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HEARINGS BEFORE THE COMMITTEE ON CENSUS AND STATISTICS OF THE COMMITTEE ON OFFICE AND CIVIL SERVICE HOUSE OF REPRESENTATIVES NINETY-THIRD CONGRESS

FIRST SESSION
ON

H.J. Res. 580 and Related Bills JOINT RESOLUTION RELATING TO THE TAKING OF THE 1974 CENSUS OF AGRICULTURE

JUNE 27, 28, JULY 11, 1973

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1974 CENSUS OF AGRICULTURE

WEDNESDAY, JUNE 27, 1973

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, Cannon House Office Building, Hon. Richard C. White (chairman of the subcommittee) presiding.

Mr. WHITE. The Subcommittee on Census and Statistics of the full Committee on Post Office and Civil Service is now in session, and before we begin the testimony, I would like to make a few opening remarks, principally afforded by counsel for the committee.

The subcommittee is meeting today to take testimony concerning the timing of the next census of agriculture. This issue has arisen as a result of a Commerce Department proposal to change the phasing of the next agriculture census from the fourth and ninth year of each decade to the second and seventh year of each decade.

A number of identically worded joint resolutions related to this proposal have been referred to this particular subcommittee for consideration.

Now, I think to expedite, I think we should read a summary of what we have before this committee.

House Joint Resolution 554 was introduced by Mr. Zwach, Republican, Minnesota, and House Joint Resolution 580, originally House Joint Resolution 518, was introduced by Mr. Evans, Democrat, Colorado. Both are identical and are also identical to Senate Joint Resolution 95, introduced by Senator Humphrey, Democrat, Minnesota, on which the full Senate Post Office Committee held hearings last month.

Section 1 of the resolutions direct the Secretary of Commerce to prepare an estimate of the funds needed to carry out the statutory mandate (13 U.S.C. 142) for conducting a census of agriculture in 1974 and to submit such estimate to the Congress not more than 30 days after the resolutions' enactment. The section also provides that funds heretofore or hereafter appropriated for planning the 1974 Agriculture Census shall be utilized for such purpose.

Section 2 provides that the Secretary shall take action to insure that the data acquired from the 1974 Agriculture Census is made available to the public through publication as soon as practicable following its taking, and "in all events in a shorter period" than data were made available following the 1964 and 1969 Agricultural Censuses.

In addition, we have Senate Joint Resolution 95, by Senator Humphrey, reported to us a few days ago by the Senate. Senate Joint Resolution 95 is identical to the House resolution before us. The amend-

ment to S. 1888, the general agricultural bill which recently passed the Senate would have a similar effect to the joint resolution. A similar amendment was voted down in the House Agriculture Committee last week. However, I am sure that it is not dead. I am sure it will come up on the floor.

So what we do today will be significant in viable legislation before this House and before both Houses of Congress, and I think the testimony that we will elicit today will have a direct bearing on some of the decisions we have to make very quickly.

At this time, first, I think I should cite who the witnesses are.

Professor Bonnen will be first. Mr. Herbert Grubb, then Mr. Ruben Johnson, Mr. Wilkin, Mr. Robert Frederick, and Ms. Susan Sechler, for this date.

Then tomorrow we will have some further hearings.

At this time we will call to the witness stand, Prof. James Bonnen.

STATEMENT OF JAMES T. BONNEN, PROFESSOR OF AGRICULTURAL ECONOMICS, MICHIGAN STATE UNIVERSITY, CHAIRMAN, ECONOMIC STATISTICS COMMITTEE, AMERICAN AGRICULTURAL ECONOMICS ASSOCIATION

Mr. BONNEN. Thank you, Mr. Chairman. I appreciate the opportunity to testify here.

I am Prof. James Bonnen from the Department of Agriculture and Economics at Michigan State University, and I am here in my role as chairman of the Committee on Economic Statistics of the American Agricultural Economics Association.

The Pharaohs of Egypt and the Mongol Khans used to behead the bearer of bad tidings. Ever since, individuals whose responsibility in society is only to transmit accurate information about what is going on, have been in trouble. Today Federal statistical agency leadership is being decimated. Competent leadership is being replaced with politically loyal persons of questionable statistical competence. Perhaps they will make the numbers more pleasing, perhaps not. But then we will never be sure we are dealing with a fact, an error, or a calculated lie. The reliability of all Federal data will be suspect. I share in the profound distress recently voiced by Prof. Clifford Hildreth, president of the American Statistical Association. All Americans would ultimately lament the passing of the integrity of the Federal statistical system. The Nixon administration should consult the Russians on the consequences to government decisionmaking of not being able to believe one's own statistics. I hope the Congress will concern itself. Numbers may seem like little things to the word of great events, but they have cast many long and enduring shadows in policy decisionmaking and in the lives of men.

The Committee on Economic Statistics of the American Agricultural Economics Association has been examining the general adequacy and problems of statistics for agriculture and for rural society. We have come to the conclusion that these data systems along with most of our economic and social statistics are increasingly inadequate for both private sector decisionmaking as well as public. This is not because of any measurement failures by statisticians but because the social and economic entities which we now measure are becoming con-

ceptually obsolete. In short, we are measuring the wrong things because the economic and social structures of the real world are changing in fundamental ways and so rapidly that earlier concepts, or ideas, of how the economy functions or people behave are no longer true. Our statistical systems are designed around increasingly obsolete concepts and are in urgent need of review and renewal. [The committee's report can be found in the December 1972 issue of the *American Journal of Agricultural Economics*.]

In agriculture the entire idea of the farm as the basic unit of observation needs review. The categories by which we measure labor inputs in agriculture, and many of the classification systems we use for other inputs and for output also needs review and conceptual revision. The entire question of how farm income should be measured and for what purpose is in most urgent need of review. Consequently, a review and revision of the concepts measured by the census of agriculture is needed. Failing to take that census is mostly certainly not what is needed.

I am here primarily to be sure the committee understands the consequences of failing to take the census. One thing that should be understood is that the decision not to take the 1974 Census of Agriculture was made without consulting either the Department of Agriculture or any users. I might also add, that the Census Advisory Committee was not consulted.

The first point that needs to be made is that we need more than just a rerun of the last census of agriculture. The priorities placed by the Bureau of Census on Agriculture data needs have been made quite clear by the manner in which the 1969 Census of Agriculture has been reported, or more accurately not reported. Publication of reports from this census have been inexcusably late. The last one will not be published until 1974, 5 years after the data was collected.

According to information provided at the last Census Advisory Committee meeting, some of the more useful cross-tabulated data may never be published. I cannot believe that in an organization with the competence and capacity of the Bureau of the Census, that this represents anything but a reduction of priorities on this activity to near zero. Much data is perishable and loses value with time. If certain of this data cannot be published in a timely manner, there is little reason for having collected it. The taxpayer's money is thus wasted.

A rerun of the 1969 census is inappropriate for another reason. I have already indicated that the entire manner in which we treat the farm unit needs to be updated along with many other concepts which the census attempts to measure.

We need most urgently to revise the farm income measures both in census and Department of Agriculture data. It will help little to measure again the failing concepts of the 1969 census. We urgently need a census of agriculture or its equivalent because of the very fundamental and rapid changes taking place in the food and fiber industry. But we need one that reflects more accurately the reality of the industry.

The concern of my committee is recorded in a recent report of that committee. I have copies here for the members of the subcommittee if they would care to see them.

The Senate has just produced a farm bill for 1973. The House is considering one. If enacted, this legislation would involve new types of administrative decisions that would require data now, not 2 years or 5 years from now. Every change in the rules of the game in public policy creates a need for new administrative information.

Since many of the agricultural data time series are anchored to census data and revised every 5 years, to fail to take the agricultural census sets these data systems adrift. If an improved census is not taken in 1974 or soon thereafter, some alternatives for providing this data must be found or chaos will soon ensue in the form of rapidly deteriorating data and nonavailability of data for both public and private decisionmaking.

There is a common attitude among statisticians in Washington, particularly in the Office of Management and Budget, that agricultural statistics are overfunded. It is suggested that the public interest would be better served by using those funds to produce data for "more deserving industries." Yet when I push for their criteria for making resource allocation decisions between statistical systems, I get back little more than bureaucratic noises.

Many cannot even answer the fundamental question of why we spend any public moneys at all on data collection. Let me speak to this, for I think it is quite important in understanding the social costs of not taking the census of agriculture.

There are situations in which the industry can recapture the gains from firm financed or industrial association financed data collection. The Government has little business collecting this kind of data unless, as is sometimes the case, there is an urgent or overriding public interest in such data. There is, however, a vast range of data the benefits of which can never be captured by an individual firm or even an entire industry.

The difference is found primarily in the nature of the industrial structure itself. Let me pose what is often only a difference in degree as two polar extremes. If an industry is a monopoly composed of only one firm, then the benefits of any investment in statistics will accrue directly to the private gain of that firm. When the number of firms in any market is reduced to only one, every action of the firm immediately impacts the market, and every action in the market impacts the firm. Thus the monopolist can afford to pay for and expect to recapture the benefits from any investment in data needed to manage the monopoly.

When you go to the other extreme of industrial structure to deal with an industry made up of millions of independent firms, as in agriculture, the amount of private sector investment in data collection that can be justified by an individual firm is practically zero because it cannot be recaptured in the firm's balance sheet.

In proportion, as a firm may be said to have market power or an industry is concentrated, the justification for public investment in data for use in that firm and industry declines.

Increasing demands for data are generated by greater and greater specialization due to industrialization. There are usually high social returns on the investment in data for improved management of specialized industrial processes. In highly competitive unconcentrated industries these gains are only realizable through a public investment in market information.

Thus the great increases in productivity in agriculture over the past century, can be traced in substantial part to the contribution of publicly collected data for private management decisionmaking. The improved efficiency in the use of resources has accrued to the society in the form of lower cost food (hard to believe today) and the release of most of the farm labor force for employment in nonagricultural pursuits. Returns to information and coordination in the industrialization process have always been high.

A dangerous inflation is now being fueled primarily by rising food costs. This is a singularly inappropriate moment to increase uncertainty and reduce the coordination possible in agricultural production processes. As any economist can tell you, the effect of increased uncertainty is a reduction in output, while a decline in the capacity to coordinate economic activity reduces efficiency and increases costs.

So far, I have spoken only of the returns to private or firm uses of data for private policy planning purposes. What of the public policy data needs? Here again the degree of industrial concentration or market power makes a great deal of difference, for the same reasons, so I will not repeat the arguments. Often, of course, data on highly concentrated industries is generated by public investment to assure reliability and credibility of such data.

There is the additional problem of public access to data collected by monopolies or highly concentrated industrial structures. We have never adequately faced up to the public interest in this problem. It is usually discussed only in terms of the issue of confidentiality and disclosure. Because of the concentrated nature of the industrial structure and thus the instant effect of firm actions on the market, this kind of data is often very sensitive. But for the very same reason, it is absolutely critical in public policy decisionmaking.

It is no political or bureaucratic accident that the Government collects far more detailed statistics on highly competitive industries such as agriculture than it does on highly concentrated industries such as steel. This is a logical allocation of public resources which is to be expected by the very nature of the industrial structures themselves.

No doubt there are many specific economic areas where we are making an inadequate public investment in data collection. I would argue this is still true of agricultural statistics. It certainly is not going to serve the public interest to drain the resources out of data collection in agriculture for the purpose of expanding data collection on highly concentrated industries, which by and large is what we are talking about in the case of the economic censuses, particularly that of manufacturing.

I suspect that would be the end result, gentlemen, of combining the agricultural census with the economic census.

In the case of all census statistics, I have long felt that we collected many data that we need not, and that we were failing to collect even more data that ought to be collected. I am not a statistician. I have no vested interest in the Federal statistical establishment. I am an economist who is concerned over many of the uses, public and private, of data generated by the Federal Government.

It is my firm belief that historically we have starved our public data investment processes so severely that one could easily justify increases of up to one-third in the expenditure on publicly collected numbers today.

It is a sad political fact of life that our realization of the need for publicly produced information and data seems to lag long behind the problems for which we have needs of data. In some clearly identifiable cases, the lag is as long as a full generation.

Numbers cast many long and enduring shadows in the lives of men. The lack of numbers often casts even longer shadows in mistakes made and opportunities foregone.

Thank you.

Mr. WHITE. Thank you very much, Professor Bonnen.

At this time, Mr. Hinshaw, you can have 5 minutes, if you wish, to ask questions.

Mr. HINSHAW. Yes.

Mr. Bonnen, could you tell me a little bit more about your background other than just professor of agriculture economics? Are you a statistician by profession also?

Mr. BONNEN. No, sir; I am an economist.

Mr. HINSHAW. Could you, on your first page, indicate why you believe, to read your statement, "Competent leadership is being replaced with politically loyal persons of questionable statistical competence?"

Mr. BONNEN. Over the last several years, the press has reported that an unusually high number of top census civil service positions, long filled through the civil service procedures, were turned over in a short period of time. In BLS press briefings were terminated and several senior people were reassigned to other duties. It has been very strongly suggested that the people making these decisions did not like the numbers or the publicity given them, and they wanted to insulate themselves from the political consequences of the numbers. This is very sad.

Mr. HINSHAW. You say that the newspapers have reported this. Do you have any firsthand knowledge that this is true?

Mr. BONNEN. That these people have been replaced? Certainly.

Mr. HINSHAW. No. That competent leadership is being replaced with politically loyal people with questionable competence.

Mr. BONNEN. Yes, sir.

Mr. HINSHAW. Could you give me an example?

Mr. BONNEN. Something like the top 10 positions in census have turned over, some of those people have very marginal claims to really outstanding statistical competence and in the original replacement several purely political persons were placed in census statistical roles as political managers.

Mr. HINSHAW. Are you familiar with the report entitled "Investigation of possible politicalization of Federal statistical programs" published October 5, 1972?

Mr. BONNEN. Is this the Federal statistics users report?

Mr. HINSHAW. This is a report of this subcommittee on the census and statistics.

Mr. BONNEN. No; I have not read that.

Mr. HINSHAW. I will read for you.

The conclusion of this subcommittee, which at that point in time, was not controlled, I believe, by either the Republicans or the Democrats in terms of political control, as well as the conclusion of the subcommittee's staff, which certainly are not elective positions, was to the effect that there was no supportive evidence of conspiratory politicalization of Federal statistics.

Now, I would suggest, Mr. Bonnen, that anyone who is appearing before this committee should know what the position of this committee is in terms of its own investigations before they go on to make statements such as you have, because although I know nothing about your background, I already suspect your credibility for drawing conclusions from and making such unsupported statements. You have no personal knowledge as to these charges.

Mr. BONNEN. Mr. Hinshaw, the point is not that numbers have been manipulated yet, but that by removing the professional criteria—or the Civil Service criteria, which includes high level statistical competence—from these positions, and by actions which intimidate, such as firing or reassigning statisticians, many questions have been raised. A cloud of uncertainty now hangs over the Federal statistics. I do agree, there is no evidence that anybody has changed any numbers yet.

The point is that the people who are responsible for the collection of statistics, like Caesar's wife, have to be above suspicion, and I am sorry, but I just have to say that in the economics profession, and among statisticians, outside of Washington at least, certain suspicions have been raised.

Mr. HINSHAW. Well, Mr. Bonnen, I will only pursue this for a moment.

