions it would really fall into the same category as we're dealing with in the population type questions.

Mr. WHITE. What I am saying, are we going to upset you if we make any changes at all based after September? OMB is making changes in that entire span, and I think Congress is equal to the OMB, frankly, in concern and protection of the public.

Mr. ROUSSELOT. Now, where did you get an idea like that?

Let me take a shot at that if I may.

I think the point the Chairman is trying to make is couldn't you really accept suggestions from us that we thought were critical up to and including, on that chart January of 1972, because that's about the middle of your final form design.

Just answer yes or no?

Miss KALLEK. Well, again it really isn't a yes or no question, sir, because as I said, we can change products or materials quite easily, far more easily than the basic questions.

Mr. ROUSSELOT. Our main concern would be dropping a question that is obviously over personal or that we think would trigger on the basis of a substantial amount of criticism on the whole operation, just like Ms. Green's poor little guy who got talked to three times and didn't quite understand what it was all about.

Please give us the point where we can have the last shot at you to try to complain about a problem. It seems to me you don't go to your forms printer until February of 1972. If we agree to have everything in by January 15, wouldn't that be enough time?

Mr. BARABBA. Mr. Rousselot—

Mr. ROUSSELOT. I realize this is a guess.

Mr. BARABBA. I would think that it would affect our ability to complete the task, because on the other side of this argument is that the value of the information is really a function of how timely it is, and I would have to compliment the staff on their achievement of the publication schedule. I wish I could take credit for it.

Now, anytime that we involve ourselves in other changes on this schedule, I think we have to accept the fact, yes, we can do it, but what are we doing to the publication schedule?

Mr. ROUSSELOT. All right, how about December 31 of 1971. You still have to go through all of that OMB approval.

Mr. BARABBA. I think it's important to understand what we mean by this final OMB approval, at the later stages of the forms design most of the approvals are really of a very minor nature. What we are looking at in essence is the fine tuning of the questionnaire.

Mr. WHITE. But, Mr. Barabba, there isn't another line for OMB approval that I can see, other than that one.

Mr. ROUSSELOT. They're probably part of the Government agency.

Mr. BARABBA. They're listed up in the upper lefthand corner, Mr. Chairman, with other Government agencies.

I guess what might be helpful, Mr. Chairman, if we can go back and provide you with how much information would have been available to this committee, say in January 1971, relative to the types of questions we were going to send out and then you could look and see what was available then versus what the final product was, and then I think you could see the extent of change.

Mr. ROUSSELOT. But, your cutoff date according to this chart on draft forms is December 31, 1971.

Why wouldn't that be the date that we could give our final input?

Mr. BARABBA. Because we start to contract for printing et cetera, a little earlier than that, Mr. Rousselot. I would say August to September.

Mr. ROUSSELOT. Now, we're in the receive and review comments and suggestions form area, which you have already described to us, but what the Chairman is trying to get is a final cutoff date in which we can participate, and unless you have some other reasons, I don't understand why we couldn't. I'm sure we won't be making major changes. Our major concern would probably be as the Chairman has suggested, what happens to be to us over sensitive private questions that invade privacy, or at least make it appear to, or possibly questions that appear to us to be entirely silly, and we need a better explanation so we can explain it to our constituency.

Let me tell you, we hear from our constituents when they get all this stuff. We have to be involved in the participation of this thing because we get the letters that complain, and we have to know why it is justified, so go ahead.

Mr. BARABBA. Mr. Rousselot, if we could provide you with what we consider the basic questionnaire in January of 1971 and give you until September of 1971 to let us have your wishes in that area, then I think we could be somewhat responsive without affecting the publication schedule of these censuses.

Mr. ROUSSELOT. All right, so you are saying September of 1971 in this case, and that would have been for a form which goes out in January of 1973, which would be a year and 3 months ahead of time?

Mr. BARABBA. That's correct.

Mr. WHITE. Let me point out that's before you have even drafted the forms.

Mr. BARABBA. That's the final draft of the form, Mr. Chairman. What we are saying, if we can give you an indication of what's going to be on that form—

Mr. WHITE. I think Congress is really interested in what's going to go on the form. Now, I don't want you to feel that you're alone, Mr. Barabba. I don't think there is any agency in Government that likes a review and oversight by Congress, and we have an oversight by our constituents.

Mr. BARABBA. My feeling is not that at all. We want as many people as possible involved in the design of documents so that when it does go out, it does the job.

Mr. ROUSSELOT. And it is understood.

Mr. BARABBA. Yes, because our concern is timeless.

Mr. WHITE. But, you see our role is not in composition. Our role is in oversight. We are somewhat like ombudsmen.

Mr. BARABBA. I would like to point out, Mr. Chairman, that a review of these questionnaires is not going to be a week's work or an afternoon's work.

Mr. ROUSSELOT. On the basis of the one we just saw, we understand that.

Mr. BARABBA. Well, not that complex, but it's a review of these two volumes. I don't know what it would take Congress to do.

Mr. WHITE. That's why we have staffs to help us out.

Mr. ROUSSELOT. I think every Member of Congress ought to be forced to take one home and fill it out. It would be helpful.

Mr. WHITE. Proceed on our requests and furnish us with not just one date, but various dates in your rationale for it.

Mr. ROUSSELOT. I would like to suggest, Mr. Chairman, that I can't understand why we can't come in with our final someplace in the middle of our draft form timeframe in from September to December.

Mr. BARABBA. That's in 1971, Mr. Roussetot.

Mr. ROUSSELOT. As our final input area.

Mr. WHITE. That would certainly be about when the OMB incorporates their changes and makes their approval according to your testimony; is that right?

Mr. BARABBA. Yes.

Mr. WHITE. Now, you have given us your recommendations in regard to H.R. 9189 and 10510 as involving the subcommittee question of content, determination, and process.

Now, do you recommend any other approaches that you feel would be more acceptable and, if you do, would you give us a written statement outlining these particular suggestions?

Mr. BARABBA. Yes, sir.

Mr. WHITE. Fine. What do you think about the interest of subcommittee staff members participating in your advisory committee meetings held to review questions and comments?

Mr. BARABBA. Mr. Chairman, those meetings are public, so anyone can attend, but we urge the participation of staff.

Mr. WHITE. What techniques could be used in the economic census, and do you have any plans to expand it?

Mr. BARABBA. Sir, extensive use wherever possible, but the issue which is perhaps even more important to us here is the use of administrative records in line with our conduct of the census.

As I point out in my testimony, nearly 3 million of 5.5 million firms identified in these censuses did not have to fill out a form because we had access to records of other government agencies. I think it's

always important to point out that we have the authority within the law to collect that information, so if we do not have access to the records, we would have the authority to go out and get it anyway.

Mr. ROUSSELOT. Do you have access to IRS records?

Mr. BARABBA. Yes, we do.

Mr. ROUSSELOT. General statistics or specifics?

Mr. BARABBA. General statistics.

Mr. ROUSSELOT. Not specific forms, coordinated forms?

Mr. BARABBA. We get the lists, yes. We get the lists from IRS for selected business forms, and it's related to information which we are authorized to have access to.

Mr. WHITE. Not identifying the taxpayer?

Mr. BARABBA. Yes, they do, because we have to know, Mr. Chairman, who the taxpayer is so we don't send him out a questionnaire.

Mr. WHITE. Do you get his form, or do you get his name?

Mr. BARABBA. We get a tape of the information with his name on it.

Mr. WHITE. An individual tax report form.

Mr. BARABBA. The business form if I remember.

Mr. ROUSSELOT. Not an individual's income tax?

Mr. BARABBA. Not in the economic areas. We get the names of the individual taxpayers for selected programs such as revenue sharing where it's important for us to attempt to make estimates of population and to identify shifts in our migration patterns.

We attempt to match IRS records from one period of time to another, so we must have access to individual reports while we are doing our analysis.

Mr. ROUSSELOT. You say individual, you mean individual corporate entity?

Mr. BARABBA. In the case of Office of Revenue forms, individual taxpayer forms to ascertain where the taxpayers are and whether or not they have moved.

Mr. ROUSSELOT. And you know his name?

Mr. BARABBA. We have access to his name, but we're not really interested.

Mr. ROUSSELOT. I'll say the president of a corporation, he changes and he moves from New Jersey to California, and you would have access to that individual in connection with a tax report?

Mr. BARABBA. That's correct. I think it's important to point out too, this reason we need that name is that we could find this gentleman in two tax periods.

Mr. ROUSSELOT. You may have excellent reasons, but I am saying we constantly tell our taxpayers unless somebody goes to court, the information on that form is confidential.

Mr. BARABBA. If I could go back to the statement that I made earlier, as far as we're concerned, that information is still confidential. Whatever it is, we do not release the individual information about that gentleman who moved from New Jersey to California. All we're interested in is that somebody moved from New Jersey to California, and we're not interested in what his income was or anything else. We just want to know that that person moved and the only place where you can get that information without conducting a survey, is from the IRS records, which are the most available.

Mr. WHITE. Do you get records of self-employed persons as well?

Mr. BARABBA. That's right.

Miss KALLEK. What do we get from the economic census; we get tape files from IRS with information reported on the form 1040 schedule C, which is a self-proprietorship, the form 1065 which is a partnership return, and the forms 1120, and the 1120S for corporation returns.

First of all, these files form the basis for our mailing list. We use the business master file. Second, we get information on receipts of firms from these records. These data are actually consolidated by IRS and sent to us.

We also use from the social security records, information on employment and payroll, which is reported on form 941. These are the administrative data which are used for the very small respondent. And then, based on a sample, we estimate the remaining information needed to complete the establishment report.

Mr. WHITE. When you get that return, do you get other records of that particular return other than the partnership and the other features of his business? In other words, do you get his total records or do you just get a portion?

Miss KALLEK. No, we just get the information which we need for the census, which is the actual location of the establishment and the employer identification number, his principal activities, and his total receipts.

Mr. WHITE. Do you get his deductions?

Mr. BARABBA. No, sir.

Mr. WHITE. Have you ever had a request by any of the agencies of Government for any individual information of any respondent?

Mr. BARABBA. Yes, sir, we have, They have all been turned down.

Mr. WHITE. The FBI included?

Mr. BARABBA. I think there is one exception during World War I in which some information was turned over to the Justice Department relative to draft evasion. That was done under the War Powers Act.

If you are interested, I could provide you with a document which we provided—

Mr. WHITE. I believe that might be helpful.

Mr. BARABBA. It would give you a historical background.

I would like to add to Mr. Rousselot's comments about the individual income tax forms. An Executive order dealing with this was published in 1944 by Franklin Roosevelt. The most current was by President Eisenhower.

I will make those available to you, Mr. Rousselot. I will also make available a statement giving 12 examples where the Bureau has, in presenting budget requests to the Congress, alerted the Congress to the fact that they were making use of these records in order to lessen the reporting burden as well as the cost of conducting our statistical programs.

Mr. ROUSSELOT. These two Executive orders which you refer to, gave power to the Census Bureau?

Mr. BARABBA. To the Secretary.

Mr. WHITE. In turn, that was given to the Census Bureau?

Mr. BARABBA. That's correct, sir.

Mr. ROUSSELOT. Did the Executive order detail what you could and could not obtain, or did it just give you blanket authority?

Mr. BARABBA. It was relatively general, but the order limits the use of these records for statistical purposes.

Mr. ROUSSELOT. If Jack Anderson had a good informant in that place, it would be a good place to be?

Mr. BARABBA. I would say this: Those files are kept under lock and key at the Census Bureau.

Mr. ROUSSELOT. It's information from the individual tax forms?

Mr. BARABBA. That's correct. We don't have the form itself.

Mr. ROUSSELOT. Those were basically established by Executive orders from both Presidents Roosevelt and Eisenhower?

Mr. BARABBA. Yes.

Mr. WHITE. Mr. Barabba, we have had Federal Energy Office people here, and during the course of the interrogation, it was revealed that there was a plan instituted whereby the Census Bureau personnel would be contracted or deputized to work for the Federal Energy Office to gather material.

How does this work? What confidentiality charges are made for these personnel? Do they extract any of the information from the Census Bureau?

Mr. BARABBA. To my knowledge, the only organizations to which we turn over the individual questionnaire is through the study we conduct for the National Center for Health Statistics. It is called our health information survey.

We conduct that survey under their authority, identifying it as such. We advise the respondent that that information will be turned over to the National Center for Health Statistics.

Mr. WHITE. Prior to getting it?

Mr. BARABBA. Yes, sir. We also tell them it will be kept confidential.

Mr. ROUSSELOT. Is that a voluntary survey?

Mr. BARABBA. Yes, sir.

Mr. ROUSSELOT. If the individual doesn't want to have that information turned over, they can say no?

Mr. BARABBA. Yes, normally, they would not report if they did not wish to. We tell them before they participate that the Bureau is acting as a collecting agency. In the consumer expenditure survey, the Bureau of Labor Statistics does not get the name and address related to that information. They only get that information.

Mr. WHITE. Going back to the Federal Energy Office now.

If one of the Census Bureau personnel is engaged in Federal Energy Office work, but he is paid by the Census Bureau, does he use any of the records of the Census Bureau in searching out this particular information?

Mr. BARABBA. If he did, he could not turn that information over to the Federal Energy Office. No name or geographic reference is used in which an individual or a firm could be identified.

Mr. WHITE. Is any information put into the Census Bureau on an individual basis and then taken out individually by the Federal Energy Office?

Mr. BARABBA. No; it would not be, Mr. Chairman.

Mr. WHITE. Suppose this is information he searches out. The Federal Energy Office has asked him to determine some particular

information related to energy. The agent then goes to a gas station, collects individual information identified individually.

Does he then take that information and put it into the Census Bureau, or does he turn it over to the Federal Energy Office?

Mr. BARABBA. We would assemble and tabulate the information through our various processing groups, and only statistical aggregates would be forwarded to FEO.

Mr. WHITE. They ask for individual information, too, and they have no restrictions on confidentiality.

Mr. BARABBA. On the bill they are putting forward, many of those operations are being provided for.

I can only tell you that as we enter into these negotiations with FEO, there are many people who don't do business with us because of the rules under which we operate.

When they require individual information that they will use for regulatory purposes or any purpose which is not statistical, we recommend that they don't use the Census Bureau to collect that information.

Mr. WHITE. We were concerned that non-Census Bureau personnel would go out representing themselves as Census Bureau personnel, acquire information, and disclose that to the FEO, and undermine the policies and image that your Bureau has.

Mr. BARABBA. We would not participate in that program.

Mr. WHITE. Let me ask you a few more questions.

How many letters did the Bureau receive in which complaints were made about the burden of filling out 1972 census questions? Was there a greater or lesser number than was received in the previous census year?

Mr. TURBITT. I'm not sure I can answer the second question, but with regard to the first question, the number of complaints that we received are 2,600. We have received about 318,000 pieces of correspondence all together, almost half of which had to do with housekeeping chores or claims that forms were lost or never received or were out of business or were already filed.

The number that I have that had some kind of complaint is 2,600.

Mr. WHITE. Those are mandatory answers with penalties; is that correct?

Mr. BARABBA. Yes, sir.

Mr. WHITE. Do you have any information about the extent to which responses can be made by simply transferring an already available form?