Before I came to Washington, which was just this last January, I employed a large staff, including statisticians, and I know of no reputable statistical organization that will charge that the Federal Government is politically manipulating statistics.

I know of no organization like that whatsoever, and if you can provide me with the names of individuals, or the names of organizations, I would be very pleased to have it for the record.

Would you do so?

Mr. BONNEN. No, sir, and I would prefer not to deal in personalities in any case.

Mr. HINSHAW. Then if you won't, I assume you will be willing to withdraw your statement.

Mr. WHITE. Mr. Hinshaw, your time is up. You will have another opportunity.

Professor Bonnen, let me ask a few questions on my time.

As I understand, the question of taking a census is not a question of whether to take it or whether not to take it, but whether to take it by sample or whether to take it by procedures that we have used in the past.

Is this your understanding?

Mr. BONNEN. No sir. The census of 1969 was not a census but a large sample. Since the proposed deferral, and the deletion from the budget of moneys for taking the 1974 census, I understand that the Department of Agriculture has been searching for some kind of alternative, because in an industry where the technologies are changing as rapidly as they are in agriculture, you can get some fantastic shifts in structure in very brief periods, and therefore our numbers grow obsolete very rapidly if we do not reestablish an accurate base line rather frequently.

Mr. WHITE. A figure has been suggested that the percentages on sample would be in the approximate area of about 2 percent. I believe that has been mentioned.

Do you feel that a 2-percent sampling over the entire country would give us a sufficient profile of the agriculture status in order to accomplish the necessary program and assistance that we need?

Mr. BONNEN. That would not give you any county or State data, nor would it allow any cross classification of national data.

Mr. WHITE. No county or State data.

Mr. BONNEN. No. A census is a complete enumeration and we no longer take censuses. The first thing one has to understand is that what used to be censuses now are all samples, rather large samples, but no longer censuses which by definition are complete enumerations.

The real question then is one of how large a sample do you need in order to get a reliable number out of a specific sector of the economy. If you want county data, you have to have a pretty large sample.

Mr. WHITE. Such as?

Mr. BONNEN. Well, you can argue about this and I am no statistician but I guess I would want for the most general data such simple population counts at least 10 percent.

Mr. WHITE. You feel that a 10-percent sampling would carry you into the county level?

Mr. BONNEN. Well, it isn't that simple, really. There are certain limited general kinds of numbers you could get with a 10-percent sample. Subsets and cross classified detail could require up to 25- or 30-percent samples.

Mr. WHITE. I understand.

Mr. BONNEN. People ask incredibly different questions with numbers, and that is why you always find everyone dissatisfied with whatever numbers are produced. But I think somewhere in the minimum range of 10 or 12 percent for the most limited data and on up to 25 or even 35 percent for other purposes. I am thinking in terms of random sampling. List sampling is another matter.

Mr. WHITE. So you feel that 10 percent would be the figure that you would feel comfortable with in order to obtain the information that you would need for your purposes?

Mr. BONNEN. Yes. For general descriptive data.

Mr. WHITE. That would carry you down to the county.

Mr. BONNEN. That would carry you to general descriptive data in the county, but not into any detailed subsets or cross classification.

Mr. WHITE. On page 5, you said "A dangerous inflation is now being fueled primarily by rising food costs. This is a singularly inappropriate moment to increase uncertainty and reduce the coordination possible in agricultural production processes." And you are speaking, of course, of the reduction or elimination of the agriculture census.

Now, tell us, please, as simply as you can, how the census for agriculture purposes does help in controlling food prices?

Mr. BONNEN. Well, you see, the food industry is made up of millions of separate units. It is not an oligopolistic market structure. Therefore, when an individual firm begins to make market decisions, there is a need to coordinate those decisions over the whole of markets and the information needed to make accurate decisions is provided the industry through publicly collected data which everyone uses in common and which sets common expectations.

In other words, if you had firms making widely different guesses about what the reality of the market was, you would get some pretty wild gyrations in those markets.

Now, we have collected data on these markets and on firms for the purpose of giving some central tendency to those expectations.

If you pull out the census, which is sort of the anchor post to almost all of our important time series, you are going to have to replace that anchor post with something else, or see the quality of both data and market coordination deteriorate.

Mr. WHITE. One other question.

In your statement, on the same page, you indicated that the great increases in productivity in agriculture over the past century can be traced in substantial part to the contribution of publicly collected data for private management decisionmaking. And I think that may be self-explanatory, but would you elaborate somewhat on it, to demonstrate the direct results that you have?

Mr. BONNEN. If you do not have the capacity for coordinating the many, many pieces of an industry, which is growing progressively more specialized, then the potential increase in productivity due to greater specialization will in some degree be lost.

What used to be simple in agriculture is now fairly complex. The coordination of complex functions depends in a major way on public data.

As you get improved technologies, which lead to greater and greater specialization, and thus greater and greater need of coordination, if you do not provide the data for that coordination, you will not obtain the gains of the potential increase in productivity from the investments in the new technologies. So you lose some part of your potential gain.

Mr. WHITE. Is there any facet of the agriculture industry that you are aware of that doesn't use the agriculture census, or which regards them more as a bother than a benefit?

Mr. BONNEN. No, sir. They will all criticize them. There are never enough numbers, and they are never entirely what an individual firm or group wants.

Mr. WHITE. They are not complaining about the taking of them. They would like more.

Mr. BONNEN. Yes, they would like more.

Mr. WHITE. Thank you very much.

Mr. Hinshaw, do you have any further questions?

Mr. HINSHAW. Yes.

I am interested in your statement on page 6, the third paragraph, where you say that Government collects far more detailed statistics on highly competitive industries, such as agriculture, than it does on highly concentrated industries such as steel.

I am not sure that I understand what you are saying.

Mr. BONNEN. As I explained in related paragraphs, you need more information on the very competitive industries, because those firms are not capable of recapturing from the market, the social gains that are implicit in an investment, in statistics—or for that matter, in quite a few other things—so that those firms cannot afford to invest in numbers. Yet, there will still be a gain to the society if an investment is made in these statistics.

You get criteria, if you will, for public investment in data by virtue of that. Whereas, in the steel industry there are a handful of firms, any decision that a firm makes, has an observable, direct impact on

the market and through the market on their own balance sheet. Thus a steel firm or its trade association can afford to invest in statistics themselves.

Mr. HINSHAW. Well, I don't recall the numbers. I know that as an absolute, so-called small farms are greater, in absolute numbers. But in terms of farm productivity, the small farms, so-called family farms, are far outweighed by the corporate farms. And if you agree with me, in light of that, how can we really say that your conclusion in this paragraph is true?

In California, where I am from, large corporate farmers, Standard Oil, Mission Viejo Co., Bosewell Co., all of these are huge corporate farmers.

Now, why can't they fund their own statistics gathering in their own market area much like United States Steel?

Mr. BONNEN. Well, as large as many of these firms are, corporate or otherwise, they are still a very small part of the total cotton market, or the total wheat market, where there are hundreds of thousands of farms. The larger farms produce the bulk of the output, but even if you ruled all of those smaller farms out of your consideration, you would still have hundreds of thousands of farms. And this is still entirely too many farms for any one of those large firms to observe any impact in the market from anything they decide to do. They are price takers. They do not make prices.

Mr. HINSHAW. I can understand part of that.

Let's switch to another industry, which has an economic census. Specifically, the homebuilding industry.

You have an equally large number of small homebuilders, as I think you do with small farmers.

Why should we concentrate our efforts on the agriculture interests as opposed to the home building interests?

Mr. BONNEN. I am not saying that you should. My statement was a generalization about the nature of the criteria that ought to apply, and I find that there is an amazing lack of knowledge or understanding of this in the Federal statistical establishment. I have not examined the homebuilders but I am sure on what little I do know that a better case could be built for investing in data for the homebuilding industry than for the steel industry. There are many firms in residential construction so I would make the same arguments.

Now, when it comes to making comparisons between industries that are both over toward the competitive side, you would have to examine the situation carefully and perhaps look at other criteria.

Mr. HINSHAW. Have I? Are you asking me a question?

Mr. BONNEN. No, no. To make a comparison between homebuilding and agriculture, I think you would have to begin to look at other criteria, although I would guess that homebuilding was still more concentrated than agriculture was.

Mr. HINSHAW. I would like to receive your reaction to a sense of priorities. Our subcommittee has reported out a bill for mid-decade census, and we are not sure how much that will cost. But the ranges of dollars go up as high as \$200 million. And there are feelings that we need this census for State and local governments, for the Federal Government, for all segments of our business community, including agriculture.

Do you have any feeling as to whether or not a mid-decade census is more or less important than an agriculture census in terms of the expenditure of dollars?

Mr. BONNEN. That is a pretty tough question. I realize you have to make an answer to it.

Certainly the thing that the population census focuses on, in the way of most urgent needs, involves population-based allocation decisions that Congress or the Executive makes, such as in revenue sharing.

Now, when you begin to talk about regional and local area development needs, industrial and otherwise, there are great needs for data that are not provided currently, and so there are, I think, a lot of pressures on the census for these statistics. I can see a great value in a mid-decade population census.

But I would not be prepared to say whether that would be of greater value than an agriculture census.

My thinking about this has been in terms of comparisons within the economic census area.

It is within this range of trade-offs that most of the questions have arisen that I have encountered.

Mr. WHITE. Thank you, Mr. Hinshaw. I am sorry that our time has expired on that.

Mr. Rousselot of California is recognized for 5 minutes.

Mr. ROUSSELOT. Thank you, Mr. Chairman.

I regret that I was not here for the beginning of your testimony. We were given copies in advance, and we appreciate your taking time to give us your input.

In reading your statement it is obvious that you disagree with the concept of the administration's position of discontinuing, or postponing the agricultural census. Do you find highly compelling reasons that, if we could incorporate in a mid-decade census, that that would not accomplish what is intended maybe just as well?

In other words, if we were to include an agriculture census, the one that is now done every 5 years, in a mid-decade census, include it at the same time, would that make any difference?

Mr. BONNEN. You mean—

Mr. ROUSSELOT. I mean, if the Congress went ahead and voted for a mid-decade census, and we included in that, or enlarged it to include the kind of material that was needed in the agriculture census that has been done every 5 years, would it make any difference to you to postpone it 1 year.

Mr. BONNEN. I think not. I think the thing that is disastrous is the notion of delaying it another 3 years.

You see, part of the urgency of this—I guess in general I agree that that might make some sense.

Mr. ROUSSELOT. So, your answer is, it would not be a disaster to delay it 1 year.

Mr. BONNEN. I do not think it would be a disaster. In fact, the lead-time on a census is such that in my judgment I do not think you could take a census of 1974 now except by just running the same questions and the same computer tapes that we had for the 1969 Census of Agriculture.

Mr. ROUSSELOT. I have been informed by people in the Census Bureau that it is possible to run this, even though the administration is

planning to discontinue it, that it would be possible to still put it together and do it in 1974.

Mr. BONNEN. Well, they might get it done mechanically, but the problems of doing the census are so huge and the 1969 census concepts are so obsolete I think the accuracy of it would be very questionable. They would be under great pressure.

If the Census Bureau did not allocate any more resources to processing the agricultural census than they did in 1969, I assure you it would not come out too well.

Mr. ROUSSELOT. Could you detail that in your statement, where the 1969 Agriculture Census in your opinion was faulty?

Mr. BONNEN. The main problem in the census of 1969 was that much of the data was not published until it was nearly useless, that is to say, we are still awaiting the final publication which will not appear until 1974.

Mr. ROUSSELOT. So, it was not in the method of gathering the facts. It was in the method of timing the publication.

Mr. BONNEN. Not really.

Mr. ROUSSELOT. You made the statement that it was faulty.

Mr. BONNEN. Let me put it this way: In the last 2 years, I have had conversations with all sorts of users, and they will say to me, a person who knows the coastal plain in South Carolina would say, "I would not trust any of the farm operator data for my region. The rest of it may be all right, but there are all sorts of crazy quirks in it; it makes no sense."

Mr. ROUSSELOT. I do not want to take the time today. Can you detail for us in writing those faults? I think it is one thing to complain. Can you detail it, what is wrong with it?

Mr. BONNEN. The reason I did not put it in is it is all secondhand.

Mr. ROUSSELOT. You mean the information you have is secondhand?

Mr. BONNEN. The information I have is secondhand. From people who are cotton specialists, specialists in different areas of analysis.

Mr. ROUSSELOT. We have a lot of problems around this Capitol with secondhand and thirdhand information, so we would appreciate if you could be accurate.

Mr. BONNEN. You have such problems as this: In the State of Texas, the number of farms reported increased. I do not believe that. I just do not believe that.

Mr. ROUSSELOT. Do you have something to base your judgment on, or is it just a feeling?

Mr. BONNEN. It lies in the nature of the changing structure of agriculture. I do not know any major forces which today would lead to increased numbers of farms in an area the size of Texas.

Mr. ROUSSELOT. Mr. Chairman, with your permission, I would like the gentleman to submit in writing those areas of the 1969 Agriculture Census that he found to be faulty, so that we can check it and see if it is real or imaginable.

Mr. WHITE. Mr. Bonnen, if you could do that, we would appreciate it.

Mr. BONNEN. Yes. Let me state the real problem. That is, the concepts that we are trying to measure in the agriculture census are obsolete. That is laid out rather clearly in the report of the AAEA Economic Statistics Committee, copies of which I will give you, and which we can put it in the record.

In any case, the basic problem of accuracy in the census, and for that matter in the Department of Agriculture data at this point, in my judgment, lies in the fact that the changes in the nature of the food and fiber industry have been so great in the last several decades yet we have not really changed the basic concepts that we are trying to measure. What are we to measure? The answer to that question is extremely important in terms of the accuracy of the data produced. You can have the finest data collection operation with the best statisticians and all the money in the world, but if the concepts you are trying to measure do not match well the reality of the world out there—if that concept is inadequate—then your data is going to be inadequate, and that is I do not believe a simple review of the 1969 census would be very useful.

Mr. WHITE. In the interest of time, we are going to move on, but I will allow one more question, Mr. Rousselot.

Mr. ROUSSELOT. I was somewhat disturbed, and especially since you began your statement about the competent leadership—I assume you are talking about competency in the Census Bureau being replaced with politically loyal persons.

Mr. WHITE. That was covered.

Mr. ROUSSELOT. I know it was covered. But I was part of an investigation with Charlie Wilson in this whole subject, and we published a report in October of 1972. Are you aware of that report?

Mr. BONNEN. Mr. Hinshaw asked me that. I have not read it.

Mr. ROUSSELOT. I would appreciate it if you would read it, since you started your whole statement with that, and you are in effect accusing the Nixon administration of utilizing the Census Bureau, and/or other things for politically motivated things. Your statement clearly says that.

Let me say I think this is important. If that is real, we ought to get at it. But we did not find that to be the case. And let me say Charles Wilson, who is chairman of that investigating committee, is not a big supporter of the Nixon administration.

So, I am sure there were places of fault, and when you make this kind of statement, can you back it up with proof?

Mr. BONNEN. Let me answer you the same way I did with Mr. Hinshaw.

The basic problem is suspicions or questions have been raised about integrity. It is not that anybody can prove that someone has juggled the numbers. It is just that the people who collect statistics are always suspect, even under the best conditions.

Mr. ROUSSELOT. The reason this is important is he made this an opening part of his statement, and if it is true, we ought to find it out.

Mr. WHITE. The chairman is going to go ahead and conclude that line of questioning, and ask that counsel provide Professor Bonnen with the findings of the committee for his perusal, and I am sure you can have further correspondence on this.

At this time, the Chair is going to call on counsel for additional questions.

Mr. BULLOCK. Professor Bonnen, you earlier provided an estimate of what would be the necessary census sample size to assure the production of usable county level data and, as I recall, it was in the range of 10 percent. That is obviously a far cry from a total census. Although

a total census was not undertaken last time, a very extensive sample was taken. Total censuses have been the custom in the past. What specific benefits do you think would derive from taking a full enumeration rather than basing it on a sample of this small size?

Mr. BONNEN. Well, I am not sure that I am convinced that there is that much of a virtue in it.

First, let me say, I am not a statistician. I do not want to parade myself as an expert on sampling theory or other technical census questions. I have devoted myself to agricultural data systems as an economist for quite a number of years.

The question of entire enumeration versus a sample, really, is one of money. That is, how much in the way of resources do you have to devote for what level of accuracy.

When the Constitution first said that there will be a census or enumeration, there was no sampling theory. We set up a Bureau of the Census to take those enumerations, of population, and over time they accumulated other responsibilities in the economic area.

Today, I think that it is more difficult to justify full enumerations. As an economist, I cannot. Perhaps a statistician could.

How much accuracy do you need for what type of answers to what kinds of questions, and how much money can you afford to allocate to these things? There are various tradeoffs that you would have to consider.

Mr. BULLOCK. Thank you. There seems to be a presumption on many people's part that county data is needed to carry out the analyses relating to the agriculture sector that are necessary. The Bureau of Economic Analysis partitions the United States into economic areas for the purpose of analyzing economic activities in small geographic regions. Typically, these economic areas are comprised of several counties related economically to a central urban area. In your view would census of agriculture data compiled at the economic area level of detail provide a sufficient data base for census data users?

Mr. BONNEN. Well, there are several questions there.

You would probably get from the county unit of government, strong objections, because they like to have data on their unit of government. And there are a lot of questions that are asked and answered at that level.

We are in the process, of course, of building development regions, small multicounty areas, and we will need data for those.

Most of the proposals I have seen to collect data for, say, a three to a five-county area, would sample at a lower rate than for data on a single county. That would seem a virtue in general, but you would not end up with any data that you could use for a specific county, and there are a lot of people that would object to that.

The great value of local area data, at the county, or a three to five-county small area, is the kind of detail that you get in the way of, for example, inventories of farm machinery, and the numbers of farms and farm income that allow a machinery company to predict a machinery market potential for these areas.

Mr. BULLOCK. Do you feel any geographic breakdown could be developed that would be less detailed than the present county-by-county setup, yet still meet the basic needs of the agricultural sector? Now I am talking in terms of aggregation schemes ranging from a plan

including mostly single counties with a few multicounty areas where market areas would coincide up to a totally multicounty approach. Do you think it would be possible to aggregate to any extent, not necessarily to the economic area level, without seriously compromising the usefulness of agriculture census results?

Mr. BONNEN. I think that varies in different parts of the country. There are some counties that are so small and the agriculture so extensive that you have a very limited number of people on farms, and animals, and machinery, to enumerate. And I am sure that in these cases, some aggregation would have a rather high payoff in terms of reduced costs.

In other counties—well, again, it just depends on how extensive or how compact that county unit is, and they vary so greatly, I do not think you can give a general answer to that question. I think that some aggregation might be feasible.

Mr. BULLOCK. Fine. I just have two more questions. We have received a number of indications, and I think you brought this up also, that there is a pressing need to revise the concepts underlying present agriculture data measures. If it would be possible to incorporate new concepts into a limited 1974 sample survey, and impossible to incorporate new concepts into a full census of agriculture, which of the alternatives would you favor?

Mr. BONNEN. The former. Simply rerunning the 1969 census concepts will give you as inadequately a set of numbers as you had before, if not less adequate due to the further passage of time.

What I find people doing as a result of their questions about the 1969 census, is going back and using, as their base, the 1964 census, which gives one an even greater time gap between numbers that people are willing to depend on.

Mr. BULLOCK. Fine. One last question. It is safe to presume that revisions in data measures such as you advocate would lead to a problem of comparability between the 1974 results and those obtained in the previous agriculture censuses. To what extent do you feel this problem would compromise the ability to analyze changes occurring in agriculture structures and activities between 1969 and 1974?

Mr. BONNEN. There is no question it would introduce comparability problems, but if what you are measuring in 1969 is not what is really out there, then you really have not lost a great deal by changing the concepts, if you can improve those concepts. Part of the real problem is that you are not likely in 1 or 2 years really to be able to review and revise all of those concepts. It is going to take a decade to do a thorough job, in my judgment.

Mr. BULLOCK. Thank you.

Mr. ROUSSELOT. I wonder if in the letter you send us, you can detail the limits of the census that were taken in 1969 that are no longer useful in your opinion.

Mr. BONNEN. Well, such concepts as farm population are very questionable.

Mr. WHITE. He is asking specifically.

Mr. ROUSSELOT. We have talked somewhat generally here as to what your complaints are.

Mr. BONNEN. They are not complaints. I am trying to be descriptive. I think we have problems in all of our agricultural data.

Mr. WHITE. Upon receipt of your letter, then, it will be incorporated in the record.

Mr. ROUSSELOT. And then, also, you are going to detail for us, to back up these statements, that competent leadership is being replaced with politically loyal persons of questionable statistical competence.

Mr. WHITE. Right. If he has that.

Mr. ROUSSELOT. Well, he made the flat-out statement.

Mr. WHITE. If you have it, fine. If you do not have it, then say that you do not have it.

Mr. BONNEN. My basic point is simply that serious questions have been raised by a series of actions. Enough questions have been raised about the integrity of the system for Federal statistics to justify the Federal Statistics Users Conference and the American Statistical Association and even the Post Office and Civil Service Committee to mount a committee to investigate it.

Mr. WHITE. Professor, we have a number of other witnesses. Thank you, very much, and we will look forward to hearing further from you.

At this time, we will call on Mr. Herbert W. Grubb, Office of Information Services, Office of the Governor, State of Texas.

STATEMENT OF HERBERT W. GRUBB, OFFICE OF INFORMATION SERVICES, OFFICE OF THE GOVERNOR, STATE OF TEXAS, AUSTIN, TEX.

Mr. GRUBB. Thank you, Mr. Chairman. I am Herbert Grubb, Office of Information Services, Office of the Governor, Austin, Tex.

Members of the committee, I appreciate very much this opportunity to appear here.

I have training in the field of agriculture economics. I have worked in that field for a period of approximately 4 years, in Texas. Also, training in economics and some training in statistics.

For the last 5 years, I have been charged with the purpose and the duties of providing a comprehensive planning information system to the State of Texas, and I appear here today as a user of statistics, all of the census information, and then in addition to inform you of the program that we are trying to carry out in Texas, and why we need this type of information at this time.

We have in the State, approximately 112,000 individual nonfarm business establishments.

We have 254 counties over which this business activity is located, and we have approximately 200,000 farms.

Now, we have realized at the State level, of which we have approximately 180 State, individual agencies, and then a number, approximately 23, I believe, or exactly 23, regional counsels of governments, who are in the business of providing public services to the people of Texas throughout the State.

And one of the problems that we have had continually is current information on which to allocate resources, to guide research, and to guide our public as well as our private management decision-making process.

For example, given the question that we have approximately 11½ million people in the State at the moment, the population is grow-

ing in number, and income is rising, the problem of providing public services, as well as information to the private sector which is making investments in business and agriculture, to satisfy local and export markets, and the entire related nature of those investments, is so important and so complex that it is difficult for us, at the State level, to guide State programs and to make the resource allocations necessary without a current information system on which to base decisions.

We are charged with the responsibility of making population projections, converting these population projections into market demands for commodities. And I might inform you at this time that we have a mathematical model of our State's economy which uses a large quantity of data. All of the data of all of the censuses that are presently collected by the U.S. Bureau of Census, as well as our own State agency data files, go into that system. It is our problem to attempt to project consumption demands of the people of the State and then to relate our State's economy to the national markets.

We live in a large national common market. We export a significant amount of energy resources, energy products, as well as agricultural commodities, not only into the national market, but as well into foreign markets. We are trying to understand the structure of this economy, so that we can reduce the variation and make a better climate for our people to live and for which investments in the private sector can be made.

In addition to the councils of government and State agencies and the members of the Legislature of Texas, the private industry of our State is using our information system in its investment and decision-making process. Our system provides projection—for example, we have projected, and I have entered into the brief statement that I have entered for the record in this committee, projections for 1980, asking the question, given our population will be a certain size, approximately 14½ million people, and will have an income of a certain level, what will we need to be producing to meet the demands of that population within the markets in Texas and at the same time keep Texas in its relative position in national markets. We see that, for example in the case of agriculture, we have an opportunity to increase production here just to meet these assumptions that we talked about of approximately 70 percent of its level at the end of the decade of the 1960's.

This is a contrary position and a turn around position from the period of the last 20 to 25 years when we have been attempting to hold down agriculture production. Now, the question concerning all the industry of Texas is how much chemicals, how much more energy, how much more machinery, where will the markets be, where will they be distributed across the State, insofar as the service industries, to provide the inputs required by agriculture.

What kind of investments, where shall we get capital, where shall we stimulate growth and development to meet this demand. I think what we have demonstrated here, and this estimate is certainly just that, an estimate, is consistent with all the other industries of the Stat. The same estimate shows that we will need 70 or 80 percent more electric energy, and almost twice as many dollar value units in con-

stant dollars of manufacturing commodities, to meet the market demands of the Texas economy, as well as Texas' markets and the rest of the Nation.

Our question at the State level is how are we going to manage and guide the kinds of investments that will be required to meet this level of production, and how will we manage the environmental aspects of production control that will go along with this level of increased output, given that the resources are available to meet production projections.

One of our questions at the moment is where shall we find resources to produce this level of output, and if there are shortages, we need to know where they are going to be, and how we shall reconcile them in advance before we get to crisis conditions at the State level. We need to implement policies and programs to smooth out the process of investment, and to keep employment opportunities for our people as high as possible.

We are trying to understand the tax structure, how we are going to pay for public services, welfare and health, and social services that go along with it.

And we, in attempting to provide this kind of information to our State Government, require, as I mentioned earlier, a significant amount of information. The census of agriculture has been the cornerstone of data that has gone into the university research programs that contribute to our program.

In doing my job, in managing the comprehensive planning information system, I use nine university subcontractors to provide information on various analyses and various industries of the State, including agriculture.

Our agricultural colleges rely heavily on the census of agriculture and its regular delivery, in spite of its shortcomings. Some of the previous testimony pointed out some of those. We are always looking for better data. We are not testifying at this point, or arguing at this point about the quality of the census as it is conducted—we are concerned, however, that if the next census is not conducted, according to the schedule in 1974, that we are going to have a significant data gap in our total information system for the State, and that we will have to find some other way to close this gap.

A way which at the moment has not been provided for in the State's budget. We will have to resort to samples ourselves, our agricultural research people who work for us, including agricultural scientists whose work is guided by the trends that are traced out by the data that is provided by the census will have to find other sources of information to guide their own programs.

And so we feel, at this time, and with this about face in the agricultural industry of the Nation, we also have information—and I am sure that you are aware, the statistics show, that our energy needs are significant, and that we are going to be forced in this country to import a significant amount of crude petroleum. One of the ways in which we can pay for this is with the production and export of agricultural commodities.

We see this as a significant opportunity to deal in international trade and to alleviate some of the international problems by increasing agricultural output.

We need information, not necessarily at the county levels in all cases, but certainly in the State of Texas, information at subarea level. The county is the building block unit. We have 254 counties in Texas. That is a large number of counties. We use those data in a regional sense. We usually aggregate them to larger levels.

But we do need small area data for some of our programs, including the way in which we allocate State aid to independent school districts. Agricultural census information is entered into that formula. Although the formula is under question at the moment, it is still the method that is used, and without the next census of agriculture we will be allocating funds to the independent school districts on the basis of the 1969 data until the next census of agriculture is made available.

So we are looking for as much information as we can get, as often as possible, and we feel that the regularly scheduled census coming up in 1974 is a vital and critical time at which we need our next data point. We would hate very much to lose that, and if we don't get the census, we will have to attempt to supply it from other sources.

We also feel we need more detail as opposed to less as to some of the items in the census, in trying to understand the structure and the nature of our State's economy. The cost of production is one of the important items that goes into all of our mathematical computerized models. We have cost of production data in quite some detail from other industries that we have obtained at a great deal of cost by conducting surveys of our own.

Mr. WHITE. Thank you, Mr. Grubb.

At this time I will call on Mr. Rousselot for 5 minutes of questioning.

Mr. ROUSSELOT. Mr. Grubb, thank you for your testimony.

I notice that you mentioned that you are anxious to have the data that would come out of a 1974 Agricultural Census.

Would it be disastrous to postpone it 1 year to 1975 if we could somehow do it in conjunction with the mid-decade?

Mr. GRUBB. No, I don't think it would be disastrous. Certainly any delay is going to hamper the program, and we won't get the information from the 1974 census until 1976 or 1977 anyway.

This is one of the factors that is of significance to us.

Mr. ROUSSELOT. How late was the 1969 census data actually being made public?

Mr. GRUBB. In Texas we secured the published reports of the 1969 census in late 1971.

Mr. ROUSSELOT. Late 1971. Roughly 2 years later.

Mr. GRUBB. The 1967 censuses of manufacturing and business were not made available to us to use until November 1967.

Mr. ROUSSELOT. Thank you.

You referred that you were not arguing against the—I think you used the term quality of the data—which puts you somewhat in conflict with the gentleman who preceded you.

Mr. GRUBB. I wouldn't say conflict. I just didn't address that question.

Mr. ROUSSELOT. Do you wish to? Maybe you don't want to do it verbally now. Would you like to do it in writing as to how the quality could be improved?

Mr. GRUBB. I would be willing to do that. I would prefer not to today. I am not prepared to.

Mr. ROUSSELOT. Fine.

Mr. WHITE. Any letter that is received by Mr. Grubb will be introduced into the record in response to Mr. RousseLOT's question.

Mr. GRUBB. Thank you, sir.

Mr. ROUSSELOT. You mentioned the need for more detail.

Could you also include what kind of detail is needed?

Mr. GRUBB. Yes, I can. I am thinking of the cost of production items in the farm sectors.

Mr. ROUSSELOT. When Mr. Fraser, who is president of the American Agricultural Business Associates, was in front of the Senate, he made the following statement on this same bill. He said: "A crash effort at this late hour, as mandated by Senate Resolution 95, could hardly be expected to result in an agriculture census in 1974 that would measure up to the standards of completeness and quality required by public and private users."

Would you agree or disagree with Mr. Fraser on that statement?

Mr. GRUBB. I would be hard pressed to react to it. My own experience in conducting surveys and collecting data indicates that from 1½ to 2 years of planning and lag time is almost necessary. One can move more rapidly. It could be rapidly done.