Mr. TURBITT. No; not precisely. We attempt in designing the census questionnaire, to limit the questions to data that are ordinarily in the accounting records of firms. We review this thoroughly with the trade associations, etc.

Of course, this differs tremendously depending on the size of the firm and the type of industry involved. It would have to be strictly a guess on my part, but I would imagine that for the large firms involved, that virtually every inquiry is available in their records. There might be a couple of inquiries on each form that are not.

For some of the smaller firms, it might be a bit less. In that case, we ask them to estimate.

Mr. WHITE. Does the Census Bureau desire a change in the language, or are you satisfied with what you have?

Mr. BARABBA. We are satisfied.

I think one of the things we can do, given the current language, is that we can find out ways in which we can involve the Congress more in the things that we are doing without necessarily changing the law.

Mr. WHITE. Are you readying your publication schedule for scheduling the results of the 1972 census?

Mr. BARABBA. Yes, sir.

Mr. WHITE. You intend to undertake a major review before the 1977 round of censuses. Has this project advanced to the stage that you can provide any details on either your approach or your findings?

Would you agree to keep that as you have?

Mr. BARABBA. Only to the extent that we have started on our data users seminar program. I think one of the important things about those seminars is the feedback from the participants has been of considerable value.

On the basis of this initial thrust we will take what we have learned and establish a more specific program.

I would suggest that perhaps the staff might want to attend some of these seminars. We will be putting one on in New York and Atlanta in the coming months.

Mr. WHITE. Will you advise the committee of the schedules?

Mr. BARABBA. Yes, sir.

Mr. WHITE. Are those all-day seminars?

Mr. BARABBA. Yes. In San Francisco, they not only met their estimate, but there were some 70 people over.

Mr. WHITE. We are very concerned about public reaction and participation in the questions. Are they complete with the purposes to be served by the data that you are trying to collect?

Mr. BARABBA. We did, but it is an area in which we can have some improvement. There have been some suggestions. For example we have engaged a consultant to help us be more informative, and permit us to say "voluntary" in a nicer way.

Mr. ROUSSELOT. You mentioned that there were 2,000-some-odd complaints as a result of the census. Do you have a breakdown of the type of complaints and the categories of the complaints that you could submit for the record?

Mr. BARABBA. I don't have it here, but we could provide it.

Mr. ROUSSELOT. In these seminars that you conduct to try to obtain information, we have been supplied with a list of the ones that you have for 1967. It goes through air-conditioning and refrigeration and so on and it is quite a substantial list.

Other than the seminars, how do you do it? Do you send each of them letters to get detailed suggestions?

Miss KALLEK. We do two things, sir.

We now have a staff person who will be devoting most of his time to this phase of planning. We will set up a number of ad hoc committees which will review the general statistics questions included on the report form.

In addition to this, once we finish the basic review of the general statistics questions, we then will go further to involve the various associations in the review of specific products and special inquiries.

We review, for example, the basic product lines against certain criteria. Has a product line been growing and should we expand it to meet the growing needs for this particular type of information? We send out proposals based on our initial review.

In addition, we meet with the major trade associations directly. At the same time, we meet with our advisory committees.

We also visit some of the larger companies and some of the medium-sized companies to get their views. We have also, over the 5-year period, had requests from various groups to add items to the report forms.

Mr. ROUSSELOT. What percentage of these groups respond to your letters?

Miss KALLEK. I would say we probably get a 70-percent to 80-percent response. It varies by industry.

Mr. ROUSSELOT. But as a general rule, you get 70- to 80-percent response?

Miss KALLEK. That's correct.

Mr. ROUSSELOT. It's not for all of the groups?

Miss KALLEK. No; it is impossible for us to include on the census questionnaires all of the requests that we get.

Mr. ROUSSELOT. I'm sure in some areas they want more information than is proper for you to ask?

Miss KALLEK. Yes.

Mr. WHITE. Do any industries request questionnaires to be sent out? If so, do they pay for these questionnaires themselves?

Miss KALLEK. I'm sorry, sir?

Mr. WHITE. Are there any contracts entered into by industries?

Miss KALLEK. All industries in scope of the economic censuses are included. The industries themselves are specified by the standard industrial classification system which is used throughout the Federal Government.

Mr. WHITE. None of those pay for it?

Miss KALLEK. None of them pay for regular publications from the economic censuses.

Mr. WHITE. There is a question on the in-service areas on hotels and motels and there is a question on what is the classification with a dude ranch?

Mr. BARABBA. One of the things that we do which the industries pay for is where they want a special tabulation of the information we collect.

What we do is, if they want it in a different form, then we will do that and they pay for that.

Mr. WHITE. But as far as initiating questions other than suggestions, they don't contract those?

Mr. BARABBA. No, sir.

Miss KALLEK. We do have as part of our current program monthly surveys which we feel we can't do as part of our actual budget which are paid for by the trade associations.

They do not get any information for individual companies. They get only the total aggregates which are also published.

Mr. WHITE. Mr. Barabba, you have been very helpful today in presenting the testimony. If you would furnish the materials that have been requested of you, we would appreciate it.

We probably will be in further consultation with you as the committee considers further the feasibility of the bills before the committee.

We would appreciate a notice to counsel so that we can have attendance to some of these meetings that are important toward the matter before us.

Mr. ROUSSELOT. I want to thank the group for putting together the flow chart on activity. We are also appreciative of the fact that you have been able to compress this in a shorter time frame than it used to be.

Mr. WHITE. Representatives of the OMB are here in the chamber. If you would approach the witness table, I would appreciate it.

Dr. Joseph W. Duncan, Deputy Associate Director for Statistical Policy, Office of Management and Budget has appeared before committee today to present a statement and present himself for any questions.

Dr. Duncan, you may read your statement or summarize it, as you wish.

Dr. DUNCAN. I believe, since it is a short statement, I would like to go ahead and read it.

Mr. WHITE. Please proceed.

**STATEMENT OF DR. JOSEPH W. DUNCAN, DEPUTY ASSOCIATE
DIRECTOR FOR STATISTICAL POLICY, OFFICE OF MANAGEMENT
AND BUDGET, ACCOMPANIED BY DAVID T. HULETT**

Dr. DUNCAN. I do appreciate the opportunity to appear before you today in your deliberations on two bills which relate to the economic census program of the Bureau of the Census, Department of Commerce.

I have with me Dr. David T. Hulett, Chief, Economic Statistics Branch, Statistical Policy Division, who will answer the questions with me.

The purpose of this bill, H.R. 9189, is to repeal section 131 of title 13, United States Code, relating to the taking of the quinquennial economic censuses. We are opposed to its enactment for several reasons.

First, the program to collect the economic censuses on a quinquennial basis is crucial to the entire Federal statistics program. These censuses form the basis against which many important statistical series are benchmarked. Information derived from them improves greatly the accuracy and internal consistency of our national income and product account (gross national product) statistics. The index of industrial production and the wholesale price index also rely to a large extent on these data.

Various analytical uses have been made of information gained by the economic censuses. In particular, input-output methodology using economic census data makes it possible to answer many crucial questions such as the transmission of price inflation from one industry to another, and the impact of Government policy on various sectors of the economy.

In addition, basic knowledge concerning the structure of American industry and the structural limits to competitive behavior is derived from these surveys.

These surveys provide the Federal statistical community with the framework within which samples are drawn for more current and more frequent statistical efforts including such important series as retail sales, inventory statistics and the like.

It is crucial, therefore, that the economic censuses continue and, in fact, be strengthened. One has only to think of the lack of data concerning the supply and demand for energy to realize that there are important areas in which we need more and better statistics for the effective conduct of national social and economic policy.

The economic census data, while not uniquely suited to responding to that particular question, provides the framework within which to respond to questions of this sort and to suggest directions which might be taken to meet more specific needs.

The Office of Management and Budget has recently initiated a study of the statistics which form the basis of the estimates of the gross national product. This project, which is known as the GNP data improvement project, is an independent study being conducted by a panel of non-Government experts. The panel will surely recommend improvements in these economic census programs; not their elimination.

It is for these reasons, Mr. Chairman, that H.R. 9189 should not be accepted.

Now, a few comments on H.R. 10510.

This bill to amend section 131 of title 13, United States Code, is designed primarily to allow congressional committees which have the legislative jurisdiction over the Bureau of the Census to review the forms proposed to be used for the economic censuses and to recommend to the Secretary of Commerce changes in them which would reduce the burden on the respondents.

We have some difficulties with this bill as it is presently written, although we fully agree with the policy objective of minimizing the burden of Federal statistical surveys.

The taking of an economic census is a burden to respondents. Anybody asked for data on a long census form will find himself spending time and money providing information for the use of the Federal Government. It is difficult for someone in that position to evaluate the relative importance of the information he provides to the Federal Government against the burden on him of completing the forms.

The importance of the economic censuses to the statistical programs of the Federal Government, and to the economic policymakers of the Federal Government cannot be denied. We must, therefore, achieve a balance between the Government's need for the data and the burden on the respondent who is asked to fill in the questionnaire.

The burden on respondents is continually being assessed in several ways by the Census Bureau, as has already been described, and by the Office of Management and Budget. We feel that these efforts have been successful in reducing that burden to the extent that it is feasible, given the need for the data.

Several steps have been taken to reduce that burden. First, there is the use by the statistical agencies of administrative records which provide the data necessary to complete the economic censuses for some 3 million of our smallest corporations and establishments

throughout the country without requiring from them any additional information whatsoever.

The burden of the economic censuses, therefore, falls on firms whose importance in the economic activity of this country requires the collection of more extensive information than can be derived from these records.

Second, to the extent feasible, statistical sampling is employed in some of the economic censuses where a complete canvass of the respondents is not necessary. While sampling procedures (which are used extensively in many current surveys conducted by the Census Bureau and other agencies), reduce the burden of the program on the community as a whole, those firms which actually are selected for the sample still feel the full brunt of the questionnaire.

Finally, the process of screening the proposed surveys by the Census Bureau involves the potential respondents heavily in an exploration of possible ways to reduce the burden on respondents while providing the data necessary to satisfy the objectives of the statistical program through many industry committees established for that purpose.

The forms are then submitted to the Office of Management and Budget under the Federal Reports Act of 1942. That act states that it is the policy of the Congress that information which may be needed by the various Federal agencies should be obtained with a minimum of burden upon business enterprises (especially small business enterprises) and other persons required to furnish such information through the use of such reports, questionnaires, and other methods should be eliminated as rapidly as practicable.

The Office of Management and Budget is designated as the agency to carry out this policy for the Congress. We believe that these policies of Congress have been carried out in our reviews in a way which balances the Government's need for information from the public and the impact that such requests for information have on the respondents themselves.

We share your concern about the burden on respondents of all statistical surveys including the economic censuses. The purpose of the Federal Reports Act of 1942 is clear, and the administrative procedures which have been established to carry out this policy are being continually evaluated and improved.

We feel, however, that the provisions of H.R. 10510 as written would unnecessarily restrict our flexibility in dealing with this issue. The provisions would make it difficult to adapt the censuses to meet needs for data arising after the forms had been submitted to Congress.

We are concerned as well about the side effects of this bill on the complex timing problem associated with the development of the census questionnaires to which the Director of the Census has referred.

For these reasons, we believe H.R. 10510 should not be approved.

I would add to the written record that we in OMB would be very pleased to have staff participation from this committee and from the Senate committee in the review of these questionnaires, if that is appropriate. We feel that an informal cooperative activity is more desirable than legislating a series of deadlines and procedures.

Mr. WHITE. Thank you, Dr. Duncan.

Mr. Rousselot?

Mr. ROUSSELOT. Yes. Mr. Duncan, thank you for your testimony. I am glad that the OMB is concerned, as you say several times in your statement, about the ultimate burden on the respondent in your attempt to eliminate what in your mind is unnecessary.

Has Mr. Ash had a chance to review the survey form that Mrs. Green brought here? Has he seen that?

Dr. DUNCAN. I am not certain whether he has or not.

Mr. ROUSSELOT. As a former businessman I would be interested in his comments on the tedious burden that it appears to me might be placed on the individual that has to go through that thing, even though it is over a space of 2 years, as has been described, and whether in fact in your judgment or Mr. Ash's judgment some of those questions could be eliminated, scalp care and so forth.

You mentioned the mandate or the recommendations of Congress that information which will be needed by the various agencies should be obtained with a minimum of burden upon enterprises, especially small business. These 340 basic questionnaires, have you gone through all of them?

Dr. DUNCAN. I have not personally, but our staff did participate in their review. In terms of the current census, the forms are not available.

Mr. ROUSSELOT. Would you give us your judgment in writing as to where you think, on the basis of previous experiences with 340 forms, where that can be reduced?

Dr. DUNCAN. We will be glad to review them for you, yes.

Mr. ROUSSELOT. In some kind of a letter, recommend something. I think that will be helpful.

Dr. DUNCAN. Yes, sir.

Mr. ROUSSELOT. Specifically that consumer expenditure survey too. I would really like to have you take another look at that and see what your thoughts are.

Dr. DUNCAN. Do you want that included in the hearings for the bills presently being discussed?

Mr. ROUSSELOT. Could you do that, since we had a Member of Congress who felt strongly enough about it to come here and discuss it with us.

Mr. Chairman, I will yield it to you.

Mr. WHITE. Dr. Duncan, looking over your testimony and looking at the bill, I have some observations to make which I would like for you to consider.

You stated that H.R. 10510 as written would unnecessarily restrict your flexibility in dealing with this issue. The provisions would make it difficult to adapt the censuses to meet needs for data arising after the forms have been submitted to Congress. On page 2 of the bill which you have—do you have a copy of the bill with you?

Dr. DUNCAN. Yes.

Mr. WHITE. On page 2 of the bill, on line 12—I will read from the beginning. The Secretary should submit to the Congress his determination of the questions proposed to be included and the type of information to be compiled in the censuses conducted pursuant to subsection (a), which is the economic census, at the same time not later than April 1, 1976, and every 5 years thereafter.

Now first I observed that if this had been applied to the census for 1972 that would have been April of 1971, which is a full 5 months prior to the cutoff date that Mr. Barabba testified to earlier.

Furthermore, going on, not later than April 1, 1977, and every 5 years thereafter the committees of Congress having legislative jurisdiction over the Bureau may review the questions as to the type of information to be compiled. That would carry it beyond the cutoff date which Mr. Barabba has suggested, and we could alter that maybe even to September, which would be the last time Congress would have an opportunity before its recess.

Then this important part: And may notify the Secretary of their recommendations for acceptance or rejection of the proposed questions and the type of information to be compiled.

If this committee altered this bill to provide that the questions be submitted by April 1 of the odd year 2 years prior to the census and to report back some 5 months later with their recommendations, say September—and it is not obligatory, I think, in terms of the Census Bureau—what objections does the Office of Management and Budget have to that?

Dr. DUNCAN. I am not an attorney and not very good at interpreting the language in the legal sense. My concern, frankly, was with what would happen in the event that the Congress did say to the Census Bureau, "we reject the form that you have submitted." What would be the procedure that is intended to follow in the sense then that the Census Bureau may come back after a study and say we would like to include it anyway? It is an ambiguity in the sense that, at least to me, you would or could reject their forms as designed.

Mr. WHITE. This language, if I read it correctly, pretty well tracks what we have used in the decennial census wherein questions are submitted to Congress and Congress makes the recommendations but they cannot compel the Census Bureau to follow the recommendations of Congress.

Dr. DUNCAN. To the extent that is the clear intent and procedure, I have no problem with that.

Mr. WHITE. You are not objecting if it is merely advisory?

Dr. DUNCAN. That is correct. We would also welcome your comments as part of our review process; we feel that is helpful to us as we strive to meet our responsibilities to reduce the reporting burdens.

Mr. WHITE. Going further as to the timetable and using the chart that Mr. Barabba presented the committee and using the 1972 census as our example, if the Congress hadn't reported in September 1971 in the example, or even as late as December 1971, as suggested by Mr. Rousselot, would that throw any kinks into your particular process insofar as that is a full half month prior to any of your incorporation of the Office of Management and Budget suggestions.

Dr. DUNCAN. As I understand this chart—and I may be incorrect in this—first of all we do receive forms back at the earliest date they are available to advisory committees. We have an opportunity to comment during that entire stage. Forms begin arriving in our office in September and we begin suggesting changes right away. These early changes are incorporated in the middle of September and we begin approving the forms as early as October. So that to the extent that it is part of that flow process there is no problem. The problem

would occur in terms of slowing up our work if in February or January we were beginning to get comments from the Congress concerning forms we had already approved back in October. As long as comments are received within the flow process, I have no difficulty with the timing.

Mr. ROUSSELOT. If we had given our input to you by December of 1971 would that have been adequate time?

Dr. DUNCAN. What I would like to suggest is that since we begin receiving forms in September, that we would like to have at that time, your comments on those forms that we receive in September. Then we can incorporate your comments in our review process—if they have not already been incorporated by the Census Bureau. Otherwise we would be approving forms and then after the fact being asked to reconsider them.

Mr. ROUSSELOT. Could you set up a process to notify this committee as you begin to receive them?

Dr. DUNCAN. We would be glad to make sure your staff receives the forms at exactly the same time we receive them in their final form for approval by us and we would be pleased to consult with you as we seek modification.

Mr. WHITE. Mr. ROUSSELOT, you are suggesting, as I have been figuring here, that we might consider changing April 1977 to September 1, 1977.

Mr. ROUSSELOT. Right, and you might not even have to put this in the legislation; they are willing to participate with this committee by sending us the forms as they get them.

Dr. DUNCAN. That would be a much more satisfactory procedure, to our way of thinking.

Mr. WHITE. We may proceed with the legislation anyway.

We certainly do thank you, Mr. Duncan, for coming today and we would appreciate—

Mr. ROUSSELOT. If it is agreeable with the Director of the Office of Management and Budget to give us such a letter, would they be willing to do that?

Dr. DUNCAN. Yes, sir.

Mr. WHITE. This meeting is adjourned, subject to the call of the Chair.

Thank you very much.

[Whereupon, at 11:30 a.m., the hearing was adjourned, subject to call of the Chair.]

[Subsequent to the hearing, the following letters from the Office of Management and Budget and the Bureau of the Census were received in response to requests of the subcommittee.]

EXECUTIVE OFFICE OF THE PRESIDENT,
OFFICE OF MANAGEMENT AND BUDGET,
Washington, D.C., April 8, 1974.

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

DEAR MR. WHITE: In response to your request to Dr. Joseph W. Duncan, who represented the Office of Management and Budget at your hearings on March 25, I have reviewed the Consumer Expenditure Survey materials including instructions to the interviewers, the survey instruments, which include a quarterly interview survey and weekly diaries, and the study plan explaining the purpose and methodology of the Consumer Expenditure Survey.

Although the quarterly interview survey appears to be an imposing document whose completion could be viewed as burdensome by many respondents, the record, in fact, indicates a high degree of willingness to participate in both the diary and interview programs. Two separate samples of about 10,000 persons each have participated in the quarterly interviews, in which each respondent remains in the sample for five consecutive quarters.

Although the interviews generally take between one and one-half to three hours to complete depending primarily upon the quarter, 75% of those who consent to cooperate initially stay through to the end. This percentage, moreover, includes losses which occur when respondents move. The overall response rate including responses of persons who move in to fill vacancies is 90%.

In the diary program, two additional samples of 10,000 respondents each have been recording their expenditures in each of two successive weeks for such items as food and personal care which individually are not expensive and for which quarterly recall would not be practical. Response rates for this part of the survey have paralleled those for the quarterly interviews. In both cases response rates have considerably exceeded anticipated rates. The fact that 20,000 respondents are participating in the interviews and another 20,000 are completing expenditure diaries is a real tribute to the support which individual citizens provide the overall social and economic system of our nation.

The most fundamental purpose of the Consumer Expenditure Survey is to provide for decennial revision of the weights in the Consumer Price Index (CPI). Over a period of ten years, the distribution of the consumer dollar among different items of expenditure may change considerably. In addition, on balance the shift will be away from items whose prices rise relatively more rapidly over time. To continue publication of the CPI without periodic revision of weights would tend to overstate actual changes in costs of living.

The CPI, itself, has become a statistic whose impact on compensation and transfer payments is enormous. Approximately 5.6 million wage earners covered by union contracts and postal workers have their earnings adjusted automatically to correspond to changes in the CPI. In addition, 28.9 million recipients of Social Security payments and 1.9 million retired military and Federal civil service employees have their payments tied directly to changes in the CPI.

Another important use to which the Consumer Expenditure Survey will be put is in the study of family expenditure patterns. The Consumer Expenditure Survey will, in fact, provide a unique resource for the analysis of household behavior because of the combination of expenditure data with information on incomes, assets, and liabilities.

In the development of the Consumer Expenditure Survey, great care was taken to insure incorporation of the lessons to be learned from study of previous expenditure surveys. The Statistical Policy Division of OMB worked closely with both the Bureau of Labor Statistics, the sponsoring agent, and the Bureau of the Census, the collecting agent, to insure adoption of methods which could be expected to produce data of high quality. In the development process, particular emphasis was placed on quality even at the cost of increasing burden and time lag between revisions because of the key role of the CPI in the economic life of the country.

A review of the effort which is required to obtain the basic input into the CPI illustrates the continuing dilemma between the need for better and more comprehensive information and our responsibility to minimize and reduce the burden of public reporting associated with statistical programs.

My concern for the burden of public reporting is illustrated by the fact that within one week of Dr. Duncan's appointment as Deputy Associate Director for Statistical Policy in our office, I authorized the release of funds from our Management and Improvement Fund to make possible a comprehensive study of the reporting burden of Federal reports covered by the Federal Reports Act of 1942 on small businesses. I assure you that we will carefully consider the findings of this report and that we will continue to make significant efforts to minimize and further reduce the burden of Federal reporting upon both citizens and businesses. At the same time our Statistical Policy Division is charged with the responsibility for seeking means through sampling, use of administrative records, and other statistical techniques to improve the accuracy, timeliness, and usefulness of the Federal Statistical System.

We particularly appreciate the support and efforts of your subcommittee in assuring that the Federal Statistical System remains outstanding. We look forward to working with you in achieving these ends.

Sincerely,

Roy L. Ash,
Director.

EXECUTIVE OFFICE OF THE PRESIDENT,
OFFICE OF MANAGEMENT AND BUDGET,
Washington, D.C., April 12, 1974.

HON. RICHARD C. WHITE,

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

DEAR MR. WHITE: At your Census Hearings on March 25, 1974, you asked me to provide a statement concerning our procedures for review and clearance of Census of Manufactures questionnaires under the Federal Reports Act. You also asked me to evaluate what items could be eliminated from these questionnaires in order to reduce the burden of reporting to the business community while meeting the national need for useful general purpose statistics. I am happy to provide this information.

The Statistical Policy Division of OMB has worked with the Census Bureau for a long time, and, as a result, the Census Bureau staff does a very good job of anticipating what we expect from them in terms of survey design, reporting burden and development of reliable statistics. In the development of the 1972 surveys, the Bureau solicited recommendations from the business community, trade associations, and government agencies. In most cases, the trade associations recommended a small net increase in the number of items, mostly to collect data on new products, even though they themselves carry almost the entire reporting burden.

The Bureau evaluated the importance of the additional items proposed, the ability of business to provide the data, and whether the proposed items could be answered consistently by the majority of the respondents. The Bureau provided us with industry's recommendations and the Bureau's reasons for accepting or rejecting them. We independently contacted some of the respondents and re-evaluated the changes. Since these procedures have been worked out over the years, there are very few areas where we disagreed with the decisions made by the Census staff. This division does, of course, take into consideration the respondent's comments in evaluating the burden.

Minimizing the changes in surveys from year to year is one way of reducing respondent burden, since then the respondent can adapt his record-keeping practices to the Government's need for data, and has fewer changes to assimilate before assigning clerical personnel the function of preparing required information.

While production data is requested on about 30 items for the average industry—about 11,000 items in all—there are many items for which the Bureau does not collect any data. For example, they collect the value of automobiles produced, but not for station wagons as distinguished from sedans. They do not collect separate data for radial tires or belted tires as against conventional ply tires. Although 11,000 items may initially appear to represent a sizable request, the respondent reports, on the average, less than 5 consumption items (question 17) and less than 5 production items (question 18) as shown on 5 pages of the enclosed survey.

To illustrate the degree of aggregation involved, the automobile manufacturers reported an "all other expenses" for materials of \$18.6 billion dollars. The difficulties of an "all other expenses" item is demonstrated by the fact that input-output analysis requires allocation of that amount among the supplying industries. Despite the desirability of obtaining more detail for general statistical uses, and the fact that manufacturers more than doubled their physical output and tripled the value of their output over the last five Censuses, the survey instrument is approximately the same size in scope of questions.

Our office currently is leading several activities which may eliminate some items from the Census. First, we are coordinating the administrative efforts to provide an industrial directory, which would eliminate the need for several questions regarding the location, employer identification number, company affiliation and organization and other relatively stable information about an establishment. In these cases, the information could be preprinted and the respondent would be asked simply to determine if there are any changes. The industrial directory effort may also mean that items on number of employees, payrolls, and plant manhours of production workers can be eliminated, if every agency uses an identical definition of the establishment and agrees to transfer data between agencies.

Second, as I mentioned in my testimony, our office is encouraging the development of procedures to use administrative records for small businesses as another way of reducing reporting burden. Many industries such as newspapers, com-

mercial printing, and some apparel manufacturers are made up mainly of small establishments, and in these cases a substantial amount of information can be put together with one or two items derived from administrative records. A small sample of the establishments can provide an estimating procedure to give us the universe estimate of their activities. This procedure has exempted 120,000 establishments from filling out the Census of Manufactures surveys.

Enclosed is a copy of one of about two hundred and fifty Census of Manufactures forms. The other forms are identical except that production and consumption items are tailored to those expected from the industry to which the form is sent.

We would be happy to provide more details if desired by your committee.

Sincerely,

JOSEPH W. DUNCAN,
Deputy Associate Director for Statistical Policy.

U.S. DEPARTMENT OF COMMERCE,
BUREAU OF THE CENSUS,
Washington, D.C., April 12, 1974.

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

DEAR MR. CHAIRMAN: I am pleased to forward at this time the supplemental information that was requested by the subcommittee during my testimony at the hearings on March 25, 1974, on HR 9189 and HR 10510.

Part A of this transmittal provides the material relating to the Consumer Expenditure Survey which we collect for the Bureau of Labor Statistics.

Exhibit A1 provides the "questionnaire" used by the census enumerators to record the information collected over a period of five calendar quarters. The "questionnaire" is not left with the respondent but is retained as a workbook by the enumerator and used during each of the five visits to the household.

Exhibits A2 and A3 provide the Area Office Manual and the Interviewer's Reference Manual covering the detailed procedures used in the collection of this survey.

Exhibit A4 represents the initial letter used in contacting the selected households prior to a visit by the census interviewer.

Exhibits A5-A7 furnish copies of other materials used in subsequent contacts with the respondents in the Consumer Expenditure Survey.

Exhibits A8 and A9 provide additional background materials for this survey.

Exhibit A10 provides both a brief statement covering the necessity for our continuing with the household selected in the sample instead of substituting another household and a brief summarization of the "mandate" from the Bureau of Labor Statistics for this survey.

Part B of this transmittal provides the material relating to the 1972 Economic Censuses.

Exhibit B1 is a brief statement regarding the information on questionnaire content that was available in January 1971 as opposed to the content of the final questionnaires.

Exhibit B2 provides some of the background on why it would have been difficult for the Congress to have input suggestions during the period September to December 1971, and a brief statement suggesting possible participation of the subcommittee in the preparations for the 1977 Economic Censuses.

Exhibit B3 is a copy of my statement regarding confidentiality presented to the Census Advisory Committee on Privacy and Confidentiality on September 17, 1973. It provides examples of the Census Bureau's refusal to provide to other agencies individual information which we had collected.

Exhibit B4 provides copies of Executive Orders 9499 and 10911 granting the Department of Commerce authority to obtain information from returns filed with the Internal Revenue Service.

Exhibit B5 provides selected references to the various occasions where we have previously informed Congress of our use of Internal Revenue Service data and other administrative records data for statistical purposes. It is through this increased use of administrative data that we have been able to avoid sending out questionnaires to some 3,000,000 of the 5,500,000 firms included in the economic censuses.

Exhibit B6 provides an illustrative time schedule for the preparatory steps for the 1977 Economic Censuses including the development of the questionnaires. We have indicated several points where the subcommittee could participate in this work. We have not yet developed an actual time schedule for the planning of these censuses.

Exhibit B7 provides a copy of a recent study of correspondence received in connection with the 1972 Economic Censuses.

Exhibit B8 provides the time schedule for the Economic Censuses Seminars. We would welcome attendance at any of these seminars by your staff members.

If you should desire any more information, I will be glad to provide it.

Sincerely,

VINCENT P. BARABBA,
Director, Bureau of the Census.

[Exhibits A1 through A10 are retained in the files of the subcommittee. Exhibits B1 through B8 follow:]

EXHIBIT B1—HOW MUCH INFORMATION REGARDING QUESTIONNAIRE CONTENT WOULD HAVE BEEN AVAILABLE IN JANUARY 1971 VERSUS THE CONTENT OF THE FINAL QUESTIONNAIRES?

Planning and development work for the 1972 Economic Censuses was begun in July 1970, the first year of the five-year funding program for the censuses. By January 1971, only preliminary changes were made to the content of the questionnaire. It should be noted that, with few exceptions, changes were made only to the product and materials inquiries for the 1972 program. Numerous problems encountered with the 1967 Economic Censuses resulted in numerous delays in the publication program. The primary goal for 1972 was to release the data on an advanced time schedule never previously achieved. The Bureau has been able to optimize its processing procedures and schedule and is achieving this goal. In turn, it plans a far more comprehensive review for the content of the 1977 program.

The major revisions to the forms were made in late 1971 after the comments submitted by advisory committees, trade associations, business organizations, trade unions and other interested parties during the first six months of 1971 were evaluated.