Mr. ROUSSELOT. So, then, you find yourself in agreement with that statement? In other words, if we mandate now, for them to go ahead and move ahead with the 1974 Agriculture Census, which I think is wrong myself, and we will find the reasons why, that they haven't gone ahead to do it, because the law says they should do it, but is this in fact, to the best of your knowledge, a crash situation?

Mr. GRUBB. I think it would require significant strained efforts to accomplish within that time.

Mr. ROUSSELOT. So that maybe, then, in 1975, if we do pass a mid-decade census—

Mr. GRUBB. If we really get busy, we might be able to get it done in 1975.

Mr. ROUSSELOT. Thank you for your comment.

You made quite a reference to some of the problems of fuel and other things that definitely relate to the ability of agriculture to produce and so forth, and shortages in that area.

Do you think that an agricultural census would show up, or help bring out these deficiencies or problems? Is that what you were getting at?

Mr. GRUBB. This would help us to identify the regions within the country, within the State, in which the concentrations of production are found, and would give us pinpoint, rifle shot-type information to identify where the off-farm purchased inputs are going to have to be delivered. This is why I would like some more information—

Mr. ROUSSELOT. Do you think a 1974 census, or a 1975 Agriculture Census would also help point out the impact of ecology laws that we have passed at the Federal level?

Mr. GRUBB. It would give us information that the research people need to analyze those questions.

Mr. ROUSSELOT. So from an ecology standpoint, it is necessary?

Mr. GRUBB. It would be useful, yes.

Mr. ROUSSELOT. Thank you.

Mr. WHITE. Mr. Hinshaw, for 5 minutes.

Mr. HINSHAW. Yes, Mr. Grubb. I am pleased you are here from Texas. Although I am from California, Texas is one of my favorite States.

Just as a preliminary, so you will understand why I am asking the questions, I used to be the assessor in Orange County in California. It is the second largest assessor district in California, second only to Los Angeles.

We developed some pretty sophisticated computers to assist us there. I was interested in the same kind of things you need, such as farm income, livestock production, crop yields, and conservation practices, value of farms, and farm production expenses.

One of the reasons why I asked to get on this particular subcommittee is that I wanted to see whether or not we could develop a better source of information than we currently have through the Federal Government. Specifically, if the Federal Government, through some kind of incentive programs to States, could encourage the States, at their county level, perhaps, in their planning departments and their assessor's offices, to collect data on an annual basis in such a fashion that it could be reformed into a series of reports that could be useful not only to all levels of government but more importantly the private sector—business.

So with that background statement, and the recognition that we very likely will pass a middecade census out of the Congress, what I am interested in knowing is, would an incentive program, the incentive perhaps being money, to the States to encourage their local governments to in fact collect the kind of data they are supposed to collect, but don't, simply because of the difficulty of collecting it, be of a more long-range benefit than undertaking the 1974 Agriculture Census, or perhaps incorporating, as Mr. Rousselot suggests, some of the Agricultural Census questions into a middecade census, and going forward to have such an incentive program with some results in, say, 1980, as opposed to going forward with the same kind of data collecting procedures that we have used in the past.

Could you comment on that?

Mr. GRUBB. We have given a great deal of thought to this very question of how we get from the State level, being somewhat in the middle, the local grass roots and the Federal sources, to speak to important questions and we get questions, for example, from Federal departments, concerning their business in our State. We don't have that kind of information at our disposal, and we have looked at several different alternative ways which we might get this kind of information.

We would like to consider and are considering at this point in time a periodic reporting system whereby we could collect information at the State level from councils of government. Perhaps this would be the focal point at the local level as opposed to a county. And it would be fed into a system which would ultimately be reported into a national network, or a national data repository for whatever items we could agree would be included in that.

There is a great deal of interest in a better system of collecting information at the State level.

Now, how to manage it, how to structure it, and how long it would take to get it operating, and what it would cost, of course, are important questions, which I really don't have an answer to.

I have given some thought to it. It is extremely complex and it is going to be extremely time consuming and costly.

Mr. HINSHAW. As far as the Senate is concerned, is it more important to have information by census tract, by governmental units, or on a statewide basis?

Mr. GRUBB. Well, certainly something less than a statewide basis. We have to have small area data. Census tract data are necessary in some cases in which we are dealing with the location of some of our important human social resource area problems. Education, for example.

I doubt the census tract data at that level are necessary or even possible with respect to disclosure questions concerning business and agriculture.

So, the county is a suitable unit. In Texas we have an awful large number of counties—

Mr. HINSHAW. 300, isn't it?

Mr. GRUBB. 254. Even that is excessive. We don't need that many.

Mr. WHITE. Counsel?

Mr. BULLOCK. I think I have covered it.

Mr. WHITE. Fine.

Are there any other questions? I will give you 1 minute for any additional questions you might have.

Mr. ROUSSELOT. Mr. Grubb, you mentioned that if we did not, or the Federal Government did not conduct the agriculture census in 1974, you would have to find another way.

Would you still have to find another way if we did it in 1975?

Mr. GRUBB. Well, perhaps some variation of that. We are going to have to do some splicing between the 1969 and the 1975 census for our next data point anyway.

Mr. ROUSSELOT. How will you do this?

Mr. GRUBB. Well, we have various statistical techniques of doing this, trend line analyses between points, and we also have some reporting programs which give us annual statistics.

Mr. ROUSSELOT. Mr. Chairman, if the gentleman is willing, I would like him to give us a listing of how he accomplishes this if the Federal Government doesn't do it, and what the approximate costs are.

Mr. WHITE. Are you in a position to do this, Mr. Grubb?

Mr. GRUBB. Yes.

Mr. WHITE. Fine. Upon receiving the information, we shall include it in the record.

Thank you, Mr. Rousselot.

I am going to take my 5 minutes now.

Let's predicate this by the statement that it is our belief that the Office of Management and Budget has decided, or has indicated that they are not desirous of the full agriculture census that they are supposed to be taking in 1974, as an economy measure. This is our supposition.

Now, do you feel that the revenues that would be lost by the U.S. Government as a result of not taking the census in that year would more than offset the cost of taking the full census as decreed by law?

Mr. GRUBB. My personal feeling is that this expenditure would be justified. That our uncertainty in the agriculture industry as well as—their markets pervade all the economy.

For example, how much gasoline does it take to produce a bale of cotton? It is a lot more than runs the tractor on the farm.

Mr. WHITE. These factors are included?

Mr. GRUBB. These factors are included in all of the inputs of agriculture.

Mr. WHITE. Of course, right now we are facing an energy crisis, with some tractors finding insufficient fuel for the running of the tractors.

Mr. GRUBB. Correct.

Missing the information that we would gain from the 1974 census, leaves us without information at the point in time in which the trends are all changing, changing direction, and in the research area, we are just going to be left at a loss without data; our methods are not going to be of much use to us without data.

Mr. WHITE. Mr. Grubb, the question I asked Mr. Bonnen, I wonder if you would address yourself to. I asked him if a full census was not taken—first, what percentage of a sample census would be adequate to accomplish the needs of your particular State, your mission, with the State of Texas.

And, second, do you feel that a sample census could be taken to accomplish the job instead of a full census?

Mr. GRUBB. Well, my training in statistics tells me you can't always take a census, and that is why we developed sampling theory to begin with. It has worked quite adequately.

In other interests in the State, we have interviewed all the manufacturing, trades, services, and we are rerunning our survey to get some information, not all of the things that the census collects, and we have found that we have had to go as high as 30 percent of the total value of production; that is, include the establishments that account for as much as 30 percent of the total value production, to get reliability in some of our estimates.

Mr. WHITE. So 10 percent you feel would be inadequate?

Mr. GRUBB. Ten percent is certainly a marginal, low figure.

Mr. ROUSSELOT. If the gentleman would yield; what would be adequate?

Mr. GRUBB. It depends on the variation in particular industries.

Mr. ROUSSELOT. Taking agriculture.

Mr. GRUBB. I am hard pressed to give you a number.

Mr. ROUSSELOT. Could you include that in your letter?

Mr. GRUBB. I am not sure I can answer that.

Mr. ROUSSELOT. OK.

Mr. WHITE. In your letter, you will indicate what other sources of information you could obtain, I presume, in order to plug the gap that you are speaking of in the event the census isn't taken.

So I would like to ask also, would you have the means in which to disseminate this information, not only to your State, but also to national sources that would be desirous of it?

Mr. GRUBB. You mean if we don't take the census, how will we fill the gap, and if I will make this answer available to you?

Mr. WHITE. Yes. Do you have the procedures and means to disseminate this information to all other recipients that would be desirous and needy of this information?

Mr. GRUBB. I think the answer is yes. We would make it available.

Mr. ROUSSELOT. What he does is: he mails it to a good Congressman.

Mr. GRUBB. Well, the cost is not significant.

Mr. WHITE. Thank you very much, Mr. Grubb.

Do you have anything you would like to add, about 1-minute addition to your testimony?

Mr. GRUBB. I would at this point emphasize that we feel this is a vital source of information for all of, not only agriculture, but the rest of the economy, and to lose this data point is extremely important to us. It will leave us with a very serious gap.

Mr. WHITE. All right. Thank you very much, Mr. Grubb. I appreciate you coming.

Mr. HINSHAW. Mr. Chairman, one additional question.

Mr. WHITE. All right.

Mr. HINSHAW. At the State level, had you given any consideration to the possibility of using revenue-sharing money for the agricultural census, provided that we didn't take it at the Federal level?

Mr. GRUBB. No, we did not.

[The prepared statement follows:]

STATEMENT OF HERBERT W. GRUBB, MANAGER, DIVISION OF MANAGEMENT SCIENCE,
OFFICE OF INFORMATION SERVICES, OFFICE OF THE GOVERNOR, STATE OF TEXAS

Chairman White, members of the committee, ladies and gentlemen, on behalf of the State of Texas and Governor Briscoe I wish to express to you our appreciation for this opportunity to appear before this Subcommittee on Census and Statistics in support of the conduction of the Census of Agriculture in 1974. In the following materials I shall explain why we in Texas endorse this position.

I have been engaged in research work in the field of Agricultural Economics since 1960. During this period I have worked in three states—Oklahoma, North Carolina, and Texas. I have found the published documents of the Census of Agriculture to be a major source of information about the individual state's and nation's agriculture. Often, the Census of Agriculture has been the only source of consistent, complete, and regularly available data pertaining to agricultural production, number and kinds of farms, farm income, crop production, livestock production, crop yields, conservation practices, value of farms, farm production expenses, and many other important statistics at the county and state levels. Agricultural scientists rely upon these data from the Census of Agriculture to indicate historic trends, many of which are useful to give research efforts and to assist in the allocation of research resources into the more pressing physical, economic, and social problem areas of the nation's food and fiber industries. These data are often the only information whereby local area problems or opportunities of a specific nature, such as changes in individual crop production or livestock production can be identified and considered for public and perhaps private attention. The postponement of the 1974 Census of Agriculture would result in a gap in the flow of information to public policy makers and private individuals and understandably would hinder their efforts to deal with emerging market and production conditions.

Since 1968, I have managed a statewide quantitative research program concerned with measuring the levels of production and the interdependencies among all of the sectors of the Texas economy including the agricultural industry. Our program provides information which is being used by planning agencies of local and state governments in Texas including Regional Councils of Governments, Industrial Development Agencies and Commissions, Environmental Protection Agencies (water, air, land, and the Texas coastal zone), Water Resources Agencies, and agencies concerned with education and employment in Texas. The Census of Agriculture for Texas has been one of the important sources of information from which these planning models and evaluation systems have been developed. This information is necessary in order that our planning models may be updated and kept current for use by government as well as private sector planners in Texas. The failure to conduct the next regularly scheduled Census of Agriculture would leave our program without a vital source of information concerning Texas agriculture.

In addition to our program in State government, other institutions and agencies of the State rely heavily upon the Census of Agriculture for planning and research information. Among the leading institutions that would be affected are the State's agricultural colleges, extension service, and the Texas Department of Agriculture. The adverse effects that postponement of the 1974 Census of Agriculture would have upon the programs of these institutions would adversely affect public programs of Texas State government. Many of these institutions, through research programs, provide information required by public agencies as well as farmers. We are concerned that much of this information will not be available in current condition if the 1974 Census of Agriculture is postponed.

According to our analyses, Texas agriculture will be required to increase value of production by 70 percent between 1967 and 1980 from a level of \$3.4 billion in 1967 to \$5.8 billion in 1980, if Texas markets and Texas's present share of national markets are to be supplied. Data that would be obtained from the 1974 Census of Agriculture would be valuable in the planning and management required to expand Texas agricultural production during this period of time. For example, county level information about cropland and pastureland available for production, 1974 level and type of land use, 1974 level of purchased energy, purchased chemicals and other purchased inputs, would be useful to farmers, policy makers, suppliers of agricultural inputs and the food and fiber industries which purchase and use agricultural commodities. A gap in the data in 1974 may leave Texas as well as other states' agricultural and agricultural related industries without sufficient information with which to adequately and satisfactorily plan and manage production desired by consumers of food and fiber commodities.

At the present time, with the significant increase in the demand for agricultural commodities as evidenced by the recent rapid price increases for food, and with the indirect adverse impacts that these phenomenon are having upon the economy, I feel that it would be extremely unwise to interrupt the regular cycle of information pertaining to the agricultural industry of Texas and the nation. Thus, I strongly urge that provision be made to insure that the Census of Agriculture be conducted for the year 1974.

[The letter which follows was received for inclusion in the record:]

OFFICE OF THE GOVERNOR,
OFFICE OF INFORMATION SERVICES,
Austin, Tex., July 6, 1973.

HON. RICHARD C. WHITE,

Chairman, Subcommittee on Census and Statistics, Committee on Post Office and Civil Service, U.S. House of Representatives, Cannon House Office Building, Washington, D.C.

DEAR CONGRESSMAN WHITE: In accordance with your request of me upon the occasion of my appearance before the Subcommittee on Census and Statistics in Washington on June 27, 1973, I am supplying, in this letter, additional information concerning the following three areas in which the Subcommittee expressed an interest:

- (1) Improvements needed in the Census of Agriculture;
- (2) Additional factors or items of information that should be included in the Census of Agriculture; and
- (3) Sources of data in the absence of the Census of Agriculture.

Each topic is treated separately and from the viewpoint of our experience as users of the Census data in the field of Regional Economics.

Improvements needed in the Census of Agriculture:

- (1) Conduct the 1974 Census of Agriculture according to schedule and thereafter take the Census of Agriculture at the same time as other censuses are conducted.
- (2) Increase speed of data processing and hasten public release and publication so that census data are available earlier than has been done in the past, often, the census data are three to four years old before publication is made.
- (3) Provide farm production expenses, at the county level, for individual crop and livestock enterprises as opposed to the present reported aggregates of farm production expenses.
- (4) Collect and report at the county level average prices received by farmers for individual crop and livestock sales for the production seasons of the census year. These prices should be expressed in terms of values at the point at which ownership changes, i.e., at the first handler.

5. In order to improve the quality of county data, farmers should be asked to file a census questionnaire for operations in each individual county in which land is farmed as opposed to filing one census questionnaire for all farming operations and attributing such operations to the principal county in which farming is done. The Census of Agriculture should then report the results by county of location of production.