An analysis of the changes indicated that for:

(a) General statistics inquiries (employment, payrolls, manhours, expenditures, etc.)—the significant changes introduced were mainly in the construction area;

(b) Products, materials—significant revisions were introduced to provide data on new products developed since the last census. Changes resulting from the widespread revisions introduced in the Standard Industrial Classification system issued by the Office of Management and Budget were introduced; and

(c) Merchandise lines sales and special inquiries were updated to reflect changes in distribution patterns and to provide greater comparability among related kinds of business (e.g., apparel stores and department stores) of detail merchandise line data.

EXHIBIT B2—REASONS WHY CONGRESS COULD NOT INPUT SUGGESTIONS FOR THE 1972 ECONOMIC CENSUSES DURING THE PERIOD SEPTEMBER TO DECEMBER 1971 AND SUGGESTED PARTICIPATION BY THE SUBCOMMITTEE IN THE PREPARATIONS FOR THE 1977 ECONOMIC CENSUSES

Dates and reasons why Congress could not input suggestions from September to December 1971.

During the last quarter of 1971 the Bureau was in the final stages of the evaluation of the comments submitted by the numerous business organizations, trade associations, government agencies, etc., who had submitted comments on items to be covered on the census forms. If the Bureau were to receive another set of recommendations at this point in time it would be necessary to reopen the review and clearance program with the above organizations and this could result in a delay of 6-12 months in finishing the report forms and also in subsequent operations.

Participation of subcommittee in questionnaire approval

The Bureau can appreciate the Subcommittee's interest in participating in the process of questionnaire approval. There is a fairly long period of lead time re-

quired for the preparations leading to the 1977 Economic Censuses. The Census Bureau proposes to keep the Subcommittee informed of the progress and welcomes their active participation.

We would offer the suggestion that the Subcommittee staff work in concert with the Bureau review procedure and participate on a continuing basis during this phase of the economic census. As the reports are drafted we would submit them to the Subcommittee (in the previous census it would have been during the September 1970-January 1971 period) for their review and comments. As the contents of the report forms are finalized (based on the comments from the Subcommittee and other advisory groups) we would submit them to the committee and OMB at the same time. This would afford OMB the opportunity to receive the comments based on the committee's review prior to final clearance of the form. This procedure would introduce the Subcommittee into our regular clearance program and afford them sufficient time at the various stages of the census planning to review and comment on the content of the questionnaires.

EXHIBITS B3—REMARKS OF CENSUS BUREAU DIRECTOR VINCENT P. BARABBA TO THE CENSUS ADVISORY COMMITTEE ON PRIVACY AND CONFIDENTIALITY ON SEPTEMBER 17, 1973

When I accepted the President's nomination to serve as the Census Director, I was well aware that I would confront a number of varied issues relating to how the Census Bureau acquired information from individuals and business enterprises as well as the uses to which this acquired information was ultimately put.

For the most part, I felt that one of the clear areas of concern would be that of the integrity and reliability of the statistics published by our organization.

This concept of Census accuracy and integrity is important to me because this agency produces accurate and timely figures permitting independent analysis of factual statements, assessments and projections regarding the socio-economic state of the nation and as such is one of the clearest indicators of a free market economy and a free society of which I know. I only want to add that today I feel even more strongly about this matter, having had a chance to work with the professional staff here at the Bureau and its many and varied clients.

But, it did not take long to find that there was another key area that would decisively effect the quality of all census data collected, and which to me now represents an area of concern that in my opinion has in recent years been somewhat obscured.

As all you gentlemen know, the Census Bureau has been engaged in what I would like to term a "continuing dialogue" with the National Archives, as well as other concerned agencies of our government as to the possible public or quasi-public opening in some fashion of individual records of the 1900 Census presently on deposit at the National Archives.

Inevitably, the legal, historical, sociological and policy arguments concerning this possible release of data, that many at the Bureau felt was forever inviolate, led those of us who are responsible for the so-called "public trust" to undertake research into the broader aspects of the question of confidentiality as that term is applied to information in general.

Therefore, I want to outline for you some of the central events in the historical development of the Bureau's present position as regards the confidentiality of the information it collects, and then based on our current position, to give you a definition of the Bureau's policy toward the data that it collects almost daily.

While most of the Bureau staff assumed until recently that the individual identity of data collected had always been held in strictest confidence, this has not always been the case.

Nevertheless, it is my opinion that the evidence of past Census practices raised by our recent reassessment of census confidentiality actually strengthens rather than detracts from the current position.

As far as the actual statute laws read in 1890, there was a prohibition against census enumerators disclosing the information they obtained in the course of their work to anyone but their "superiors"; at the same time, there was no such restriction on their superiors.

By the time of the 1900 census, the legislative prohibition on unauthorized disclosure was made applicable to all employees (including supervisors) of the Census Bureau and it is partly for this reason that my legal advisors have argued that the 1900 Census law reflects a definite intention to preserve the

confidentiality of the data collected. Part of the ambiguity concerning the 1900 Census data on deposit at the National Archives arises from the fact that the 1899 law did not contain a clear and unambiguous statement as to whether confidentiality of the data was to exist for fifty (50) years, one hundred (100) years or forever. However, the case is clear that instructions were issued to census enumerators as to their duty to protect the confidentiality of an individual's disclosure.

All that I have just said is well and good so far as the Bureau may have sought to prevent disclosure of personally identifiable information by its enumerators. But, as you may have noted, the 1900 Census only prohibited "unauthorized" disclosure.

Up until 1910, the Census law required that the Director of the Census furnish on demand, to Governors or the chief officer of any municipal government, so much of the population and agricultural returns as would show the names, age, sex, birth place, and color or race of the inhabitants of their district, after that date the law entitled the Director, at his discretion, to furnish so much of the population and agricultural returns as were requested by Governors or courts of record.

You will note, of course, that census returns for manufacturers are not included in the categories for possible release—as even in 1910 they were accorded very strict confidentiality.

Apparently, as regards the population and agricultural censuses, a release by the Director of individually identifiable data to a Governor or court was, at that time, considered to be both authorized and proper under the existing law. A major action should be noted that beginning in 1910 the President of the United States has issued a proclamation which basically declared that the only uses to which census data would be put were to be purely statistical.

Between 1900 and the mid 1920's, there were numerous releases of individual data which were considered proper that would today be adamantly opposed by the Bureau and loudly protested in the press, the courts and the Congress. To the best of our knowledge, these releases at that time were not challenged in the courts nor objected to by the press or the Congress. However, as complete records do not exist for these transactions we cannot say with certainty how frequent or extensive they may have been. The 1919 report of the Census Director to the Secretary of Commerce contains an interesting passage that demonstrates the varied uses for which it was considered "proper" to release individually identifiable data.

Before I tell you about this seemingly "proper" release, let me preface this revelation by reminding you that in 1918 our nation was engaged in a World War, and at that time Congress had seen fit to pass a War Powers Act which may well have been the touchstone which permitted such an extreme use of individual census data. Individually identifiable data was transferred to the Department of Justice for use as evidence in prosecuting those men who had sought to evade the national draft by failing to register and who had, when challenged, asserted that they were not the proper age for induction into our armed forces.

While we do not know the exact circumstances surrounding the release of data for draft prosecution purposes, we do know that personal information for at least several hundred individuals was released to courts, registration boards and the Justice Department. We do not know of any Bureau or Department officer who felt obliged to go on the public record as opposed to such a release.

By 1930, sentiment toward census confidentiality had begun to turn in favor of tighter restrictions on the practice of releasing individually identifiable data. In that year the Attorney General issued an official opinion advising the discontinuance of the Bureau practice that until its unofficial curtailment in the mid-twenties had allowed for the release of individually identifiable data to Governors and courts of record as well as other agencies of the Federal Government. The Attorney General further advised that even the name and address of an individual was confidential. In this case, the Secretary of Labor on behalf of the Women's Bureau of his department had requested individual census data gathered in Rochester, New York. This request was denied.

During this same period international arbitration was underway before a Tribunal established by the United States and Canada to settle claims arising because of extensive damage to crops in Stevens County, Washington, caused by the large quantities of sulphur dioxide that were discharged by a smelter in British Columbia.

No less a person than Secretary of State Cordell Hull requested census data to help resolve the arbitration. At first, the Secretary informally requested that the Bureau supply the arbitrators with the individual schedules for the damaged farms, and as you might have expected the Bureau refused. It appears from the correspondence that the Bureau's confidentiality position was at that time not clear to the Secretary, for in his subsequent formal request, Mr. Hull proposed a compromise, suggesting that numbers be used to identify the individual farms, rather than a person's name.

However, on the advice of the Department of Commerce Solicitor's office, the Census Director advised that mere omission of the individual's names would not be sufficient as their addresses would still be known. It was the conclusion of the Director and his legal counsel that "confidentiality" meant no public revelation of names or addresses.

The International Tribunal hearing the case later decided that although it had the authority to obtain the census records because of the Convention signed by the President that established the Tribunal, it would not require such release as to do so would cause the United States Government to breach a promise it had made to its citizens as well as violate the national law of census confidentiality.

The next major crisis in the development of census confidentiality came shortly after Pearl Harbor when the Secretary of War requested that the Bureau supply his Department with the names, addresses and ages of all persons of Japanese extraction residing on the west coast of the United States. This time, despite the national emergency involved, the Bureau adamantly held to its position of refusing to disclose individual census data in an individually identifiable form, and this position was supported by the Departments of War and State who agreed not to press for release of individually identifiable data.

Once again, those persons requesting the information conceded to the Bureau's position; it was apparently felt that in contrast to the 1st World War, the current War Powers Act did not permit another government agency to obtain individually identifiable data. The Bureau did provide area tabulations on persons of Japanese extraction, but not in any sort of individually identifiable format.

Even Mr. Hoover's F.B.I. was to discover that the Bureau's policy, by this time articulated as being "no release of names or addresses, and no access whatsoever to Bureau records for non-Bureau employees," could not be compromised. In 1947, pursuant to rising concerns of political and law enforcement leaders as to possible Communist infiltration and sabotage, Attorney General Tom Clark requested, on behalf of the F.B.I., general assistance concerning information obtained about individuals by the Bureau. Again, the request was refused.

Thus, by 1947 the Bureau had behind it almost two decades of unbroken practice that individually identifiable data could not be released for any purposes other than those for which it was initially gathered—namely, the tabulation and publication of accurate statistics.

This policy was to continue unbroken and unchallenged until 1961 when the United States Supreme Court ruled in the *St. Regis* Paper Company case that the Federal Trade Commission could subpoena an individual business establishment's file copies of reports submitted to the Bureau. This was a challenge to the Bureau's tradition of confidentiality as seen by the public.

Despite the fact that many businessmen were aware that prior to the Supreme Court ruling, the Federal Trade Commission possessed authority to subpoena the books and records of a business entity, and thus many of the facts contained in a business's file copy of a census report were mere restatements of information available to the F.T.C. through already existing channels, there arose almost immediately a resistance or hesitancy to answer census inquiries.

This resistance was caused by a number of factors; one of them being that prior to the *St. Regis* case in both 1958 and 1960, the courts had ruled that company file copies were not subject to subpoena. Secondly, some company data is given to the Bureau in the form of estimates or retabulations which would not be available otherwise to a regulating agency.

As an example of the impact this resistance had on the Bureau's ability to perform its mission, in the months following the court decision the Bureau was expanding its retail sales survey to obtain regional sales volume data from large companies. By the usual methods of inquiry and follow-up, we were able to obtain reports from only about 75 percent of the large companies. In similar types of inquiries, we usually obtain much higher levels of response, generally in excess of 90 percent. Companies we consulted with at that time invariably referred to the *St. Regis* decision as a major concern. Anyone familiar with sampling tech-

niques knows only too well that withholding of reports by only a small percentage of the large companies in an industry or a geographic area can injure or destroy a survey entirely.

It is important to note that this retail sales survey, as were many others, was affected by what the respondent community believed to be the case, rather than what the actual facts of the matter were. That is to say, respondents felt right or wrongly that the confidential relationship of the respondent to the Bureau had either been violated, or could not be trusted in the future.

Fortunately, the Congress acted to allay the respondent community's fears by passing legislation which amended Title 13 so as to make even the file copies retained by a respondent immune from legal process.

That represents a rough summary of the major points in the development and testing of Census confidentiality. I would now like to turn to a brief discussion of why the Bureau today finds continued strict confidentiality procedures and practices to be of such primary importance.

Title 13 of the United States Code represents the mandate of Congress which outlines the mission, powers and responsibilities of the Bureau of the Census. The Bureau believes that its primary mission is to gather accurate, timely and complete data from individuals, businesses, industries and local and state governments, and to make statistical tabulations of the data collected available to the general public.

Without the availability of Census statistics, much of the government and private industries' planning would need to be based on general assumptions regarding socio-economic problems that simply could not be verified. Through the use of the Bureau's statistics erroneous assumptions concerning our society are challenged and discarded.

While penalties are available as sanctions against those who would refuse to answer a legislatively authorized census, it has never been the general case that the Bureau needed to conduct its censuses using such powers. Rather, the value of data collected is directly and tightly linked to the confidence which the suppliers of information have for those who gather and hold information about them. Success depends on public trust rather than compulsion.

Therefore, while the Census Bureau is authorized by law to require information from citizens, the same law also includes the protections afforded to a respondent's statements as well as specific penalties for any Bureau employee who releases individually identifiable data. In order to comply with the law and continue to receive an extremely high level of respondent cooperation, the Bureau has and will continue to adhere to strict practices as regards the confidentiality of all information collected.

How do we at the Bureau practice what we preach? All employees of the Bureau are sworn to uphold the law and are informed of the importance of their oath and the penalties for violation. All individual records are secured from improper disclosure. Statistical tables and reports are prepared specifically to avoid the disclosure of individual information through statistical inference.

Further, during major censuses these practices are widely publicized, and in the case of the decennial census they continue to be reinforced by Presidential proclamations. Thus, the public is made aware that Census confidentiality represents a clear effort to maintain the inviolability of data concerning each individual.

The practices of the Census Bureau represent a relationship of trust between the individual respondent and the Bureau. Two duties central to the Bureau's mission are directly connected with this public trust. On the one hand, there is the duty of each individual to respond to Census inquiries. While on the other, there is the duty incumbent on the Bureau to protect the response to these inquiries from any sort of individually identifiable disclosure.

Without the public's trust, the Bureau as the agent of the Government, could never expect compliance with the so-called "public duty" to respond. Secondly, because the public does in fact trust the Bureau to keep its records inviolate, there also arises a moral obligation.

Any disclosure of confidential census records not only would threaten public cooperation, it would pose a potential threat to each individual about whom information is retained. This threat is potentially both direct and indirect. It is direct in that much of the information contained in Census records such as race, literacy, and a person's general economic position might possibly be used to his detriment. It is indirect in that the citizens of this country must not be given any reason to feel that data collected about their private lives is potentially available to anyone whose interests in that data would be other than statistical.

In current Bureau practice, the term "confidentiality" represents nothing less than a clear extension of an individual's right to privacy. When an individual divulges to the Bureau facts about himself, his family or his possessions, he permits the Bureau to enter those private domains of his life from which strangers and even friends would ordinarily be excluded. Thus, the Bureau becomes a partner in the preservation of the individual's privacy, as that privacy attaches to the data divulged. The Bureau's task of actively preserving and protecting the respondent's privacy I would define as "confidentiality". And this is a task with which, in my judgment, the Bureau should apply as rigid a set of standards and procedures as it applies to its statistical methodology. In other words, the Bureau's reputation for maintaining confidentiality of the private records of American citizens should equal the Bureau's reputation of statistical competence. For in reality each depends on the other.