Additional factors or items of detail needed in the Census of Agriculture

The present method of reporting production expenses reports expenditures by farmers for purchased inputs in sufficient detail with respect to major purchased inputs by type of farms at the state level. More detail of this type is needed at the county level. In addition, items of expenditure such as repairs, replacement parts, machinery and equipment, communications, legal services, business services, hired transportations, taxes paid to each of local, state, and federal governments and quantity of irrigation water applied, if reported separately at the county level would be helpful in farm production economic analyses, marketing of inputs to farmers, and rural area economic impact analyses of changes in production levels and farm resource supply requirements.

Sources of data in the absence of the 1974 Census of Agriculture

Unfortunately, there are no suitable, readily available alternative sources from which much of the data presently obtained from the Census of Agriculture can be acquired. The present crop reporting program provides annual estimates, at the county level of selected data items including acreage of each crop and quantity of crop and livestock production. If present research and analyses programs conducted by public institutions for public policymaking, public sector planning and released for use by farmers and farm service sectors of the private sectors are to be continued on a satisfactory basis it will be necessary for individual research organizations and groups to conduct costly and time-consuming surveys. Since publicly supported research has been funded and planned on the assumption that the Census of Agriculture would be conducted for 1974, adequate funding for such data gathering efforts will likely not be available. Thus, much of the research effort will be forced to either use obsolete data or to engage in statistical extrapolations of previous census data. Both alternatives are poor and cannot be depended upon to produce reliable results at this point in time, since the agricultural sectors have reversed the trends of acreage and production controls in force during the past 20 years and are now producing to meet expanded domestic and foreign markets. Expanded agricultural production requires additional purchased material and service inputs from the non-agricultural sectors. Thus, current reliable data about the level and location of agricultural production is critical to the production and distribution of these production factors to the farm sectors.

An approximation can be made of the dollar value of material and service inputs required to produce each individual crop and livestock enterprise at the county level through the combined use of detailed farm enterprise cost and returns budgets and estimated county acreage of each respective crop or livestock enterprise. The quality of the resulting estimates will depend upon the level of detail of each enterprise cost and returns budget, the accuracy of the data contained therein and the reliability of the acreage estimates to which budgets are applied. Budgets of the type mentioned here are illustrated in the publication by Grubb, H. W., Moore, D. S., and Lacewell, R. D., entitled "Expected Production Requirements, Costs and Returns for Major Agricultural Crops; Fine-textured Soils—Texas High Plains," MP-848, Texas A & M University College Station, Texas, September, 1967. Copies of this report, in which budgeting procedures, methods, and data requirements are found are available on request from the publisher—Texas A & M University.

Sincerely,

HERBERT W. GRUBB, Ph. D.,
Manager, Management Science Division.

Mr. WHITE. At this time we would like to call to the stand, Mr. Reuben Johnson, director of legislative services, National Farmers Union.

STATEMENT OF REUBEN JOHNSON, DIRECTOR OF LEGISLATIVE SERVICES, NATIONAL FARMERS UNION

Mr. JOHNSON. Mr. Chairman, I have a very brief statement. I believe it will save the subcommittee's time if I just present it to you at this time.

The National Farmers Union, since it began in 1902, has supported those programs that support a family-farm system of agriculture in the United States. We believe that complete agriculture censuses, such as those that have been taken in recent years, should be continued in the interest of providing full and complete information on what is happening in agriculture.

Full and complete census data is essential to the formation of policies and programs that will help the family farm survive.

The encroachment of corporate-type farms in recent years into agricultural production phases of agriculture, is a threat to the family farmer and full and detailed information concerning corporate farms must be available in order to develop those policies and programs that can strengthen and protect family-farm agriculture.

The census of agriculture is the only uniform source of county agriculture data that is available. This data is not only of importance to policymakers in Government but it is important to others, including main street businessmen and to farmers themselves in understanding such things as shifts in production, size of farms, commodities produced, and so forth.

Our representative on the Census Advisory Committee for Agricultural Statistics is Mr. Clyde Jarvis, president of Montana Farmers Union and a member of the board of directors of National Farmers Union. Mr. Jarvis was not contacted, nor were any of the others of the Census Advisory Committee, regarding the Nixon administration's decision to unlawfully postpone the 1974 census of agriculture.

On February 23, 1973, at a meeting of the Census Advisory Committee on Agriculture Statistics, Mr. Jarvis spoke for the National Farmers Union when he stated that he felt it was mandatory that a 1974 census of agriculture be conducted. Other officials and members of National Farmers Union join Mr. Jarvis in expressing deep concern about the administration's decision not to take a 1974 census of agriculture—a decision which is contrary to existing law.

There have been many changes in agriculture since the last census of agriculture covering 1969; not the least of these are land-use changes that are occurring. We feel that it is imperative that a complete inventory of our agriculture resources be obtained in 1974 and not be delayed until 1977.

We are also deeply concerned about the role of corporation farming and corporation land ownership. We strongly recommend that in the 1974 census of agriculture reliable data be obtained concerning the extent of corporate activity in agriculture. Such data will be of value to Members of Congress and congressional committees who are concerned with protecting and preserving our family-farm system of agriculture.

We reject the alternative to a complete census of agriculture of obtaining a limited amount of data by survey either by the U.S. Department of Agriculture or by the Bureau of the Census. We are also opposed to giving any agency of Government access to tax returns of farmers for the purpose of compiling statistical data.

At this time, the Department of Agriculture provides annual estimates which are obtained by survey. All of the data which they publish has been weighted prior to publication. The only real control which data users have regarding the acceptability of their estimates is the fact the census of agriculture provides benchmark statistics. To have the same agency collecting what they will purport to be benchmark statistics by survey and also collecting and publishing annual estimates would provide justification to seriously question the degree of bias involved.

In fact, there would be cause to question which data was averaged and weighted the most, the annual estimates or the benchmark survey data items.

It is exceedingly important that an independent agency such as we now have in the Bureau of the Census continue collecting the benchmark data and that this data be obtained from an enumeration of all farming units.

We respectfully request that the subcommittee go on record requiring this administration to observe the existing statute and to conduct a 1974 census of agriculture which will provide reliable data at the county on all aspects of agriculture.

Mr. WHITE. Thank you, Mr. Johnson. At this time I call on Mr. Rousselot for 5 minutes.

Mr. ROUSSELOT. Mr. Johnson, thank you for your statement. I am somewhat concerned about your indication here on page 2, where you say, "We are also opposed to giving any agency of Government access to tax returns of farmers for the purpose of compiling statistical data." Have you found that this is presently a widespread practice of any agency of Government, other than the IRS, of course, in the gathering of statistics.

Mr. JOHNSON. As you may be aware, the President did issue an Executive order earlier this year, which would open up to the Department of Agriculture the tax returns to farmers for statistical gathering purposes.

Mr. ROUSSELOT. But that was, as I understood it, on a general basis collecting facts rather than specifics.

Now, do you have different information? Let me say, I share your concern.

Mr. JOHNSON. Yes. I am glad you do. Regardless of the purpose that the tax returns would be opened up to accomplish, I am certain that there were some limitations on the uses that could be made of these returns, but we would still object.

We just simply, as a matter of principal, are opposed to the use of a tax return for any purpose other than determining the tax of an individual.

Mr. ROUSSELOT. Well, if you have definite information that this kind of investigative practice is being used, I think we should know that, and it is possible—and I realize that this was considered as an alternative source of information.

But my understanding was that it was to be in a general sense and not to be in a detailed individual sense. It was to be pulled out of the data banks that are developed for IRS for various kinds of statistics.

But I certainly think we would, most of us on this committee, would share the concern of doing it on an individual farmer basis.

Mr. JOHNSON. Well, my impression is that we have overcome to a very large degree, the action that would have opened up these tax returns.

There was a hearing over in the Senate, on the Senate side, the committee escapes me, into this matter, and I must say that the matter is before the Congress, and I look for the Congress to settle it, and I believe the ultimate action will be to prohibit opening up these returns for any purpose other than determining the tax.

Mr. ROUSSELOT. Would you be willing, Mr. Johnson, to tell us whether you think, if as the claim is, that it takes at least a year and a half to put together a really effective census, for agriculture, that would it be acceptable to do it in 1975 as opposed to doing it in 1977, as has been recommended, if we could do it in conjunction with the 1975 mid-decade census?

I realize, you would prefer 1974, and I understand that. Your statement has made that clear.

Mr. JOHNSON. Yes, we would. I simply do not have any expertise into how you go about making the preparation to conduct a census.

Mr. ROUSSELOT. What I am trying to get out of you, it would obviously be preferable to do it in 1975 over 1977?

Mr. JOHNSON. I have confidence that the Census Bureau could take a census in 1974 if they began to concentrate on taking one. I believe that it is entirely feasible.

Mr. ROUSSELOT. I think we both share the same sentiment. *dit wolle.*

Mr. JOHNSON. Let me say: I see that Mr. Hagen is going to be before you this afternoon, and I am sure he will have some thoughts in that regard.

Mr. ROUSSELOT. Mr. Johnson, do you feel the Census Bureau has become politically oriented?

Mr. JOHNSON. No; I do not.

Mr. ROUSSELOT. You disagree then.

Mr. JOHNSON. I disagree. As a constant user of the data of the Census Bureau, I feel very keenly that they provide a nonbiased approach to collecting information, and that I would a lot rather trust the Census Bureau with coming up with objective information about what is going on in agriculture and other sections of the economy.

Mr. ROUSSELOT. Than, say, John Dean.

Mr. JOHNSON. Or the Department of Agriculture.

Mr. WHITE. Mr. Hinshaw?

Mr. HINSHAW. Mr. Johnson, I probably am as strong as anyone about not opening up State or Federal income tax returns for specific purposes if they are not covered by the internal revenue law, and yet I don't know of anything in the internal revenue law that prohibits the Federal Government from producing aggregate statistics gathered by the Internal Revenue Service.

Are you suggesting that aggregate statistics should not be divulged by the Internal Revenue?

Mr. JOHNSON. I think aggregate statistics would be permissible. I don't see any problem with that. It is when you really go in and open

up a sample of the tax returns of individuals, in a tax area, such as agriculture, which I would object to.

Mr. HINSHAW. I want to pursue this, and then I want to get to specifics.

It would seem many disclosures by the Internal Revenue which has caused Congress to rewrite the tax laws, specifically, that some large income gathering persons do not pay any income tax, and yet we wouldn't know that unless they were to release some kinds of statistics. Wouldn't you agree that would be a desirable type of statistics to release?

Mr. JOHNSON. Yes, sir. That type of information is available, of course. But what I object to, Congressman, is picking on agriculture as a segment of agriculture. What about cab drivers? Are you going to review the tax returns of doctors?

Mr. HINSHAW. Excuse me, Mr. JOHNSON. Let me get the type of information I am interested in, rather than perhaps what you really want to give me at this point in time.

Would it not also be interesting to Congress to know whether or not some farmers did not pay income tax? Wouldn't that be an interesting kind of comparison also.

Mr. JOHNSON. That might be very interesting, but I don't think farmers would be particularly interested in having that information made available.

Mr. HINSHAW. I realize that.

Mr. JOHNSON. I think the lawyers would want that information made available, or doctors.

Mr. HINSHAW. Isn't it also good information for the Congress to have, and the people to have, to know what the amount of farm subsidy might be to large corporate—

Mr. JOHNSON. You don't have to open up tax returns, Congressman, for that information. If you read the Congressional Record regularly this year, you see the name of everyone who got over a \$20,000 payment.

Mr. HINSHAW. Isn't it also interesting to compare that with the amount of tax that these persons might have paid, assuming corporate farmers paid no tax?

Mr. JOHNSON. Well, I think it would be a violation, or an evasion of privacy, to expose a tax return of an individual on the basis that he received a Government payment.

Mr. HINSHAW. I'm not talking about an individual. But we have for private individuals—we have exposed, for example, that an oil company in Oklahoma didn't pay any income taxes, and yet that was an individual tax return.

But now let's get down to the types of things which we might collect from the farmers.

As I understand the agriculture census, we do require the divulging of confidential data, and some of the farmowners object to being required to give crop production and expenses and similar types of data.

Is my understanding correct, that they do object to giving it?

Mr. JOHNSON. I suppose ever since the beginning of time that there have been objections to providing data for censuses, or what have you, and, of course, there have been objections on the part of farmers.

There are actually some farmers that refuse to provide any information to anyone. Not just the Census Bureau, but this is their business.

Mr. HINSHAW. How do we as legislators accommodate the desire of some farmers to have their farm production and expenses and income protected, and not divulged, and at the same time provide for an adequate census?

Mr. JOHNSON. Well, obviously the farmer would be interested in the use of information that he provides, to be compiled on some basis other than reflecting his own individual operation.

And on that basis, I think we can persuade farmers—I think we probably need to do a little bit better informational job in explaining, you know, what the purposes are to some people of a census.

Mr. HINSHAW. In your opinion, would it seriously diminish the effectiveness of an agricultural census if a person did not want to comply with providing confidential information to not provide any penalties for him not to comply? In other words, should we let him off without penalty if he does not want to comply?

Mr. JOHNSON. I don't know whether I have a response to that question or not.

In as complex society as we are in, it seems to me to be pretty basic that every individual bears responsibility for helping to make counts of various kinds.

I am hesitant to say you ought to put a man in jail. I wouldn't want to put a man in jail if he didn't provide information about his production.

I would hope that you could persuade the agriculture sector to provide information on the basis that we need it to make intelligent decisions about programs and policies that affect agriculture.

Mr. HINSHAW. One final question, if I might, Mr. Chairman.

Then with all of this leading up to what this final question was going to be: Would not the agricultural interest, your organization specifically, be willing to settle for a statistical survey, comprehensive in scope, to provide you with the type of data that you might wish to have, which would then alleviate the confidentiality problems that we face with the census?

Mr. JOHNSON. I would oppose taking a survey. I think that the Census Bureau can take into account the fact that some farmers do not participate.

There can be adjustments made to compensate for the relatively small percent of people that do not provide information.

So, in a sense, the census, I am sure, does make that kind of adjustment in its published figures.

But a survey has to be weighted to such a larger degree, and therefore a much greater chance of error than would be true of a census.

Mr. WHITE. Thank you very much, Mr. Hinshaw.

Mr. Johnson, I have just one or two questions here myself. In your testimony on page 2, you spoke about the importance of gleaning information to determine the corporate activity in agriculture.

In response to some questions, you did speak of the problem of invasion of privacy when you spoke of income of farmers and so on, and I totally agree with you on that score.

But I worry that if we make the census, the agriculture census, as a springboard for any punitive measure, for any legislation that may be used against their interest, that you almost destroy the responsiveness of the particular persons making it, the farmers themselves? Isn't this a danger that you have? If a farmer makes a response and

anticipates that on the basis of his answers, or the collective answers, he is going to get legislation that are against his interest, then aren't you in a sense destroying the effectiveness of the census?

Mr. JOHNSON. I believe census data currently shows nonfarm income, and that is merely all I am suggesting here, that we identify those entities in agriculture that are heavily engaged in nonfarm activities. There ought to be no more objections to that than the question of how much nonfarm income a farmer receives.

Mr. WHITE. Couldn't you do that as well in the general census?

Mr. JOHNSON. I suppose so.