EXHIBIT B4—EXECUTIVE ORDERS

EXECUTIVE ORDER 9499

INSPECTION OF INCOME, EXCESS-PROFITS, DECLARED VALUE EXCESS-PROFITS, AND CAPITAL STOCK TAX RETURNS BY THE DEPARTMENT OF COMMERCE

By virtue of the authority vested in me by sections 55 (a), 508, 603, 1204, and 729 (a) of the Internal Revenue Code (53 Stat. 1, 29, 111, 171; 54 Stat. 974, 989), it is hereby ordered that income, excess-profits, declared value excess-profits, and capital stock tax returns made under the Internal Revenue Code for the year 1941 and subsequent years shall be open to inspection by the Department of Commerce, subject to the conditions in the Treasury decision relating to the inspection of such returns by such Department approved by me this date.

This order shall be published in the Federal Register.

FRANKLIN D. ROOSEVELT.

THE WHITE HOUSE,
November 11, 1944.

EXECUTIVE ORDER 19011

INSPECTION BY DEPARTMENT OF COMMERCE OF INCOME TAX RETURNS MADE UNDER THE INTERNAL REVENUE CODE OF 1954

By virtue of the authority vested in me by section 6103(a) of the Internal Revenue Code of 1954 (68A Stat. 753; 26 U.S.C. 6103(a)), it is hereby ordered that income tax returns made under the Internal Revenue Code of 1954 shall be open to inspection by the Department of Commerce. Such inspection shall be in accordance and upon compliance with the rules and regulations prescribed by the Acting Secretary of the Treasury in the Treasury decision 1 approved by me this date, relating to the inspection of such returns by the Department of Commerce.

This Executive order shall become effective upon its filing for publication in the Federal Register.

DWIGHT D. EISENHOWER.

EXHIBIT B5—ILLUSTRATIVE REFERENCES TO THE USE OF ADMINISTRATIVE RECORDS

1. 1974 Budget—County Business Patterns—SESA-19

"The statistics are a by-product of information reported on Treasury Form 941 (Schedule A) files . . . and are supplemented by a survey of about 5,000 employers for whom additional county or industry detail is needed."

2. 1974 Budget—Current Retail Trade Reports—SESA-19

"The accuracy of estimates of sales and inventory data for retail trade are essential for national income accounting and are used by themselves as leading indicators of current and future business conditions . . . the retail trade survey has undergone a fundamental change in systems design . . . This redesign (is)

essentially a move toward greater utilization of the Postal Service and of the administrative files of the Internal Revenue Service and the Social Security Administration as a sample frame."

3. 1974 Budget—*Administrative Records (in connection with Revenue Sharing—SESA-85)*

"... funds will be used to purchase the 1972 IRS files and other administrative records, and working with these files and similar files for earlier years to generate population, migration and income estimates for States, metropolitan areas, counties and cities of 50,000 or more population."

4. 1974 Budget—*SESA-71—Economic Censuses*

"The level of the clerical staff will decrease but will be more than offset by increased computer operating costs and the additional procurement of IRS records needed to compile the data for small business establishments."

5. 1974 Budget—*Industrial Directory—SESA-33*

"This includes the conduct of an annual company survey to obtain the necessary establishment information from multi-establishment information the compilation of administrative records available from other agencies for use as a source of data for single establishment companies..."

6. 1973 Budget—*Survey of Minority Owned Businesses—SESA-97*

"The basic data will be obtained from the 1972 records of the Internal Revenue Service and the Social Security Administration... Data on Negro and "other" minorities will also be obtained by matching SSA and Internal Revenue Records."

7. 1973 Budget—*Economic Censuses—SESA-96*

"Past accomplishments have been possible because of faster computers and improved internal procedures such as increased productivity and the use of the mails, sampling, and the use of administrative records as a data source in lieu of direct data collection from respondents."

8. 1970 Congressional Budget p. CEN-40—*1967 Economic Censuses*

"The information for these censuses is collected chiefly by mail except for a portion of the transportation census collected by personal enumeration, and data for almost 2,000,000 small businesses for which data will be obtained from administrative records already in the hands of the government. The expansion in the use of administrative records (from 1,000,000 establishments in the 1963 censuses to almost 2,000,000 for the 1967 censuses) plus other savings have made it possible for the census to include the construction business and additional service industries within the comparable cost of the last previous Economic Censuses."

9. 1967 Congressional Budget p. CEN-25—*Population and Income Estimates*

"The request for 1967 will allow the Bureau to explore the possibility of using Internal Revenue records to provide data for small access. This start will look toward making estimates of population and their characteristics and income. Computer tapes containing selected data from about 68 million income tax returns will be purchased from the Internal Revenue Service."

10. 1964 Congressional Budget p. CEN-67—*1963 Economic Censuses*

"Establishments with paid employees will be canvassed by mail, utilizing records of the Internal Revenue Service, the Bureau of Old Age and Survivors Insurance, Bureau of Mines, and the Bureau of the Census to develop a classified mailing list. Establishments without paid employees will be covered by sampling the information in the Schedule C, Attachment to the Federal income tax returns, thereby relieving about one million small businesses from having to file a census return."

11. 1958 Congressional Budget—*1958 Census of Business, Transportation, Manufactures, and Mineral Industries p. 142*

"It is necessary, in cooperation with the Internal Revenue Service and the Bureau of Old Age and Survivors Insurance, to prepare detailed plans for the use of administrative records of these agencies, including negotiations for the revision of their forms and procedures, to the extent necessary. If possible, the use of other Federal records as a substitute for original data collection will be

extended in our effort to eliminate the filing of separate census returns, with a joint saving to the business community and the Federal government."

12. *1954 Censuses of Businesses, Manufactures and Mineral Industries Supplemental Budget submitted to Congress June 1954, pp. 11-12*

"The 1954 Census will be taken by making optimum use of existing governmental administrative records. Mailing lists covering all business establishments having paid employees will be derived from the Old Age and Survivors Insurance record of employers. Business establishments with no paid employees will not be canvassed at all. Rather, the data needed, namely, location, kind of business, and annual receipts will be taken from their income tax returns for the year 1954."

EXHIBIT B6—ILLUSTRATIVE TIME SCHEDULE FOR THE PREPARATORY WORK IN CONNECTION WITH THE 1977 ECONOMIC CENSUSES

REVIEW AND PLANNING FOR THE 1977 ECONOMIC CENSUSES

An illustrative time schedule is shown below for the major steps involved in the development of questionnaires for the 1977 Economic Censuses. References are shown, where appropriate, to participation by the Subcommittee.

November 1974 to July 1975: Conduct and review of evaluation studies of the 1972 Economic Censuses.

July 1975 to January 1976: Record keeping practices surveys.

August 1975 to February 1976: Feasibility and Pilot studies.

February 1976: Initial Drafts of 1977 Forms developed and circulated to Government Agencies, trade associations, major providers of data *for comment*. (Copies could be provided the Subcommittee at this time.)

March to September 1976: Review comments received, conduct limited pretests, meet with advisory committees, develop standard questions. (The Subcommittee could participate in these meetings.)

September 1976: Notify firms regarding proposed content of 1977 questionnaires. (Copies could be provided the Subcommittee at this time.)

September 1976 to December 1976: Draft questionnaires (and instructions) for clearances and submit to OMB. (Copies could be provided the Subcommittee at this time.)

October 1976 to April 1977: Final forms design on questionnaires, instructions, etc.

February 1977 to June 1977: Final copy to the printer (Copies of final questionnaires could be provided the Subcommittee at this time.)

EXHIBIT B7—ANALYTICAL STUDY OF CORRESPONDENCE RECEIVED IN CONNECTION WITH THE 1972 ECONOMIC CENSUSES

TABLE 1.—CORRESPONDENCE RECEIVED IN CONNECTION WITH THE MAIL COLLECTION OF DATA

	Total	Single establishment firms	Multi-establishment firms
Total number of establishments mailed.....	2, 137, 000	1, 597, 900	539, 100
Correspondence received. (See table 2 for details).....	317, 890	293, 200	24, 320
Relationship to total number of establishments mailed (percent).....	14. 9	18. 3	4. 5
Complaint-type correspondence. (See table 3 for details).....	2, 215	2, 100	115
Relationship to total number of establishments mailed (percent).....	. 1	. 1	(1)
Congressional correspondence. (See table 4 for details).....	370	(2)	(2)
Relationship to total number of establishments mailed.....	(3)	(2)	(2)

¹ Approximately 0.02 percent.

² Breakdown not available.

³ Less than 0.02 percent.

TABLE 2.—DISTRIBUTION OF CORRESPONDENCE BY TYPE OF COMPANY AND TYPE OF CORRESPONDENCE

Type of correspondence	Number of correspondence receipts by type of company			Percent of correspondence receipts by type of company		
	Total	Single establishment firms	Multi-establishment firms	Total	Single establishment firms	Multi-establishment firms
All types, total.....	317,890	293,200	24,320	100.0	100.0	100.0
Claims form lost or never received.....	139,230	135,900	3,330	43.8	46.4	13.7
Claims out-of-business.....	56,835	54,800	2,035	17.9	18.7	8.4
Extension request.....	36,955	31,200	5,755	11.6	10.6	23.7
Claims filed.....	34,890	30,200	4,690	11.0	10.3	19.3
Changes in name or address, ownership, merger.....	7,220	5,800	1,420	2.3	2.0	5.8
Reported under another identification number.....	6,725	6,400	325	2.1	2.2	1.3
Claims out-of-scope.....	5,800	5,800	0	1.8	2.0	0
Technical questions.....	5,675	3,300	2,375	1.8	1.1	9.8
Claims received wrong form.....	2,945	2,400	545	.9	.8	2.2
Complaints ¹	2,215	2,100	115	.7	.7	.5
Congressional ²	370	(3)	(3)	.1	(3)	(3)
Miscellaneous ³	19,030	15,300	3,730	6.0	5.2	15.3

¹ See table 3 for detailed distribution.² See table 4 for detailed distribution.³ Breakdown not available.⁴ Transmittals, apologies, acknowledges receipt of report, etc.

TABLE 3.—DISTRIBUTION OF COMPLAINTS BY TYPE OF COMPANY AND TYPE OF COMPLAINTS

Type of complaint	Number of complaints by type of company			Percent of complaints by type of company		
	Total	Single establishment firms	Multi-establishment firms	Total	Single establishment firms	Multi-establishment firms
All types, total.....	2,215	2,100	115	100	100	100
Questions the obligation to report.....	300	300	-----	14	14	-----
Request reimbursement.....	800	800	-----	36	38	-----
Lack personnel to complete report.....	400	400	-----	18	19	-----
Refusal (information is privileged).....	550	500	50	25	24	43
Report form is too detailed.....	100	100	-----	4	5	-----
Hardship.....	65	-----	65	3	-----	57

TABLE 4.—DISTRIBUTION OF CONGRESSIONAL CORRESPONDENCE BY CATEGORY

Category	Number	Percent
All categories, total.....	370	100
Too expensive and/or time consuming.....	80	21
Invasion of privacy.....	58	15
Questions obligation to report.....	51	14
Census data duplicates IRS data.....	44	12
Claims out of scope.....	36	10
Due date inconvenient.....	29	8
Never received report.....	22	6
Extension requested.....	22	6
Censuses useless.....	7	2
Claims filed.....	7	2
Incorrectly followed up.....	7	2
Displeasure with bureaucracies.....	7	2

EXHIBIT B8—1972 ECONOMIC CENSUSES DATA USER CONFERENCES

As an assistance to business firms, both small and large, the Census Bureau is conducting a series of data user conferences throughout the country. The conferences provide data users with a detailed knowledge of the information and services available from the 1972 Economic Censuses. We also hope that it will provide a forum to learn through yet another avenue, the data needs of users, desirable methods of issuing the figures, etc.

Conferences have been held in New York, Philadelphia, Dallas, San Francisco and Seattle. Future sessions will be held: April 17, Kansas City; April 24, Boston; May 10, Los Angeles; May 20, Chicago; May 30, Denver; and Week of June 10, Atlanta.

The Bureau would welcome attendance by the subcommittee staff at any of these sessions.

[The prepared statement and letters which follow were received for inclusion in the hearing record:]

STATEMENT OF HON. ROBERT L. LEGGETT, MEMBER OF CONGRESS FROM THE STATE OF CALIFORNIA

Mr. Chairman, I appreciate this opportunity to appear before your Committee in support of H.R. 10510 and to share with you the concern of my constituent, Mr. Edwin B. Brown of the Willows Daily Journal, regarding the time, effort and corporate expense entailed with completing mid-decade censuses. In addition, I, too, am concerned about the statutory stipulation which subjects manufacturers to possible fines and/or jail sentences should they fail to answer these questionnaires.

I should also like to personally thank the Chairman for his interest in this area as indicated in the provisions of this measure which would require the Secretary of Commerce to submit to the Congress his "determination of the questions proposed to be included, and the type of information to be compiled" two years prior to the taking of such censuses. I agree with the language of this legislation and its purpose which provide Legislative oversight by the respective Congressional committees having jurisdiction in this area to insure that these economic census questionnaires do not create a hardship for certain manufacturers and industries.

I have received numerous complaints from my constituents about the nature and content of these forms, and Mr. Brown has crossed the Continent to appear personally before this Committee and present his views.

Present statutory authority, as contained in section 131 of Title 13, U.S. Code, provides only that the Secretary of Commerce shall make various economic censuses every five years in years ending in "3" and "8". However, there is no provision in the law for any review of the length, content and scope of these questionnaires. I believe that there should be current, complete and accurate data culled from censuses of our large corporations and industries. But I also believe that the Congress should maintain the right to review, and make appropriate recommendations regarding the form and content of these questionnaires. It is my belief that this bill, if enacted, will offer protection particularly to the small businesses by insuring that the forms are not unduly burdensome, or voluminous.

It is my hope that the net result of this bill will be to ease this burden on the small businesses and corporations who are most affected by the time and cost associated in complying with the requirement to fill out the questionnaires.

In closing, I believe that this is an appropriate forum whereby both the Census Bureau and the small businessmen can publicly discuss their respective viewpoints—and it most certainly is an improvement over the present situation in having the Census Bureau arbitrarily construct and disseminate these economic census questionnaires without the review of the Legislative Branch.

CONGRESS OF THE UNITED STATES,
HOUSE OF REPRESENTATIVES,
Washington, D.C., April 1, 1974.

HON. RICHARD C. WHITE,
Chairman, Subcommittee on Census and Statistics of the Committee on Post Office and Civil Service, Washington, D.C.

DEAR MR. CHAIRMAN: The congressional oversight function would be strengthened by passage of HR 10510 which I am pleased to support.

Those who perceive the rise and fall of bureaucratic power in cyclical terms surely must see the situation today as extremely one-sided. This is particularly true in the extraction of personal information from individuals, businesses, associations or local governments. Cries of invasion of privacy, harassment, duplication and waste in federal information collection practices can no longer be neglected. Congressional control over the questions prepared by the Bureau of the Census and other statistical gathering arms of the government is mandatory.

I would hope this approval authority would not be limited to the quinquennial economic censuses, but extended to the decennial census of population and housing and other periodic censuses.

Congress must re-establish the balance between public needs and private rights. Mr. Chairman, your bill is an important first step in asserting the just role of Congress in information collection practices in the Federal government.

I request this letter be included in the record of hearings on this subject.

Sincerely,

BARRY M. GOLDWATER, Jr.

Member of Congress.

STATEMENT OF HON. ANGELO D. RONCALLO, A REPRESENTATIVE IN CONGRESS
FROM THE STATE OF NEW YORK

Mr. Chairman, I am delighted to be afforded this opportunity to make this statement to the Subcommittee on Census and Statistics on behalf of H.R. 10510 which provides for Congressional approval of the content of Economic Census questionnaires.

Other witnesses, I am sure, will testify in support of the bill in general, telling you how the Bureau of the Census can and has gone beyond Title 13 of the U. S. Code as enacted by Congress and even further beyond the Constitutional requirement for a census. I think it is important that the full committee and its counterpart in the Senate take back the reins of power in this field and see to it that Congressional intent is complied with by exercising direct oversight of the questions and form of the Economic Census.

Instead of discussing the bill in general, therefore, I wish to concentrate my testimony today on an abuse currently being practiced by the Census Bureau—an abuse which I am confident the Committee would not allow, had it the power which H.R. 10510 would grant. I refer to Form MB-2, which is titled the "1972 Survey of Business Ownership" and requires businesses under penalty of law to reveal the principal source of ancestry of owners, partners or shareholders. I am deeply disturbed at the constitutional questions which this questionnaire raises.

Although the Census Bureau is prohibited by law from revealing information regarding individual firms, I believe that the Constitution is concerned with preventing the possibility of abuse at least as much as correcting present or past infringements on the rights of our citizens. Historically, such information has often been used to discriminate against minority groups. Certainly as long as lists of businesses owned by persons of specific ethnic backgrounds can be compiled by Bureau records—and they have admitted to me that this would be a simple task for the computer—there will always be those who will seek to misuse them.

As their justification for including this questionnaire under the Economic Census, the Bureau has written me that "from the point of better management and budgeting" they decided to fund the survey in this manner, thus replacing a former voluntary survey underwritten by SBA, HUD, OEO, Department of Labor and the Economic Development Administration. In doing so, of course, the survey became anything but voluntary. In effect, the Bureau is saying: you are not Americans, you are hyphenated-Americans, and if you don't believe us, you can think about it in jail.

I would not have any violent objections, were this information solicited on a voluntary basis under another census program. If persons do not mind categorizing themselves in this manner, that is fine with me. Nor, at this time, do I want to get into the propriety of collecting ethnic data in the enumerative population census. But there is absolutely no legal or moral justification for this unwarranted invasion of privacy in the name of economics. This is a social, not economic issue.

The Census Bureau says that they need these statistics to provide the above Agencies with the means to evaluate the success of their respective programs in reaching and helping target clients. This monitoring could be done as easily by each Agency using their applicants as a base or through voluntary questionnaires which would enumerate those firms which want to be identified as minority businesses. After all, if they do not want the label, they are not seeking assistance. Under the various aid programs and are not really a part of the target audience.

There are also procedural problems with Form MB-2, such as forcing a person of mixed origin to identify with only one facet of his heritage. The answer is not to improve the form, however, but to eliminate it entirely.

Mr. Chairman, I feel certain that the Committee would stop this and other unwarranted invasions of privacy if H.R. 10510 were enacted into law. At least every Member would finally be assured of a fair hearing of his concerns on their merits by an objective body looking to protect the public interest, rather than looking to defensively justify previously made bureaucratic decisions. As our oversight committee, you are eminently qualified to represent the House in this area and to see that Congressional intent is complied with.

I respectfully urge the Subcommittee to report H.R. 10510 to the full Post Office and Civil Service Committee so that the bill can reach the Floor of the House at the earliest possible date. Thank you, Mr. Chairman.

STATEMENT OF HON. JOE D. WAGGONER, JR., MEMBER OF CONGRESS FROM
THE STATE OF LOUISIANA

Mr. Chairman, I appreciate very much this opportunity to appear before you. The burden of responding to lengthy economic census questionnaires is one which we must strive to eliminate from the otherwise necessarily long list of activities of the business establishments in our country. To this end, I wish to state my support for H.R. 10510.

This bill is intended to cut back on the paperwork burden imposed on respondents to the Bureau of the Census' various reports on business (commonly known as the "economic census"). The burden I refer to is questionnaires and other reports required of businesses for the taking of these censuses. Many of these forms have pages upon pages to be filled out by the corporations and other business establishments. So many pages that these people simply do not have time to spend on the forms. Time spent on this paperwork is time lost from regular business transactions—and money lost. And even more money is lost when the middle size firm—large enough to have a long and complicated form to fill out, but not large enough to absorb the expense of hiring someone who would have the time to do it—has to bring someone in or ship the form out to their accountants. This can only be done at great cost and with no direct benefit from the expense. After all, there is little visible relationship between completing census forms and success in business.

This is not to say that the value of the economic censuses is nil. It cannot be denied that the statistics are useful, in fact important, for the statistical programs of the Federal government. But this is to be emphasized: for the statistical programs of the Federal government. We are asking the respondent to undertake a time-consuming and costly burden for the purposes of statistical programs of the government. It would be difficult for the respondent in such a position to recognize the relationship of the importance of information he provides to the government compared to the burden on him of completing the forms.

So the problem before the Census Bureau is to obtain as much data as is needed for the government's programs while being reasonable in the amount asked of the business itself. The Federal Reports Act of 1942 makes policy clear on the subject of reporting for Federal statistical programs. That act stated that it would be the policy to minimize the burden of reporting for business enterprises. In line with this policy, the Census Bureau has made some moves toward easing the burden by using sample surveys for some censuses. This is the case especially with many of their current surveys. Sampling does, of course, save many people from having to fill out survey forms. It does not, however, provide any help for those included in the sample. These people still have full length, time-consuming, costly form-completing to do.

Furthermore, the Federal Reports Act of 1942 states that "all unnecessary duplication of efforts in obtaining . . . information through the use of reports, questionnaires, and other such methods should be eliminated as rapidly as practicable." Thus, our stated policy for the past thirty-two years has been to rapidly eliminate duplication of data collected in one agency by another agency. But one wonders whether this stated policy has been active policy. A study of some of the forms required to be filled out for the economic censuses shows that much of the information has already been provided to the government on forms filed with other agencies. For example, most of what is asked for in the 1972 Census of Business could be taken from various IRS forms also required. Does it take us more than thirty-two years to begin to follow a policy created in 1942? We must at last begin to practice what we preach.

H.R. 10510 appears to me to be the vehicle toward this goal. This bill would give Congress the authority to approve the content of all questionnaires used in the taking of the economic censuses. The Bureau of the Census alone has not taken the necessary action to relieve the burden of their forms on business establishments. We must place a system of checks on this procedure to see that our policy goals are met. H.R. 10510 will do this for us.

STATEMENT OF JOHN H. AIKEN, EXECUTIVE DIRECTOR, FEDERAL STATISTICS
USERS' CONFERENCE

This statement is submitted on behalf of the Federal Statistics Users' Conference to express its opposition to H.R. 9189 and H.R. 10510, bills dealing with the content of economic census questionnaires.

The Federal Statistics Users' Conference is a nonprofit, educational and research association comprising 195 organizations generally classified as business firms, labor unions, nonprofit research organizations (including professional associations), State and local governments and trade associations. Its membership is highly diversified and it is unique in that almost every segment of the economy that uses Federal statistics is represented in the Conference.

The principal activity of many of our member firms is economic and market research. Most of the other members engage in economic and market research, although this is not the principal purpose of their firm or organization. In both instances, however, most of them conduct research through the use of surveys, both local and national in scope. Data from the economic censuses are invaluable to users for many purposes, the principal one being as benchmarks for sample surveys, projections, forecasts, and various types of special estimates.

Although the Conference was founded in 1956, its history really began when Congress eliminated the Censuses of Business, Manufactures, and Mining in 1953. As a consequence, business users belatedly became aware that data they had taken for granted would no longer be available. Those who had seen no need for government statistics, because they got all the information they required "from my staff or the Wall Street Journal," realized that no one could provide essential data without the necessary Census benchmarks.

In the resulting uproar, the Secretary of Commerce established an Intensive Review Committee to take another look at Census and other Commerce Department statistics programs. A parallel effort began in the American Marketing Association, where market research and market management people realized the serious consequences of the loss of the censuses.

Both the Intensive Review Committee and the American Marketing Association found substantial evidence of broad business uses of Federal statistics. Due largely to their efforts, Congress reinstated the economic censuses in 1954 at a considerably reduced level.

The memory of the 1953 disaster lingered on, and the unsatisfactory and limited character of the 1954 data spurred some statistics users to think of forming a permanent organization to sound the tocsin in case statistics programs were again subject to serious attack. Greatest initial support for this idea came from those businessmen who had been particularly active in efforts to save the censuses. Hearings before the Joint Economic Committee emphasized the need for a permanent organization of statistics users to evaluate the importance of proposed programs. Spurred on by the encouragement of the Joint Economic Committee, a group of users, who had been considering the formation of a new organization, began to work more purposefully. By November 1956, they had proceeded far enough to convene an organizing meeting. At that meeting the Federal Statistics Users' Conference was born. (Its first chairman was Ralph Watkins, then of Dun and Bradstreet and Chairman of the Secretary of Commerce's Intensive Review Committee.) Since then, FSUC has assiduously conducted continuing organized efforts for the development of Federal statistical programs of optimum usefulness at minimum cost.

The Report of the Intensive Review Committee was submitted to the Secretary of Commerce in February 1954. Although that Report is nearly 20 years old, we believe that the Committee's supporting statements and findings are as valid today as they were then. The Committee gave careful consideration to the needs and uses made of census data. Parts of that Report, we respectfully suggest, are pertinent to, and significant for, an evaluation of the issues and problems that are implicit in the bills now under consideration by this Subcommittee.

In a statement before this Subcommittee on October 24, 1967 at hearings on proposals to limit categories of questions in the decennial censuses, FSUC made the following statement:

"Those acquainted with census history know that for many years it was the Congress that had the responsibility for determining census inquiries. Then, some decades ago, Congress transferred that responsibility to the Executive Branch. We believe this was a wise decision because the planning and conducting of a census is an executive, administrative function involving many technical details. Experience has shown that the nation is best served when the censuses are devised by those who are experienced in census taking and in survey techniques; by those who devote full time to studying and determining which questions are most important and most feasible, and by those who are skilled in knowing the types of inquiries which are acceptable and those which are not. The Congress, however, and properly so, has the responsibility for overseeing our statistical programs and making recommendations."

Although that statement referred to our position regarding Congressional review of Census of Population questionnaires, it also represents our current position with regard to the proposal contained in H.R. 10510 calling for Congressional approval of economic census questionnaires.

Census questions are based on established and proved needs. They are subjected to intensive scrutiny by many interested, responsible groups. As this Subcommittee knows, it is the general practice of Federal agencies that collect and produce statistics to examine and evaluate past needs against current needs and to eliminate data or statistical series that are no longer required or essential. We know that the Census Bureau would not continue to collect data that are not of broad, general use nor in the public or national interest. We also know that the Census Bureau has strongly resisted the addition of new questions where the needs and uses have not been amply demonstrated or proved. Furthermore, we know that the statistical agencies of the Federal government have limited resources and rather than waste those resources on the collection and production of unessential information, they would much rather use them for improving the content and quality of the essential data they do collect.

The general practice of regular examination and evaluation of original needs against current needs for statistical data often reveals that the data are being put to many new uses which were not contemplated at the time they were first collected.

Currently, there are many organizations, mechanisms, and avenues available to evaluate the types of questions included, the degree to which they are essential, the reporting burden on respondents, and to recommend or actually place limitations on them. Among these are the Census Bureau itself through its own system or program evaluation and its recognition of its public responsibility; the various advisory committees to the Bureau of the Census; interagency committees of the government; the Statistical Policy Division of the Office of Management and Budget and the Business Advisory Council on Federal Reports; the House Subcommittee on Census and Statistics; the Subcommittee on Economic Statistics of the Joint Economic Committee; the appropriations subcommittees of the House and Senate; and various outside groups and organizations, including the Federal Statistics Users' Conference.

We believe this constitutes an excellent system for overseeing the work and plans of the Census Bureau with regard to the decennial and economic censuses as well as for all our statistical programs. Furthermore, we commend this Subcommittee and its parent Committee for the excellent job they have done, and are doing, in carrying out the responsibility of overseeing our statistical programs.

Whenever a census is conducted, whether it is a decennial census of population or the quinquennial economic censuses, it is inevitable that Members of Congress will receive complaints from constituents about the form and content of the questionnaires, their length, and the time and expense involved in completing the questionnaires. However, as we understand it, reporting for Federal statistical programs accounts for well under 20 percent of the businessman's paperwork. Further, the Federal Reports Act of 1942 created a policy to minimize the burden of reporting for business enterprises which we believe has been extremely effective. Through the years, the Bureau of the Census has been increasing its use of administrative records which has relieved from 2.5 to 3 million small business firms from filing report forms for the economic censuses. We have on numerous occasions applauded the Census Bureau for its efforts in the use of administrative records which not only reduces reporting burden, but reduces the cost of collection. We encourage the further use of administrative records wherever they will produce adequate and reliable data.

We understand that from a timing standpoint the proposal contained in H.R. 10510 would involve serious operational problems for the Census Bureau. Certainly, this proposal should be given very serious and careful consideration. The most widespread single complaint about Federal statistics in general is that much of their usefulness is lost because of lack of timeliness. It would be most unfortunate for statistics users if an additional clearance procedure causes delays in the publication of the results of the economic censuses.

In summary, we believe that the elimination of the economic censuses as proposed in H.R. 9189 would seriously deprive this nation of the most essential and primary source of facts about the structure and functioning of the economy. It would have serious consequences for those concerned with policy making and program evaluation in Federal, State, and local governments. Private users would find themselves without adequate benchmark data to establish measures for planning current or future programs.

H.R. 10510 calls for Congressional approval of the content of questionnaires used in the taking of the economic censuses. We believe that this bill would impose another review and clearance procedure upon an existing structure that is effectively serving the general ends implicit in this legislation. We believe that the planning of a census and the determination and review of census questions is an executive function with operating responsibilities. The committees of Congress having legislative jurisdiction over the Bureau of the Census have an objective oversight responsibility for statistical programs of the Bureau. However, if they also assume an operating responsibility there could be a conflict in their responsibilities and they could run the risk of compromising their objectivity.

In this connection, Elmer B. Staats, Comptroller General of the United States, expressed his concern about an amendment to the trans-Alaska Pipeline legislation which places in the General Accounting Office the responsibility for reviewing questionnaires and other information requests by the regulatory agencies, a responsibility now placed in the Office of Management and Budget. Mr. Staats said: "I am frankly disturbed about the provision because it would establish an executive function in the General Accounting Office. In the past the Congress has avoided placing operating responsibilities of this type in the GAO because of our responsibility for advising the Congress as to how the executive agencies carry out their responsibilities. We cannot carry out an operating function and, at the same time, provide the Congress with an evaluation of it which would be considered as objective and unbiased. I believe that is the situation we face in connection with this amendment." It is our opinion that the procedure called for in H.R. 10510 and the review function by GAO represent analogous situations.