Mr. WHITE. And not create the danger of persons being reluctant to answer on the farm census?

Mr. JOHNSON. Well, perhaps you have a point, but I frankly don't think that there should be any problem in getting data which would identify a corporate entity that is engaged in agriculture while heavily oriented toward nonfarmer endeavors.

Mr. WHITE. Thank you, Mr. Johnson.

Counsel has some questions.

Mr. BULLOCK. You have indicated that you feel fairly strongly about the need to get information about corporate involvement in agriculture. Probably it would take some time to revise census questionnaires and data processing procedures so that information could be elicited providing better perspective on this issue. If the time associated with such a revision necessitated a delay in the census, and if the delay were to be longer in the case of a full census than a sample survey, would you favor a sample survey incorporating the revisions over a delayed full census?

Mr. JOHNSON. Well, you provide some hard choices for me to have to make.

I frankly, as I say, am not expert in the procedures that are required to take a census.

I presume that the forms that would be used in a 1974 census have not been printed yet.

Would that be a fair assumption in your opinion?

Mr. BULLOCK. Well, I would say that has to be decided in the future.

Mr. JOHNSON. If that is a fair assumption, then I don't see any problem with structuring the questions that would be asked in such a way that would provide the information that I would seek.

Mr. BULLOCK. Let me just state that such revision might, and I say might because I don't have information on this, require fairly substantial revision in the computer programs to process the data, and that the release of census information could conceivably be delayed as a result. What I am asking is—if delays would result from revisions in census questionnaires, and if these delays would be longer in the case of a full census than a sample survey, how much longer a delay would you tolerate before you would want to take a sample survey instead?

Mr. JOHNSON. Well, I have made my position, I think, very clear, that we prefer to have a census in 1974, and I would rather not speculate at all about how much delay I would be willing to indulge in. I would say this: I have complete confidence in the Census Bureau management, and while I would urge all speed in terms of putting together the work that is required to do the census of 1974, obviously you have to be guided by the management of the Census Bureau in terms of what is possible.

I have really no idea of what kind of a time frame that thing is going to be required to put together the preliminary work to conduct the census.

Mr. WHITE. Thank you very much.

Mr. ROUSSELOT. Mr. Chairman, just one thing. Would the gentlemen be willing to submit to us in writing the in-production data that you feel would be helpful that was not included in the 1969 census?

Mr. JOHNSON. Yes. I will take a look at what I think might be well included.

Let me say to you that I might also say that I think we ought to all be looking at some ways in which we can conduct this census on as simple and easy a basis as possible, and not get the form so complicated that it takes a—

Mr. ROUSSELOT. Philadelphia lawyer to fill it out.

Mr. WHITE. Or a Texas lawyer.

Mr. ROUSSELOT. Yes, a Texas lawyer. Then you would be willing to submit such a letter?

Mr. JOHNSON. Let me give some thought to it.

Mr. WHITE. Thank you very much.

Mr. Lehman, do you have any questions?

Mr. LEHMAN. No.

Mr. WHITE. Thank you very much, Mr. Johnson.

At this time, the Chair calls to the witness stand Mr. John T. Wilkin, manager, Information and Research Division, Doane Agriculture Service, Inc., St. Louis, Mo.

STATEMENT OF JOHN T. WILKIN, MANAGER, INFORMATION AND RESEARCH DIVISION, DOANE AGRICULTURE SERVICE, INC., ST. LOUIS, MO.

Mr. WILKIN. Mr. Chairman, members of the committee, I am John Wilkin, vice president and manager of the Information and Research Division, Doane Agricultural Service. We are located at 8900 Manchester Road, St. Louis, Mo.

The comments I will make about the agricultural census reflect the overall thinking of the management and staff of our company.

Doane Agricultural Service, with headquarters in St. Louis, is a national corporation involved in many aspects of agriculture. Through its farm management division, Doane provides farm management and consultation services at the farm level. Doane's appraisal division determines fair market values of agricultural properties throughout the United States. The information and research division provides information and recommendations to both farmers and corporations serving agriculture. Doane's "Agricultural Report" and "Farming for Profit" newsletters are management-oriented publications providing price forecasts and production information to over a quarter million farmers and agri-businesses. Our market research department gathers and analyzes data from farmers to help firms selling to the agricultural market better orient their products and services to the needs of specialized segments of agriculture.

Across our company, accurate and detailed agricultural data are a necessity. Doane uses data from varied sources, both public and private. However, the census of agriculture is one of the most valuable references—the benchmark by which many other sources of data are judged.

The lack of fiscal commitment for the 1974 Census of Agriculture is of considerable concern to Doane. Farmers, businessmen and researchers depend on census data to generate facts for decisionmaking in today's rapidly changing agricultural climate, Doane feels that the 1974 Census of Agriculture should be taken on schedule, and that resulting data be published as soon as practical following the taking of the census.

We view the principal justifications for this action as follows:

First, agriculture has a special need for detailed and accurate information. This industry is made up of a large number of independent and competitive producing units. The products of this industry are essential for the well-being of the population of the United States. Further, agriculture is in the continuing process of changing structurally. Farm units are consolidating and becoming more specialized each year. These structural changes have intensified the need for increased quantities of accurate information to describe and quantify the many facets of U.S. agriculture. The change toward a world-oriented market structure, so apparent this year, has also spurred the need for this primary data.

Second, because of the segmented nature of U.S. agriculture, its managers and planners find themselves more and more dependent upon the use of Federal statistics to plan future activities. Many Federal, State and local programs are conceived and carried out with agricultural census information as the primary source of basic data. The implementation of the Rural Development Act of 1972 would be aided if current data from the census of agriculture are available. Of course, the market and economic research activities of many major corporations and trade associations also utilize census data. Much of this information is available only through the census of agriculture. This is particularly true for projects which require accurate data at the county level.

Third, delay in the gathering of census information can affect the accuracy and availability of agricultural data developed by private sources. These private sources are typically corporations selling to the farm market; national, regional, or State farmer cooperatives; commodity or breed associations; companies or individuals providing marketing or economic services to agriculture, and many others. These private firms provide important services to agriculture as a whole. The economy of the entire United States is influenced by the ability of these firms to make wise and proper decisions. Many of the data needs of these organizations are not provided by Federal statistics, thus creating the need for separate and unique private systems for developing agricultural data series. In most cases, however, the census of agriculture is used in the design or the projection systems for developing these data. Various data provided in the census of agriculture, particularly those dealing with stratifications of county data, are extensively used to design or allocate individual samples or in extending or projecting sample estimates to reflect total universe estimates.

Doane Agricultural Service has been active for many years in developing agricultural data used to advise both our "farmer" clients and "agri-business" clients. One of the methods we have used successfully since 1956 has been the Doane Countrywide Farm Panel. This sam-

ple of farmers has been a data source for a variety of agricultural statistics.

The data built from this source have been used as market guides by many segments of agriculture, including agri-business companies selling inputs to farmers, farmer co-ops and farmers themselves. Although basic data are gathered from farmers utilizing mail survey procedures, the design of our sample and methods of projecting the data are based on the availability of the census of agriculture.

The possible delay in collecting census information originally scheduled for 1974 will not only deprive agriculture of valuable Federal statistics, but will have the compounding effect of reducing the accuracy of statistics generated by other public or private organizations.

Because of the importance of the census of agriculture, and particularly the data representing the county level, there should not be the void in the data series which would result if the 1974 census was postponed until 1977. Doane Agricultural Service recommends all possible action to insure that the 1974 Census of Agriculture be taken as planned and provide identical information as that included in the 1969 census. We feel that if improvements or changes to the census are to be made, they should be made in a manner that will not disrupt the continuity of this valuable data source.

I would make one further point. With or without a 1974 Census of Agriculture, data will be generated in the private sector. I would, in fact, expect that the postponement of the agricultural census would probably result in increased demand for the services of Doane Agricultural Service. But, this information would tend to flow toward those firms or individuals that can afford to pay the relatively high cost or develop the expertise themselves. This, we believe, would result in many segments of the agricultural industry being denied the raw material on which to base decisionmaking. This raw material would be available to all with the 1974 Census of Agriculture.

Thank you for the opportunity of submitting these comments.

Mr. WHITE. Thank you very much, Mr. Wilkin.

At this time, I will call on Mr. Lehman for 5 minutes of questioning.

Mr. LEHMAN. I just wanted to be here so I can learn a few things, because I am new on this committee, and I can see that the agriculture census is just as imperfect in these days of acute farm product shortages and food-price situations as we could have in any field of our national security.

I would like to yield back my time to the chairman.

Mr. WHITE. Thank you. Mr. Rousselot.

Mr. ROUSSELOT. Mr. Wilkin, we appreciate your statement and your giving us your input.

You have made it clear that you think the census should be conducted in 1974, as the law states it should be. That makes you a law-abiding citizen.

If we determined in our greater wisdom that this somehow could be done in conjunction with the mid-decade census, would that delay in your opinion be too great?

Mr. WILKIN. It depends how long it takes to actually generate the data.

Certainly, some delays are to be expected.

Mr. ROUSSELOT. You mean the end product?

Mr. WILKIN. Yes, when it is in final form. As other people have indicated, there have been delays in providing tabulation of the census.

Mr. ROUSSELOT. What would be the time deadline that you would set?

Mr. WILKIN. I feel that if the census of agriculture as it is now, the 1969 census, were reproduced, that it could be done much quicker, basically, if no changes were made. But, certainly, if this is not possible and it could be included in other censuses—

Mr. ROUSSELOT. To be effective, what would you say, 1976?

Mr. WILKIN. If it were actual data and this data were of the same quality and of the same detail.

Mr. ROUSSELOT. I guess your statement is made public, the data made public. Is that correct?

Mr. WILKIN. Yes.

Mr. ROUSSELOT. So, in order to be effective, it would have to be done by 1976?

Mr. WILKIN. Yes, available to the users.

Mr. ROUSSELOT. Now, on page 5 of your statement that you went over, you said, "With or without a 1974 Census of Agriculture, data will be generated in the private sector."

Could you expand upon that? How?

Mr. WILKIN. Basically, companies serving agriculture, or groups of farmers, will need to provide information for decisionmaking by private surveys. Our firm or a firm like us, could be hired to develop data.

Now, certainly, not having the census decreases our ability to provide accurate data, but because there is such a need for data, I am sure that people would ask us, and we would attempt to do it, and very possibly our business could increase because of this.

Mr. ROUSSELOT. Do you think the private sector, together with other local governmental units—for instance, you just heard the gentleman from the State of Texas—the States that have a heavy production of agriculture, Texas, California, et cetera, would they be able, without the Federal Government and with the private sector, to produce accurate data?

Mr. WILKIN. It might be possible, but I am sure that planning and working out the details would take a long time. I have seen these things organized.

My own judgment is that it would be best if it were not done that way without a great deal of planning prior to its actually taking place. There is already a problem with getting accurate statistics now.

Statistics from each State are developed differently. They all use a different format.

Mr. ROUSSELOT. So you think that the changes would be different enough that you would not feel that that would be as reliable as the other data?

Mr. WILKIN. I am saying it is possible, but not practical when you the so-called agribusiness firms.

Mr. ROUSSELOT. Your statement is, if we do not do it in 1974, that the private sector, together with other local governmental units, will probably move ahead and do it anyway.

Mr. WILKIN. Well, individual firms may do it, or a firm like ours could be contracted to do it for individuals. Usually, there are individuals who have the funds to do it.

Mr. ROUSSELOT. I assume you are familiar with the census form of 1969.

Mr. WILKIN. I have seen it.

Mr. ROUSSELOT. And the end product that came out as a result of it.

Would you be willing to put in writing changes that you think are needed to produce better end products?

Mr. WILKIN. This is to improve the product?

Mr. ROUSSELOT. That is right.

Mr. WILKIN. I can give you that.

Mr. ROUSSELOT. We would certainly appreciate it.

Mr. WHITE. Upon receipt, it will be included in the record.

Mr. ROUSSELOT. Thank you.

Mr. WHITE. Thank you very much, Mr. Rousselot.

Mr. Hinshaw is recognized for 5 minutes.

Mr. HINSHAW. Mr. Wilkin, I think I picked up the statement that Mr. Rousselot did, that without the data from the agricultural census, that data will be generated from other sources. It seems to me, having been involved with the Government in one fashion or another for some 26 years now, that most data generated by Government is used by persons relatively few in number, though perhaps large in scope in terms of either assets or income. We have heard some references to several million farmers, and that we have to protect the small family farmer, and I am wondering as to whether or not the small family farmer really uses, or even acquires, this information as opposed to the so-called agri-business firms.

Mr. WILKIN. They may not actually use the data per se, but firms like ourselves, who provide service to agriculture, recommendations on when to sell and buy, actually use this for them. We are functioning as their market or economic-research group. In a sense, they are affected, very directly, by this. You could say we are functioning as their marketing group.

Mr. HINSHAW. Well, I am not so sure, then, that we really ought to have a census of agriculture, because, in essence, what you have just said is that we spend a fantastic amount of money to subsidize your firm or similar firms.

Mr. WILKIN. You are really subsidizing agriculture.

Mr. HINSHAW. But through you.

Mr. WILKIN. There are many like us. Individual farmers are affected by the census, and many small ones. You would be surprised.

Mr. HINSHAW. I was interested in your answers to Mr. Rousselot about the difference in the types of forms, the formatting, and the time to tool up.

If local government, including States, and firms such as yours in the private sector, were to try to substitute for the agriculture census, couldn't you just take the same form used for the agricultural census by the Census Bureau and send out that form to the farmers and ask them to complete that form, and then, with the Farm Bureau's co-operation, say to all the farm members, "Hey, fellows, come on and give us this kind of information; be good guys"?

Mr. WILKIN. My experience indicates that, if it is all to be done the same way, someone or one group of individuals has to be responsible for the accuracy.

Mr. HINSHAW. Couldn't that be done by the National Farm Bureau?

Mr. WILKIN. Not necessarily. There are other groups, too, that are involved.

Mr. HINSHAW. Doesn't it really boil down to the reason that you cannot do it effectively is that the Federal Government is the only agency, the only level of government, which has the right to compel compliance, the force of law behind it, and the penalties behind it? Isn't that really the reason?

Mr. WILKIN. That is probably right. They are also looked to for guidance, and I think they are geared up with personnel in the Bureau of Census to handle these problems. There are many problems of sampling and nonresponse that affect this.

Mr. HINSHAW. How does your firm handle the confidentiality problem?

Mr. WILKIN. We insure the people we gather data from that we will never identify them. And we do not. Basically, they are given a number.

Mr. HINSHAW. What would happen if you were to indicate that, under some circumstances, individual client data might be divulged to the competitors?

Mr. WILKIN. I don't know if they would supply the data to us.

Mr. HINSHAW. Shouldn't the Federal Government be faced with that same kind of an alternative?

Mr. WILKIN. I missed your question. I am not sure I understand it.

Mr. HINSHAW. The same kind of alternative, that if we ever divulge it, we should not have the right to force compliance.

Mr. WILKIN. I am talking about divulging an individual. You should not divulge an individual's identity. It should be mandatory that the census be filled out, but you have to insure that the individual is never identified or their information identified.

Mr. HINSHAW. Or in such a fashion that you might only have one repplier?

Mr. WILKIN. Right. It is not done publicly.

Mr. HINSHAW. Thank you.

Mr. WHITE. Thank you, Mr. Hinshaw. I will be very brief on mine.

It occurs to me, from what you testified, that, if the Census Bureau takes an agriculture census by sample, then what you will end up having for your purposes is a sample of a sample.

Mr. WILKIN. We use the census for sample design. I believe, with adequate sampling procedures you can develop adequate data at the county level.

In other words, I have indicated I think the census should be kept the same as that taken in 1969 because of the time problem. The systems are already developed. They have the computer programs developed. This is why I think it is important to keep it the same as that taken in 1969.

Mr. WHITE. Would you be satisfied by a sample?

Mr. WILKIN. If I were assured of getting the data on schedule, and if adequate methods of sampling could be developed, and I think they can, then I would be satisfied using sample procedures to develop the census. I don't believe you can develop those between now and the time to produce the data.

Mr. WHITE. Well, I know that——

Mr. WILKIN. Large samples are necessary. County data is necessary and, in most cases, this means large samples.

Mr. WHITE. I know that you are taking what they call "Kentucky windage" on this subject.

Mr. WILKIN. Actually, I am talking about the county level. The actual sample size you need in a county is a function of the kind of agriculture in the county and actually, the number of farms in the county. Sample requirements could vary from 10 percent to 75 percent of the total population. This is a part of the design. I would say, on the average, that about a third, 30 percent to a third, would be necessary to develop good county data.

Mr. WHITE. When you spoke of disseminating this information, I presume you disseminate this information to the small farmer, through trade groups and such.

Mr. WILKIN. Well, primarily through our newsletter. This information is used primarily in forecasting commodities or in information and advice. This is how the majority of it is used, or through associations such as co-ops.

Mr. WHITE. Would you say the corporate farmers would suffer the most or the small farmer would suffer the most if this agriculture census was not held on time?

Mr. WILKIN. I don't know. I think probably the smaller farmer would suffer more. The large corporate farms would probably develop data themselves.

Mr. WHITE. You feel they could develop their own?

Mr. WILKIN. They have a better feel of what is going on and can develop their own.

Mr. WHITE. This is generally what you indicated on page 6 of your testimony.

Mr. WILKIN. Yes.

Mr. WHITE. Thank you very much.

Counsel has questions.

Mr. BRAY. You say in your statement the implementation of the Rural Development Act of 1972 would be aided if current data from the census of agriculture are available.

Could you just briefly elaborate on that?

Mr. WILKIN. Primarily, the allocation of funds by the Farm and Home Administration would be done more adequately. If people request funds, they could be allocated in a fair manner and be justified in a fair manner through the availability of these data. The data presently available is quite outdated.

Mr. WHITE. Mr. Bullock.

Mr. BULLOCK. Yes. I just have one question.

The Commerce Department has suggested that postponing the census of agriculture to 1977 would result in benefits because the agriculture and economic censuses would be conducted at the same time. It is contended there will be an improvement in GNP and

associated national income accounts statistics result from this. If it should be decided that this argument is valid is there any combination of 1974 and 1977 agriculture surveys that you can think of, other than a full county data census in each case, that would be palatable to you?

Mr. WILKIN. We are more worried about timing when it is available.

Mr. BULLOCK. OK. Say that it would be available as rapidly as would results if a full census were taken in 1974.

Mr. WILKIN. Let me be sure I understand you. In other words, if changes were made, and if it could be integrated into a different census other than the 1974 Census of Agriculture, I would be assured of having the data as soon as I would have data from the 1974 Census of Agriculture.

I am primarily concerned about having the same kind of data available as soon as possible.

Mr. BULLOCK. That is the key point I wanted to make. You would not be willing to compromise the county-level detail in order to have revisions in data definitions and classifications?

Mr. WILKIN. No. I think improvements can well be made, but I think they should be planned and should not jeopardize the continuity of these data sources that are so important to many people.

Mr. BULLOCK. Let me ask one more question. What if the census of agriculture were delayed until 1975 and the next one subsequent to it until 1982 to spread the costs of going from the present agriculture census phasing to the one advocated by the administration over two intercensal periods? Do you think this would be acceptable?

Mr. WILKIN. If the lag were spread out?

Mr. BULLOCK. Right.

Mr. WILKIN. This would be more acceptable. Again, any time you do something new, there are problems you do not perceive, and the time lags are much greater than you really anticipate. So if it were delayed to 1977, well, they would have many problems that are not anticipated, and it could be as late as the agriculture census has been in the past.

Mr. BULLOCK. Is it not true that some of the timeliness problems that resulted in disseminating 1969 census data resulted from the fact that it conflicted in a priority sense with putting out information on the results of the decennial census?

Mr. WILKIN. I am not sure. We have had problems in the last two censuses getting it out on time. I can appreciate these problems and they are enormous. I think the census has basically done a good job. Timing is so important. I think if you can make few changes, you are better off—now, I am not against change, but I think it has to be planned, and you have to know what you are going to do before you take a different course of action.

Mr. BULLOCK. Thank you.

Mr. WHITE. Mr. Rousselot?

Mr. ROUSSELOT. You are familiar with the end product of the 1969 census. This was the book evidently produced for each State.

You mentioned that the individual that would be harmed the most would be the small farmer, and I assume you are talking about the census in their gathering of information use; the breakoff point of \$2,500 of sales and above was filled out in full form, and the \$2,500 or

less filled out in small form. And I assume that is what you are talking about, the small farmer.

Do you think the small farmer reads this?

Mr. WILKIN. No. He is going to be affected by actions of other people who use this information in decisionmaking.

Mr. ROUSSELOT. From whom, primarily? County agents?

Mr. WILKIN. County agents, people from universities, people like ourselves.

Mr. ROUSSELOT. You said the small farmer probably cannot afford your services.

Mr. WILKIN. They can our newsletter, yes.

Mr. ROUSSELOT. Do you send a newsletter to every farmer in the country?

Mr. WILKIN. No, however, our Farming for Profit does go to a fairly large number at a fairly low cost. At universities, much of the information is free.

Mr. ROUSSELOT. I can understand that. They redisseminate that to the small farmer that we are talking about. Or is it really the corporate farmer?

Mr. WILKIN. At the universities, it is almost free.

Mr. ROUSSELOT. You understand the point I am making. I am wondering if the small farmer reads it.

Mr. WILKIN. He may not read the census, but he is affected by the decisions of others who use it. He is affected indirectly by contact and associations with others.

Mr. WHITE. Thank you very much, Mr. Wilkin. We appreciate your coming.

[The following letter was submitted subsequent to the appearance of Mr. Wilkin before the subcommittee:]

DOANE AGRICULTURAL SERVICE, INC.,
Saint Louis, Mo., July 10, 1973.

Mr. RICHARD C. WHITE,
Chairman, Subcommittee on Census and Statistics, Committee on Post Office and Civil Service, Cannon House Office Building, Washington, D.C.

DEAR MR. WHITE: As requested during my testimony before your Subcommittee on June 27, I am submitting my comments on the 1969 Census of Agriculture.

As I indicated in my testimony, I feel the 1974 Census of Agriculture should provide identical information as included in the 1969 Census. I feel there should be no changes to the basic questionnaire which will allow for use of the same computer programs and should speed up the delivery of published results.

I feel it is important to have this data available as soon as possible and that any improvements or corrections to the Census should be postponed if they interfere at all with the expeditious availability of the data.

I do feel that the basic document used to gather information for the 1969 Census is quite good. The one suggestion I might make is that efforts should be made to break out beef cattle and dairy cattle separately. I also observe that considerable data are collected in the questionnaire but have not appeared in the tabulated state reports. This is specifically in reference to data dealing with certain specialty crops (fruit and trees).

If changes are to be made to the Census, I feel they should concentrate on better categorizing farms by principal function and by principal occupation of the farm operator.

In general, I feel that the information collected from the Census and methods of tabulation are basically sound. My principal objection is the time necessary to satisfactorily tabulate the Census data and publish the results. I would rather see less data collected and tabulated and have some of the basic statistics published on a more expeditious schedule.

I realize that my comments are fairly brief, but I feel that any planned changes or revisions to the program of taking the agricultural Census should be well organized and planned. Each change should be fully justified and not based on the data needs of a specialized sector of the agricultural economy. If, at some future date, you should like me to comment more fully on Census needs in agriculture, I would be glad to cooperate.

Sincerely yours,

JOHN T. WILKIN,

Vice President, Manager, Information and Research Division.

Mr. WHITE. Mr. Robert Frederick, legislative representative of National Grange, is the next witness.

STATEMENT OF ROBERT M. FREDERICK, LEGISLATIVE DIRECTOR, NATIONAL GRANGE

Mr. FREDERICK. Thank you, Mr. Chairman.

I am Robert M. Frederick, legislative director of the National Grange, with offices at 1616 H Street NW., Washington, D.C.

The National Grange represents over 600,000 members in 41 States and 7,000 local communities. The Grange has a heterologous membership, embracing farmers, ranchers, rural residents, as well as urban constituents. All have not only a basic inherent interest in agriculture but are concerned with the economic success and stability of farmers. Therefore, National Grange policies and programs pertain to a broad array of circumstances affecting the lives of farmers, rural residents, and urban consumers; they result from member action generated by total community and national interest—not by agricultural interest alone.

The National Grange is in full support of House Joint Resolution 554 (by Representative Zwach, of Minnesota) and House Joint Resolution 580 (by Representative Evans, of Colorado and others), relating to the taking of the 1974 census of agriculture.

Agriculture, as the Nation's most dynamic growth industry, needs more, not less, accurate data collected and disseminated by the Government. Its needs in this regard are greater than those of any other industry because agriculture, more or less, operates under a free competitive market system, and is the only industry where internal and external competition prevail in most of its markets.

The National Grange, meeting in its 106th annual session in Hartford, Conn., in November of 1972, passed the following resolution regarding the agriculture census and the definition of farming:

AGRICULTURE CENSUS AND FARM DEFINITION

Whereas, farm publications are reporting the 1974 agricultural census may be delayed until 1977, and

Whereas, the Department of Commerce Census Bureau must budget for the 1974 census soon if it is to be performed, and

Whereas, attempts are apparently being made to transfer the Agricultural Census from the Department of Commerce to the Department of Agriculture, and

Whereas, other attempts are being made to alter the census farm definition in a manner that would eliminate many current farm units from future censuses, and

Whereas, the information from the current agricultural census is the only widespread reliable information available for much of Rural America even though this information is two or more years late, and

Whereas, many federal, state and local programs, grants and services are provided on the basis of Agricultural Census information, and

Whereas, more information, not less, is needed about rural America, and this is especially true in relation to farm corporations, therefore,

Be It Resolved, that the Grange strongly supports :

(1) Retention of the regular five-year Agricultural Census including the next planned one for 1974 ;

(2) Retention of the Census in the Department of Commerce for independent development of basic agricultural information ;

(3) No change in the census definition of a farm that would in any way decrease the quantity and/or quality of information available about rural America ; or decrease the services available to rural areas ;

(4) Inclusion in the 1974 Agricultural Census of sufficient additional questions to gain needed information about farm corporations.

The Grange can see the advantages of conducting the agriculture census the same year that the economic census is conducted, but we firmly believe that we cannot wait until 1977 to take the next census of agriculture. The rapid change taking place in the structure of U.S. agriculture mandates a census of agriculture as soon as possible in order to update our agricultural data.

There are many regulatory programs administered from various governmental departments, including the Department of Agriculture, that use the agriculture census data to determine which farmers are to be covered by the programs that they are administering.

For example, the many rules and regulations being promulgated by the Environmental Protection Agency (EPA) on pesticides, air and water quality standards, the Occupational Safety and Health Administration (OSHA) on pesticide reentry standards, roll bars, farm labor camps and safety guards and shields for farm equipment and the driver safety qualifications of the Department of Transportation (DOT).

At the present time these regulatory agencies are relying on outdated agricultural data to determine what size farming operations will be covered by their regulations. The best example of the problems they are working with is in regard to the water quality standards regulations being developed by EPA. The agency had a difficult time in locating accurate data on the number of farmers that would be covered by these regulations regarding single point waste discharge from animal feedlots.

It would be administratively impossible and not very practicable to have every farmer who owns a cow or horse make application for a discharge permit. The agency determined that only certain size operations would be covered. This is where they ran into the data problem. The longer the agriculture census is postponed the more out of date the data becomes and the more difficult it becomes for regulatory agencies to make such determinations.

Perhaps most importantly, as it affects family farming, is the necessary up-to-date data to determine the score of the intrusion into agricultural production by nonfarming interests, such as industrial conglomerates. Legislation is pending before Congress to limit or stop such activity and we need more up-to-date data to determine the intensity of such activities. This is not only important to family farmers but equally important to consumers.

The Internal Revenue Service needs such information to bring about correction and adjustment in our tax treatment of farmers and those who farm for a tax shelter. Improvement and updating of data is of paramount importance.

I also serve on the Bureau of Census Agriculture Census Advisory Committee and at our last meeting in February 1973 the committee passed a motion recommending that a full census of agriculture be taken by the Census Bureau in 1974, as prescribed by law.

After hearing the debate at our February 1973 meeting, I am of the firm conviction that a 1974 Census of Agriculture can be conducted equal to the Census of Agriculture conducted in 1969. In fact, the committee was advised that they—Census Bureau—could incorporate most of the Department of Agriculture's recommendations for the reclassification of farmers in the 1974 Census of Agriculture. This, plus the additional recommendations of Dr. Don Paarlberg, Director of Agricultural Economics, regarding a census sampling, can be available for the 1974 Census of Agriculture.

Mr. Chairman, I am attaching as appendix I to this statement a portion of my report to our membership regarding the February meeting of the Agriculture Census Advisory Committee.

In view of these facts, the National Grange strongly recommends that the 1974 Census of Agriculture proceed as provided for by law (sec. 142, title 13, United States Code), the census to be conducted as the previous census in 1969—plus the improved method as outlined above—and that the necessary funds needed be appropriated in the budget for fiscal year 1974.

We appreciate this opportunity to make the views of the National Grange known on this vital step in the future planning and structure of American agriculture.

Mr. WHITE. Thank you, very much, Mr. Frederick.

Mr. Rousselot is recognized for 5 minutes.

Mr. ROUSSELOT. Thank you for your statement, Mr. Frederick. How many farmers do you represent?

Mr. FREDERICK. At the present time, in excess of 600,000. A rough estimate would be that 55 percent of them are actually engaged in the production of agriculture products.

Mr. ROUSSELOT. So, for part of your membership, people are not directly in the farming business?

Mr. FREDERICK. That is right. We also represent rural residents.

Mr. ROUSSELOT. You have roughly 300-and-some-odd-thousand that are actually farming?

Mr. FREDERICK. Yes.

Mr. ROUSSELOT. Did you find that among your membership that the end product of the 1969 census in this form or any other was really a useful tool to your people actually in the farm business?

Mr. FREDERICK. Well, I would have to answer, I think as the gentleman from Doane did, that there are some 3 million farms in the United States, and I would say most of them have never seen that product, or used it in their decisionmaking, this is done by their associations.

Mr. ROUSSELOT. Well, I know it is hard to generalize about the entire farm community, but among your membership, what do you do to see that they make use of this product?