We appreciate this opportunity to present the views of the Federal Statistics Users' Conference on the two bills under consideration.

DONALD B. WILLIAMS, ACCOUNTANT,
Kernersville, N.C., November 23, 1973.

Hon.¹ WILMER D. MIZELL,
Cannon House Office Building,
Washington, D.C.

DEAR MR. MIZELL: It is with indeed great pleasure that I respond to your letter of November 20, 1973, regarding the "Economic Censuses" conducted by the Department of Commerce in hopes that these reports will be discontinued.

As I have related to you previously, I feel that this is one of the most asinine and useless reports I have seen. The preparation of these reports is an unnecessary and undue burden upon the businesses of this country. As an accountant specializing in taxes, accounting and management services for small and medium sized firms, I find that these reports are forwarded to me for completion since the firms' owners feel that their personnel do not have the time or the knowledge to complete them in a manner that they feel would keep them out of trouble with the "government". These clients desperately need all their resources to compete in today's economic environment and can ill afford to waste them on the mentioned reports.

The information requested by these reports has previously been submitted to at least one agency of the federal government. As proof of this, I attach a copy of a "1972 Census of Business" report along with an item by item cross reference to other federally required reports that has already supplied the requested information. This attachment is only one of the many different questionnaires sent out by the Bureau of the Census, but it is typical of the ones I have completed.

Portrayed in the pamphlet entitled "1972 Economic Censuses Facts" under the section *Users* is stated the erroneous assumption that the "government" should supply this information to various segments of the business community. I feel that the business community is quite capable, if not unduly burdened with government red tape and interference, of acquiring the information needed to assure their continued success.

Very truly yours,

DONALD B. WILLIAMS.

[The attachment referred to was retained in the subcommittee files.]

HYATTSVILLE, Md., December 6, 1973.

HON. RICHARD C. WHITE,
Chairman, House Subcommittee on Census and Statistics,
Rayburn House Office Building, Washington, D.C.

DEAR SIR: I fully endorse the statement submitted to the Subcommittee by the Federal Statistics Users Conference in regard to the issues relating to the Questionnaires for the Economic Censuses, H.R. 10510.

My experience when I was employed at the Bureau of the Census provided many illustrations of the need for careful evaluation of all proposals for inclusion in a census by persons fully experienced in census taking and survey techniques, and with skills in framing questions which are acceptable to the respondents and will produce the type of information which is sought. Field experience has demonstrated again and again that question formulation and arrangement is vital to the successful conduct of a census or survey operation. Moreover, the Bureau of the Census has developed procedures whereby proposed census questions are subjected to intensive scrutiny by many interested and responsible groups, including not only those who would be asked to supply the information, but also those of the government and outside who have needs for the statistics which are to result from the activity. This scrutiny involves careful weighing of all questions included in previous censuses and the many proposals for new and additional inquiries.

I agree with the position of FSUC that this type of review is very effective. Every Census depends on the cooperation of the public which is asked to provide the basic information. Long experience has shown that the type of review by persons and organizations which are concerned with the entire system leads to restriction of the inquiries to those which are essential and those which can be answered without imposing undue burdens on the public. Experienced Census staff have demonstrated the ability to operate within these limitations along with the policy guidelines that have been established by the Congress.

The Congress clearly has a responsibility for overview of the statistical programs. However, to have the Congress assume an operating responsibility in this respect would detract from its role in establishing and reviewing the policies which are its responsibility.

Sincerely,

CONRAD TAEUBER.

McLEAN, VA., December 5, 1973.

HON. RICHARD C. WHITE,
Chairman, House Subcommittee on Census and Statistics,
Rayburn House Office Building, Washington, D.C.

DEAR MR. WHITE: I have had occasion in the past to write you and previous chairmen of the Subcommittee on Census and Statistics praising the work of the Subcommittee in behalf of the effectiveness and integrity of the Federal statistical system. I believe firmly that for the Congress to enter into matters of the approval of the specific content and item design of questionnaires and report forms, as is provided by H.R. 10510, is to burden itself inappropriately with matters of administration better left to executive agencies. During this era in which the role of statistical information in the business of the Republic is so great, the potential Congressional agenda of policy-making, oversight and evaluation of Federal statistical programs is vast. It will be regrettable for the Congress to divert its attention to matters involving details of administration and technical expertise, to the neglect of its vital and proper role in dealing with this agenda.

Very truly yours,

ALBERT D. BIDERMAN.

JACK FAUCETT ASSOCIATES,
Chevy Chase, Md., December 10, 1973.

HON. RICHARD C. WHITE,
Chairman, House Subcommittee on Census and Statistics, Rayburn House Office
Building, Washington, D.C.

DEAR MR. WHITE: I wish to submit some views regarding H.R. 9189 and H.R. 10510.

The first bill would repeal the authorization for the five-year economic censuses I believe this would be a huge mistake. These censuses provide data which is simply not available from other sources and which are extremely valuable to both industry and government. As an example, there is currently a large need for data on energy consumption by detailed industries in order to plan allocations of petroleum products so as to do least harm to the continued production and distribution of industrial products. This need is at least partly filled from the data available in the five-year economic censuses. It would be much more costly to collect such information each time the need arose and the results would also suffer from lack of consistency with other data on production, employment and transportation as well as from costly time delays. Indeed in this present energy crisis the lack of more complete information on energy consumption has held back more rapid and decisive actions which could alleviate the potential costly consequences to the economy if allocations are made in an arbitrary manner. In view of the growing complexity of our economy it would appear to me that any action that would jeopardize the continuing availability of this valuable data in timely fashion and within a consistent reporting framework could be extremely costly to the nation in the future.

Some have advocated that business is the prime user of such data and therefore should bear the cost. Business of course does collect a lot of data for its own special uses. However, in the case of the economic censuses we are talking about a general collection of data on economic production which has widespread use throughout industry, government (Federal, state and local), and research organizations, I do not believe that this information could be collected and distributed efficiently by a private organization for two principal reasons. First and foremost, it does require the sanction of a governmental body to insure that all firms (or all firms in the sample) report. Without such a discipline the results lose much of their validity. I believe that this requirement to report information vital to understanding the operation of the economy is justified as a social responsibility of doing business. It seems to me that there are many precedents for this, e.g., the various franchise obligations for doing business and the corporate income tax. We might also consider the various types of protection granted to business by the government, e.g., the patent and copyright laws, and the import duties and quotas. A *quid pro quo* is appropriate; should not business be willing in return to provide information which is valuable to the public welfare. I believe that both the general public and the very businesses which are supplying the information would vote to continue the economic censuses if they were polled. I suggest that the elimination of these censuses would most likely be counter to the public consensus and every effort should be made to determine this consensus before action is taken on the pending bill.

A second reason for maintaining the collection and dissemination of the economic census information as a government function is the large underwriting costs involved and the administrative difficulties in charging each user a fair share of the costs. There is little question but that in principle each user should pay the marginal cost of his use of the data—except to the extent that the general educational content might warrant its subsidization, again in the interest of the general public welfare. However, the uses are so widespread and varied that it would be administratively very difficult and costly to allocate the costs properly. It would be difficult to cover the overhead costs in an equitable manner since ultimate users could not be identified and a limited number of large subscribers would probably bear the full burden. This arrangement would undoubtedly restrict the budget with the result that the optimum amount of information would not be collected and disseminated—the optimum amount being the amount users and the general public would be willing to pay for were they given their choice and were the costs of collection from specific individuals not prohibitive. This is certainly a classic example of a case in which the public welfare is maximized by having the costs paid from public funds.

H.R. 10510 would provide for congressional approval of the content of the questionnaires used in taking the economic censuses. This would seem to be a matter best left to the technicians after guidelines and restrictions are specified by Congressional action. Otherwise there might be unnecessary delays and arbitrary restrictions on the content of the information collected.

As someone with many years of experience in economic data development and analysis both inside and outside the Federal government, I feel well qualified to express an opinion on this subject. As president of a small economic research firm for the past ten years, I know the irritation and time costs of filling out forms and questionnaires. However, I accept this as a cost of doing business and realize the need for and the value of the collection and dissemination of well designed information on the operation of our economy. It is true that often times unnecessary and poorly structured questionnaires are used by some organization or another. However, as in everything we must distinguish between the frivolous and the essential and I believe that the elimination of the five-year economic censuses would have very serious consequences for the economic well being of our country.

Respectfully yours,

JACK G. FAUCETT, *President.*

STATE UNIVERSITY OF NEW YORK AT BUFFALO,
Buffalo, N.Y., December 10, 1973.

HON. RICHARD C. WHITE,
Chairman, House Subcommittee on Census and Statistics, Rayburn House Office Building, Washington, D.C.

DEAR CONGRESSMAN WHITE: I am writing to you in my capacity as current Chairman of the American Economic Association Advisory Committee to the Bureau of the Census. Our committee is, of course, deeply concerned with the two bills—H.R. 9189 and H.R. 10510—now pending before your committee with respect to the economic censuses.

The proposal contained in the first of these bills is simply incredible. It cannot possibly be true that, in this era of pressing economic problems, we would wish to eliminate the collection and analysis of basic data on economic activity throughout our country. There is always, of course, room for improvement in the Census materials, addition of new areas and deletion of areas no longer relevant. However, in the "knowledge society" in which we live, it is hard to take seriously a case for simple ignorance.

With respect to your own proposal for detailed Congressional approval of the Census questionnaires, the issue is not a matter of principle—since the Census Bureau, like other government agencies, is and should be a creature of the Congress—but rather one of practicality. The design of questionnaires for any complex research purpose is a difficult and demanding task. It requires knowledge of both the ultimate purpose to be served by the data collection, and also the way in which the basic data is gathered and stored by the responding entities. The questionnaire forms an essential bridge between the initial respondent and the ultimate user (who may in fact be the same people, but with different purposes in mind), and one can scarcely make an intelligent comment as to the value of any particular questionnaire element without a deep and comprehensive study of the whole problem to be surveyed. Indeed, even in the meetings of our own committee, where one would expect the degree of sophistication about these matters to be rather high, there has been occasional tendency for the members to "pick" at some of the Census questionnaires in ways that were not terribly constructive. Of course, when specific questions of this sort are raised by committee members, we often receive a comprehensive explanation of the reason for particular questionnaire content and structure from the Census Bureau staff. Further, the general comments of our committee seem to be taken quite seriously by the staff, and are reflected in questionnaire revisions. My point here is that members and committees of the Congress should certainly make their views on the content and coverage of Census questionnaires known to the Census staff on a continuing basis. At the same time, it seems to me extremely unwise for the Congress to set itself the task of appraising and approving the data collection instruments in detail.

Perhaps your committee would like to receive a more extensive response from our committee, or from the American Economic Association governing board, with respect to the importance of the economic censuses and their use in teaching, research, business management, government operations, etc., throughout our society. I am sure that a panel of distinguished economists would be delighted to appear before you for this purpose if you would find such an activity helpful.

With best wishes,

LEE E. PRESTON.

BRISTOL, CONN., December 10, 1973.

HON. RICHARD C. WHITE,
Chairman, House Subcommittee on Census and Statistics, Rayburn House Office Building, Washington, D.C.

DEAR SIR: I have reviewed the statement of the Federal Statistics Users' Conference related to their position on House Bills, H.R. 9189 and H.R. 10510 dealing with the economic censuses.

As a professional economist and business analyst, I am in complete agreement with the message conveyed by the Federal Statistics Users' Conference in that the cancellation of economic censuses would greatly jeopardize our ability to document and measure the progress, successes and failures in our economy. Successful future plans are based on a careful evaluation of the past. This work must continue.

I appreciate your attention to my personal opinion and suggestion that your Committee give very careful consideration to the statement of the Federal Statistics Users' Conference.

Thank you.

Sincerely,

GERALD T. FASSETT.

UNIVERSITY OF VIRGINIA,
GRADUATE SCHOOL OF BUSINESS ADMINISTRATION,
Charlottesville, Va., December 10, 1973.

HON. RICHARD C. WHITE,
Chairman, House Subcommittee on Census and Statistics, Rayburn House Office Building, Washington, D.C.

DEAR SIR: I am writing you concerning the House bills dealing with the economic census—H.R. 9189 and H.R. 10510. We want to express our opposition to both bills and give the reasons for this opposition.

The quinquennial economic censuses are the only reliable source of information which is essential to business research and to various operations of management such as appraisal, planning, and budgeting of both specific and general aspects of the business. There are at present no other sources for such information. Possible alternate sources include:

(1) The periodic surveys conducted by Census, which can not be as reliable as the censuses because they are sample surveys. Also, if there were either no or limited quinquennial censuses the reliability of the surveys would diminish significantly because the sample design used by the Census is based on the information from the censuses.

(2) Some state and/or local data collection, which can not contain as complete or as reliable information as do the quinquennial censuses and which are not comparable from one geographic area to another. Thus the usefulness diminishes rapidly as a business becomes involved in more than one state, or even as a small company does business in an area which overlaps two states such as the Washington, D.C.,-Md.-Va. or the Bristol Tenn.-Va. SMSA's.

(3) Data gathered by private research institutions, which can not contain as complete or as reliable information as do the quinquennial censuses or the census surveys.

The long and continuous history of economic censuses makes the information extremely useful in the many instances where longitudinal data are required. To break these series would be a waste of all the efforts and monies which have been put in over the years. There is no way which could be used to develop other continuous series outside of the Census Bureau.

The biggest limitation on the usefulness of the current economic censuses is the time delay before the results are available. This delay is caused by the slowness of respondents in supplying the information, and by the care with which the Bureau staff handles the information, both because of the confidential aspect of the data and because of the high standards for statistical reliability used by the Bureau. Under H.R. 10510, additional delays could be imposed on the release of the censuses, a condition which could have the effect of making respondents, as well as users, express further dissatisfaction with the entire system.

The Census Bureau has in recent economic censuses made every attempt to relieve the burden imposed, particularly on smaller businesses, by using administrative (Internal Revenue Service) records instead of surveying these businesses directly. This has had the effect of some slowing down in the availability of the information, but the result has been that a significant number of smaller firms have had the advantages of not having to complete the census forms but, at the same time, having available useful data which includes their type of businesses.

In summary, I want to state that I see no advantages and many disadvantages to American businesses by the intent of H.R. 9189 and H.R. 10510. There are other areas, such as governmental agencies, which would be seriously handicapped by the effect of these bills; however, my comments here relate to the effect on businesses and business research, my area of interest and expertise.

Sincerely,

ELEANOR G. MAY,
Research Director—Business Studies Center.

STANDARD OIL CO. OF CALIFORNIA,
San Francisco, Calif., December 10, 1973.

Hon. RICHARD C. WHITE,
*Chairman, House Subcommittee on Census and Statistics,
Rayburn House Office Building, Washington, D.C.*

MY DEAR MR. WHITE: I understand that your Subcommittee on Census and Statistics of the House Post Office and Civil Service Committee is considering two bills dealing with the economic censuses:

(1) H.R. 9189, which would repeal section 131 of title 13, U.S. Code that authorizes the taking of the five-year economic censuses; and

(2) H.R. 10510, which would provide for Congressional approval of the content of questionnaires used in the taking of the economic censuses.

I would like to register my strong opposition to both of these bills.

H.R. 9189, which would eliminate the economic censuses, would seriously deprive the country of the most essential and primary source of facts about the structure and functioning of the economy. It would have serious consequences for those concerned with policy making and program evaluation in Federal, State, and local governments. Private users would find themselves without adequate benchmark data to establish measures for planning current or future programs.

H.R. 10510, which would require Congressional approval of the content of questionnaires used in the taking of the economic censuses, would impose another complex review and clearance procedure upon an existing structure that is already effectively serving the general ends implicit in this legislation. The planning of a census and the determination and review of census questions is an executive function and is best carried out by organizations with operating responsibilities.

Very truly yours,

C. J. CARLTON,
Manager, Economics Department.

ABACUS ASSOCIATES INC.,
New York, N.Y., December 18, 1973.

Hon. RICHARD C. WHITE,
*Chairman, House Subcommittee on Census and Statistics,
Rayburn House Office Building, Washington, D.C.*

DEAR SIR: As a firm engaged in social and market research, for ourselves as well as for our hundreds of clients, Abacus is heavily reliant upon the quantity, consistency, and periodicity of U.S. economic census data.

Therefore, we are intimately concerned with the disposition of two bills now being considered by the House: H.R. 9189, to repeal the authorization of the five-year economic censuses, and H.R. 10510, to provide for congressional approval of economic census questionnaires.

Since we are professionals involved in data gathering and processing, we are daily made aware that the economic census as now taken is the only reliable source for much of the information we need. For this reason, it would not be an exaggeration to say that passage of 9189 could cause havoc with the very data bases upon which we and our clients depend for our livelihood. We urge you, therefore, to vote against H.R. 9189.

Regarding H.R. 10510, the Federal Statistics Users' Conference has said, in a statement submitted to the Subcommittee on Census and Statistics, that "the nation is best served when the censuses are devised by those who are experienced in census taking and in survey techniques."

Twelve years of working with questionnaires like those used in the census leads us to agree emphatically with this statement. The construction of data gathering instruments is best done, and with minimal frustration and error, by those who are experienced in its somewhat arcane technology. It is not a burden which any Congressperson should want to assume, nor would his already crowded calendar support the addition of hours of minute attention to detail this activity involves.

In conclusion, we urge the defeat of both H.R. 9189 and H.R. 10510, and thank you for giving your careful consideration to our arguments.

Sincerely,

JANE BREYER,
Director of Communications.

OLD DOMINION UNIVERSITY,
Norfolk, Va., December 20, 1973.

HON. RICHARD C. WHITE,
Chairman, House Subcommittee on Census and Statistics, Rayburn House Office Building, Washington, D.C.

DEAR MR. WHITE: As a member of the Board of Trustees of the Federal Statistics Users' Conference, it has recently been brought to my attention that there are two proposed bills being considered by your Committee which have potential for being extremely damaging to anyone concerned with statistics and to the efficient operation of the economy as a whole. I am referring, of course, to H.R. 9189 and H.R. 10510.

As a long-time member of the American Marketing Association and as a professor of economics and of marketing, it is unthinkable to me that there are those who would eliminate the economic censuses, as is provided for in H.R. 9189. During the period 1969 to 1972 I served as the Chairman of the Census Advisory Committee of the American Marketing Association. During this period I met annually or more often, with an outstanding Committee of fifteen of the country's leading statisticians and marketing practitioners, with the Director and his top administrators at the Census Bureau in Suitland. The possible nonexistence of the economic censuses was never even considered. Rather, both Census officials and the advisory group were concerned with how they might be improved, both as to quality and breadth of coverage and as to timeliness.

The same committee mentioned above was almost equally concerned with the matter of questionnaire construction and coverage, particularly as the Decennial Census of 1970 was being planned and implemented. The Committee and the Association Board of Directors went on record strongly opposed to the then proposed Betts Bill. I am confident that a vast majority of the nearly 20,000 members of the Association would be opposed today to the proposed H.R. 10510.

While I realize that the bills may have been proposed in good faith, I urge you and members of the Committee to make a very thorough study of the implications for our economy and eventually to take a negative stance toward their passage. Thank you for your consideration.

Sincerely yours,

OLE S. JOHNSON,
Professor of Marketing, and AMA Representative to the FSUC.

SAN FRANCISCO, CALIF., December 31, 1973.

Hon. RICHARD C. WHITE,
Chairman, House Subcommittee on Census and Statistics,
Rayburn House Office Building, Washington, D.C.

DEAR CONGRESSMAN WHITE: I have just read the statement submitted by the Federal Statistics Users' Conference to your subcommittee on November 27, 1973 in connection with the two bills in caption. I agree with every word of that statement and am writing to you to express my complete opposition to those two bills.

At a time when the economic life of the Nation grows increasingly complex and when the corresponding need for reliable information to guide decision-makers and to permit intelligent planning increases proportionately, it seems tragic to me that the Nation must be confronted with the threat posed by H.R. 9189. It is inconceivable to me that a responsible, Congressman could seriously consider depriving the American people of the vitally needed information made available by the Economic Censuses. If anything, a bill should be presented to increase the funding in support of these censuses so as to permit them to increase their coverage. No responsible business man with whom I am acquainted is unwilling to provide the information requested because the vast majority recognize the benefit which our economy receives from the information compiled. The discontinuance of these censuses, in my humble opinion, would be a genuine disaster.

With respect to the second bill, H.R. 10510, I can understand why it is being proposed, but I believe that a careful reading of the F.S.U.C. statement will clearly show that this well-intentioned bill would be harmful rather than helpful. The passage of the bill could only result in delay in producing the needed statistics which would have the effect of making them less useful when they finally do become available. Also in the review process there would be a real danger that the continuity of questions would be interfered with which would also reduce the usefulness of these censuses. For the reasons noted in the F.S.U.C. statement, I am convinced that H.R. 10510 is not needed. For the past seven years my work has caused me to be exposed to the personnel of the Bureau of the Census, and I want you to know that that exposure has given me a new respect for our government. If all the departments were staffed by equally professional and dedicated employees, the American people would indeed be blessed. I sincerely believe that H.R. 10510 is unnecessary. I further believe that the technical task of determining what questions should be asked in a census is just not the sort of task that is appropriate for the legislative process. I urge you, therefore, to reconsider H.R. 10510 in the light of the F.S.U.C. statement. I am convinced that the American people as a whole will benefit if this bill is not pursued.

Respectfully yours,

NICHOLAS GANNAM.

OLD DOMINION UNIVERSITY,
Norfolk, Va., December 10, 1973.

Hon. G. WILLIAM WHITEHURST,
Cannon House Office Building,
Washington, D.C.

DEAR BILL: I'm alarmed to learn of two bills under consideration by the Subcommittee on Census and Statistics of the House Post Office and Civil Service Committee. H.R. 9189 would eliminate the economic censuses and H.R. 10510 would provide for Congressional approval of the content of questionnaires used in taking the economic censuses.

H.R. 9189

The economic censuses provide information *absolutely essential* to government agencies (national, state, and local), and business and industrial enterprises in the operation of our economy. There may be need for changes that would keep available information abreast of the need. For example, would appropriate information (on fuel production, stocks, and consumption) properly utilized have reduced or avoided the present energy crises?

H.R. 10510

The Office of Management and Budget is charged with the responsibility of coordinating the collection of statistics by federal agencies to eliminate duplication and minimize the burden on those supplying information. OMB is an appropriate place for that responsibility. It could not be handled as a political matter!

Perhaps the Congress might from time-to-time consider it necessary and appropriate to hold hearings and express itself on matters of direction and degree of statistical programs, but not on specific details of questionnaire content!

With kind personal regards,

T. J. REED,
Associate Professor.

SOLIDARITY HOUSE,
Detroit, Mich., January 9, 1974.

Hon. RICHARD C. WHITE,
Chairman, House Subcommittee on Census and Statistics, Rayburn House Office Building, Washington, D.C.

DEAR SIR: I am writing on behalf of the United Automobile Workers International Union to express our opposition to H.R. 9189 and H.R. 10510, bills dealing with the content of economic census questionnaires.

The Federal Statistics Users' Conference, among whose members is the UAW, already submitted a statement to your subcommittee to which we adhere, stating its strong disapproval of both bills.

Requiring Congressional approval of economic census questionnaires, as called for by H.R. 10510, would involve operational problems for the Census Bureau and ultimately result in further delay in the publication of economic census information.

The elimination of the economic censuses as proposed in H.R. 9189 is simply inconceivable. It would deprive policy makers in all levels of government and all users in business, labor, academic and other types of organizations of the most essential and primary source of facts about the structure and functioning of the economy. As the economy gets more vast and complex, the trend should be toward more rather than less information about its working.

Sincerely,

LYDIA FISCHER,
Research Associate, Research Department.

DANCER FITZGERALD SAMPLE, INC.,
New York, N.Y., January 17, 1974.

Hon. RICHARD C. WHITE,
Chairman, House Subcommittee on Census and Statistics, Rayburn House Office Building, Washington, D.C.

DEAR MR. WHITE: This is in reference to H.R. 9189 and H.R. 10510.

Omitting the 5-year economic censuses, as in H.R. 9189, would leave a serious and unfillable gap in information vital for business planning and product marketing.

Without the economic censuses, the basic data for application to long-term planning for the States, Cities, and corporations and to market planning for product growth and industry growth will be unavailable and broken in trend. Absent this vital information, State, local government, and industry planning will be subject to wider error, and consequent more wasteful effort, lowered efficiency, higher in non-productive cost.

The service which the 5-year economic censuses provide is one of the best in the Federal Government in supplying the many parts of the economic structure with accurate, timely information of great utility.

H.R. 10510 asks for Congressional approval of the content of questionnaires in the economic censuses. The current operational responsibility, residing in the Bureau of Census, seems to work well. Committees of Congress already have a review responsibility for oversight in statistical programs of the Bureau of the Census. Overlaying an operational responsibility will add to the approval network, and may be conflicting with the Committees' current responsibilities.

In my point of view, I oppose H.R. 9189 and H.R. 10510.

Sincerely,

BABETTE JACKSON,
Senior Vice President and Director of Research.

LEO BURNETT U.S.A., ADVERTISING,
Chicago, Ill., January 21, 1974.

HON. RICHARD C. WHITE,
Chairman, House Subcommittee on Census and Statistics, Rayburn House Office
Building, Washington, D.C.

DEAR MR. WHITE: The Federal Statistics Users' Conference has submitted a statement to the House Subcommittee on Census and Statistics opposing H.R. 9189 and 10510.

As a professional developer and user of statistics for over 30 years, I also oppose those bills.

Certainly, we are grateful to the American public and to the American businessman whose patience and understanding are the key to the best national statistical base in existence today. And none of us wishes to abuse that patience and trust.

However, I wish also to call your attention to the fact that statistics is an academic discipline requiring extensive professional training for its mastery. The American Statistical Association is one of our oldest professional societies; its current membership is now in excess of 12,000. In addition, there are currently many organizations whose function it is to evaluate and coordinate the various Federal Censuses and surveys. We must start the list with your own Subcommittee; but, in addition, there are the Census Bureau, itself, the Statistical Policy Division of OMB, the Business Advisory Council on Federal Reports, the Subcommittee on Economic Statistics of the Joint Economic Committee, the Federal Statistics Users' Conference.

Thus we feel that the combination of professional expertise coupled with a true sense of obligation to our respondents and the substantial number of review boards, both professional and policy-oriented, will suffice to give the American public the protection against intrusion which is its right.

In addition, I wish to point out that statisticians are already busy—that we ask for data when the need for those data is clearly apparent for business and for government: the various crises that afflict our economy indicate that, if anything, we suffer from too little rather than too much information.

Thank you for your consideration of this matter.

Sincerely,

DR. SEYMOUR BANKS,
Vice President in Charge of Media and Program Analysis.

WAYNE P. HANSEN, MA, MBA,
Morton Grove, Ill., January 30, 1974.

HON. ADLAI STEVENSON,
The Senate Office Building,
Washington, D.C.

DEAR SENATOR STEVENSON: I understand that Representative Harold V. Froehlich (Republican, Wisconsin) has proposed in H.R. 9189 to eliminate the economic censuses completely. Representative Richard C. White (Democrat, Texas) in H.R. 10510 would call for Congressional approval of the form and content of the questionnaires used in taking the economic censuses.

This Congressional movement, once before a disaster when the 1953 Census of Manufacturers was dropped and then over protests was reinstated in a maligned form, has occurred because of the actions of a few small businessmen. I can be sympathetic to such businessmen who are literally besieged by red tape and governmental forms by the Washington bureaucracy.

However, I am also a businessman who realizes that the need for the economic censuses taken every five years are an absolute necessity to properly plan in today's complex market and business world. The individual business firm could never afford to conduct such censuses, and surveys that they might do at their own expense would never be as accurate nor as complete as one which is promulgated by the federal government as a legal requirement of every business owner and operator. Furthermore, the economic censuses are complete censuses and not surveys covering but a fraction of the involved businesses. For individual industries to conduct such censuses of their membership, a question of antitrust law violations might be involved.

The former Director of the U.S. Bureau of the Census, Dr. George Hay Brown, was a class advisor of mine at the University of Chicago. He was later head of Marketing Research for the Ford Motor Company. He inaugurated the 1970

Census of Population using the U.S. Postal Service. This well qualified and former head of The American Marketing Association is the type of individual heading up the economic censuses. It stands to reason, then, that his background and those of his staff and others associated with the program since its inception are well qualified to see that: there is an absolute need for the economic census; they are administered in a fair, impartial, and needful manner; and that the rights of the census respondents are maintained in complete privacy and in a form which is equitable for them as well as for the ultimate users of the program.

Let us face the fact that the economic health of the U.S. economy, which is in a very delicate balance at this very time, requires the best in a planning endeavor. Jobs are based on the strength of the economy and so are votes. Where there is poor or no economic census information available through the federal government, the needful planning of much of the U.S. business community is jeopardized. At a time when many Congressional bills and agencies are hampering the trucking industry, the coal industry, the utility industry, etc., why get Congress involved in the economic censuses which have done so much good for the U.S. business community in competing abroad and in maintaining full employment at home. The current energy crisis shows the need for accurate oil industry data that needs to be gathered by the federal government, over and above that given out by the oil industry.

I hope that my comments above will be taken as friendly and meaningful comments concerning the state of the economic censuses and the need for maintaining the status quo in this vital area of statistical data need and use.

Sincerely,

WAYNE P. HANSEN.



I have been thinking of you very much lately. I hope you are well and happy. I have been very busy lately, but I have managed to find some time to write to you. I have been thinking of you very much lately. I hope you are well and happy. I have been very busy lately, but I have managed to find some time to write to you. I have been thinking of you very much lately. I hope you are well and happy. I have been very busy lately, but I have managed to find some time to write to you.

Yours truly,
Walter R. Ransom