Mr. FREDERICK. I cannot remember—since I have been with the Grange, occasionally, I guess we will have a request for some county data. We in turn go to the census and supply it. But it is not used in that way. I think it is important to farmers, and particularly family

farms, in the allocations perhaps of funds for programs. It is more important in that way, than the information contained regarding production, et cetera.

Mr. ROUSSELOT. You mentioned that you are on the advisory committee, the Agriculture Census Advisory Committee.

How many are on that committee; do you recall?

Mr. FREDERICK. Oh, there are approximately 20 or 25.

Mr. ROUSSELOT. Was it a unanimous vote or close to that to go ahead with the 1974 census?

Mr. FREDERICK. I think there was one dissent.

Mr. ROUSSELOT. One dissent.

Did you have any kind of discussion following this resolution with the Census Bureau as to why they would or would not go ahead with your recommendation?

Mr. FREDERICK. Of course, the advisory committee is just an advisory committee. We just make recommendations to the Census Bureau. That was the last part of the business, and I do not believe there was any discussion following that. We discussed it thoroughly all day long. And then the resolution was brought forward and passed.

Mr. ROUSSELOT. You are based here in Washington, I see.

Mr. FREDERICK. Yes, sir.

Mr. ROUSSELOT. What is your feeling about the Census Bureau itself? Do you think there are real reasons why there is an administrative policy not to go ahead with this?

Mr. FREDERICK. I understand the reason given was one of economy, to postpone the expenditure of this money this fiscal year.

Mr. ROUSSELOT. Is that the only reason?

Mr. FREDERICK. That was the reason that was pretty much brought out. I think in the appendix I have listed several reasons that were given to us by the Census Bureau, and by OMB.

Mr. ROUSSELOT. And obviously your advisory committee was able to weigh these reasons in and still voted the other way. Did you have this information prior to taking the vote?

Mr. FREDERICK. Yes, we did.

Mr. ROUSSELOT. And you still voted the other way?

Mr. FREDERICK. Yes, sir.

Mr. ROUSSELOT. So, the advisory committee to the Census Bureau, in the field of agriculture, even with the consideration by the administration, decided to go ahead with it.

Mr. FREDERICK. Yes, we did.

Mr. ROUSSELOT. Are most of the people on the advisory committee in the farm business?

Mr. FREDERICK. Land grant colleges, farm organizations, agribusiness. Quite a cross section of the agriculture industry.

Mr. ROUSSELOT. I would say that is a pretty strong statement, if you have those facts as presented, and you still decide to go ahead.

Now, would you be willing to give us, and then I will quit, any input that you have as to how this census form could be improved as to what the end product is?

Mr. FREDERICK. I will be glad to take a look at it.

Mr. ROUSSELOT. Give us that in writing. I appreciate it very much.

Mr. FREDERICK. Yes, sir.

Mr. ROUSSELOT. Thank you, very much.

Mr. WHITE. Mr. Lehman, do you have any questions?

Mr. LEHMAN. No. I yield back my time to the chairman.

Mr. BULLOCK. Just one question. It is a repeat of a question I asked the last witness. If we were to accommodate to the administration proposal to delay the census to 1977, would there be any other way to rephrase the census that you think would be more palatable to you than the administration proposal other than taking the full agriculture census right now and another full one in 1977?

Mr. FREDERICK. Well, I have to answer the same way.

Anything less than the Agricultural Census of 1969, if my information is correct from the Census Bureau, would not supply county data, and State data alone is not sufficient information for the users of the statistics.

Mr. BULLOCK. Is there any intermediate point between full county data and full State data that you think would be acceptable?

Mr. FREDERICK. No.

Mr. WHITE. Thank you, very much. We appreciate your coming.

Mr. ROUSSELOT. I wonder if I could ask one quick question.

The gentleman preceding you mentioned that he thought the private sector would probably go ahead and do this. Would you participate if we did not? Would your organization participate in the gathering of data in any way if we did not go ahead?

Mr. FREDERICK. No. The National Grange would not.

Mr. ROUSSELOT. Thank you.

[The attachment to the witness' prepared statement follows:]

APPENDIX I

During the forenoon the Committee received reports from various members of the Bureau of the Census on the reason why the Bureau recommended that the 1974 Census of Agriculture be postponed to 1977. The Deputy Director stated that the primary reason was to curtail money outlays during fiscal 1974, in line with the President's request to all federal agencies. He stated that funds for the 1974 Agriculture Census were not included in the budget when it was submitted to the Office of Management and Budget. However, it was apparent from the comments made by the O.M.B. representative that such action had full approval of the O.M.B. and in fact there is every reason to believe that O.M.B. asked for the omission.

Mr. James Turbitt, Bureau of the Census, further explained the reasoning by stating that the Bureau felt that it would be more economical, feasible and faster to have all the statistics taken during one year. Therefore they were recommending postponing the Agriculture Census until 1977 to coincide with the Economic Census (see details later in this report).

In order to accomplish this, the Bureau of the Census must submit to Congress legislation to amend Sec. 412, Title 13 of the U.S. Code, which sets the time for taking the Agriculture Census. (See February 13, 1973 issue of View from the Hill.) The Committee was informed that such legislation was being drafted.

Mr. Turbitt informed the Committee that a 1975 sample Census of Agriculture would be made (provided the legislation passed) in the larger rural and farm areas to test the census-taking methods and to determine if it would supply the type and kind of information needed. He further stated that money made available for the preliminary work for the 1974 Census of Agriculture would be used for the preliminary work to become ready for the Census of 1977.

The representative from the O.M.B. said that it is proposing that the Census Bureau and O.M.B. use the time gained by the postponement to establish a Study Committee. The committee would be composed of persons outside of government and would be commissioned to take a hard look at the statistics for agriculture, need and use, etc., as well as the definition of a farm. Mr. Harry Trelogan, U.S.D.A., stated that his agency had proposed the same study several years ago and Congress refused to fund the study.

In brief, we were told the rationale for postponing the 1974 Census was as follows: (1) Budget limitations, (2) Changes in agriculture since 1964 are making agriculture more like manufacturing and the Economic Census. Therefore, it makes sense to combine into one census year the two censuses, (3) National accounts have to up-date Agriculture Census statistics to meet economic data gathered at a later date, and (4) Integration of industry and agriculture changes past relationships between the two, as they are becoming involved one within the other.

The members of the committee were then asked for general comments regarding the postponement. The comments were all negative on the postponement of the 1974 Census of Agriculture, primarily because there would be an 8 to 12 year void of informational statistics on agriculture. One member supported the postponement because his organization was supporting the Administration's move to reduce federal expenditures.

After making our position clear on that, I can agree with most statements made around the table regarding the need for a 1974 Census of Agriculture. However, there were one or two comments regarding the changing of the definition of a farm in order to curtail the scope and size of the 1974 Census, thereby reducing the cost. We will be discussing the change in the definition later today, but I would warn members of the committee that we should not be led down the primrose path of expediency and agree to a 1974 Census at the cost of a drastic change in the definition of a farm. I recommend that we proceed with caution.

In addition to the reasons stated for the 1974 Census to be conducted on time, such as (1) effect on farm programs if postponed, (2) effect on rural development, and (3) the 8 to 10 year time lag in picking up the changes in agriculture, I would like to highlight several other very important areas of concern.

At the present time we have several Federal agencies considering rules and regulations to implement legislation passed during the last session of Congress, such as the Clean Water Act, the Pesticide Act and the Occupational Safety and Health Act. These agencies must use outdated agriculture statistics as a basis of what farms are to be covered by the new regulations. In addition we need new information on (1) contract farming, not only in fruit and vegetable production but all phases of agriculture, (2) more up-to-date information on vertical integration, and (3) the use of credit and the source of that credit. Therefore, it is imperative that the 1974 Census of Agriculture not be delayed, as agriculture and the public cannot wait until 1980 to find out that farming is no longer in the farmers' hands.

The afternoon session was devoted to a presentation of the "Department of Agriculture recommendations for change in classification of establishments associated with agriculture and desired data collection and tabulations."

THE PRESENT SYSTEM

The present classification system used most widely is that of the Census of Agriculture which has evolved over the years with counsel provided by the Department of Agriculture. In the present classification system, the number of farms consists of places of 10 acres or more if the sales of agricultural products are at least \$50 and places of less than 10 acres if the value of sales is at least \$250.

The classification system separates farms into commercial farms and others on the basis of the following criteria: (a) all farms with greater than \$2,500 of sales are commercial, (b) all farms with sales of less than \$2,500 are commercial if the operator is less than 65 years old and he did not work off the farm 100 days or more during the year. The classification system also defines part-time and part-retirement farms. Part-time farms are those with less than \$2,500 of sales where the operator is under 65 years of age and worked off the farm 100 or more days. Part-retirement farms are those with less than \$2,500 of sales and where the operator is 65 years of age or over.

Other parts of the classification system are sizes of farms (acres), economic class (value of sales), type of farm, type of business organization, tenure of farm operators, age of farm operators, race and geographic location.

WHAT IS THE ISSUE?

The popularly stated version of the issue is, "What should be the definition of a farm?" But as is often the case when you begin to study an issue, the original statement of the problem is not correct. The issue that needs to be addressed is,

"What is the proper way to classify producers of food and fiber?" The general principle of a classification system is to have a framework for describing the existing structure of an industry. With the increasing need for useful information on the farm production sector, the basic question becomes one of finding the appropriate framework or classification system for providing this information. Simply because all production units are currently called farms does not mean the problem is one of redefining the farm. The problem is one of having a useful classification system that will serve as a framework for providing meaningful information on the welfare, performance, efficiency, and structure of the sector.

AN IMPROVED CLASSIFICATION SYSTEM

To determine what the elements of an improved classification system would be, we need some criteria to work from and to measure against. The major criterion is to have a classification system that conforms with the present structure of the food and fiber sector. Sub-objectives or criteria would be:

1. Continue to account for all production of farm products.
2. Define a subsector that is more meaningful for popularly used unit statistics.
3. Improve our measures of structure of the sector.
4. Improve our ability to account for all production of the sector, not just farm products.
5. Improve our ability to differentiate between the performance of firms and the welfare of people in the sector.
6. Have a relatively simple classification system.

A recommended classification system to meet these criteria starts with all establishments producing food and fiber—an establishment is the smallest identifiable production unit. It might be viewed as a "profit center" engaged in the production of farm products. The large majority of farms as we presently define them is just that—an establishment producing farm products. Some larger farm operations are made up of more than one establishment. Other establishments producing farm products are part of companies of firms with major sources of revenue other than farm products.

To identify those firms which are primarily farming or primarily other activities, a second step is necessary—to aggregate establishments to firms and determine whether they are a farm firm or a nonfarm firm. This step in the classification system would improve our information on the structure and control of the production sector.

The third step in the classification system is to look at the operator of the farm firm. If his occupation and major source of income is farming, then he and his firm fall into one meaningful subclass. The other operators who are not spending the primary portion of their time operating the farm or who are getting a majority of their income from other sources fall into another meaningful subclass which could be called part-time farms. Meaningful subclasses of nonfarm firms are to separate into those that are integrated in the food system and those that are not.

This type of classification system follows basic points in the classification system used in other economic censuses and in demographic censuses. It would both improve our understanding of the linkages between the agricultural production sector and other sectors and our ability to link data sources to measure the welfare of the people in the sector.

Other parts of the current classification system are also important and should remain in a new system. Economic classes of farms should be expanded to include classes of \$40,000–\$100,000, \$100,000–\$250,000, and over \$250,000. Type of farm categories should also be expanded to conform with the four digit categories in 1972 Standard Industrial Classification Manual. Geographic location, type of business organization, tenure of operator, age of operator, etc. should be continued.

DEFINITIONS FOR CLASSIFICATION SYSTEM

A. Data obtained from all establishments Producing Farm Products:

Establishments Producing Farm Products—A separately identifiable economic unit, engaged in the production of crops, livestock, and miscellaneous farm products and where other business may be conducted or where services or industrial operations may be performed. If farm products are produced or business is conducted or services performed at more than one physical location, each location is a separate establishment if it is possible to furnish separate reports on production, sales or receipts, number of employees, their wages and salaries, expenses and

other establishment-type data for each location. Where distinct and separate economic activities are performed at a single physical location, each activity should be treated as a separate establishment if it is possible to furnish separate reports on production, sales or receipts, number of employees, their wages and salaries, expense, and other establishment-type data for each activity.

B. All establishments producing farm products are subclassed into two categories:

1. Farm product establishment—any establishment engaged in the production of crops, livestock, and miscellaneous farm products which obtains the primary portion of its total sales or revenue from the sales of these farm products.

2. Nonfarm product establishment—any establishment engaged in the production of crops, livestock, and miscellaneous farm products which obtains the primary portion of its total sales or revenue from the sale of nonfarm products and other revenue.

C. All establishments producing farm products are aggregated to firms which are subclassed into two categories:

1. Farm—any single or multiple establishment firm engaged in the production of crops, livestock, and miscellaneous farm products which obtains 50 percent or more of its total sales or revenue from the sale of these farm products.

2. Nonfarm firm—any single or multiple establishment firm engaged in the production of crops, livestock, and miscellaneous farm products which obtains less than 50 percent of its total sales or revenue from the sale of these farm products.

D. All farm firms are subclassed into two categories:

1. Farm—a farm where the operator has farming as his primary occupation and where the operator obtains 50 percent or more of his total income (net farm income plus net nonfarm business income, wages, salaries, interest, dividends, social security payments, etc. in the form of net income from the farm operation).

2. Part-time Farm—a farm where the operator has an occupation other than farming as his primary occupation or where the operator obtains less than 50 percent of his total income (net farm income plus net nonfarm business income, wages, salaries, interest, dividends, social security payments, etc.) in the form of net income from the farm operation.

E. All nonfarm firms producing farm products are subclassed into two categories:

1. Non-integrated Nonfarm Firms—a nonfarm firm that uses the normal market system to purchase most of the inputs used in its farming activity and/or for selling most of the products from its farming activity.

2. Integrated Nonfarm Firms—a nonfarm firm that does not use the normal market system to purchase most of the inputs used in its farming activity and/or for selling most of the products from its farming activity.

The Advisory Committee adopted the following two recommendations: (1) That the 1974 Census of Agriculture be conducted as previously scheduled, and (2) That if the 1974 Census is conducted or mandated by Congress, as much of the suggested U.S.D.A. new classification system be used as is feasible under the restraint of time allowed for preparation of the Census, especially parts A., B., and C (see above). The Committee voted down a recommendation that the definition of a farm be changed to include only those establishments which received more than \$500.00 gross sales from agriculture products.

The Committee can only recommend; the final decision lies with the Census Bureau and Congress.

Mr. WHITE. The next witness is Ms. Susan Sechler, assistant director of the Agribusiness Accountability Project.

STATEMENT OF SUSAN SECHLER, ASSISTANT DIRECTOR, AGRIBUSINESS ACCOUNTABILITY PROJECT

Ms. SECHLER. Mr. Chairman, the Agribusiness Accountability Project appreciates the opportunity to present testimony today in support of House Joint Resolutions 580, 554, and Senate Joint Resolution 95.

My name is Susan Sechler, and I am the assistant director of the Agribusiness Accountability Project. The project is a public interest

research organization, funded by the Field Foundation of New York, and focused full-time on agricultural programs and policies.

The Agribusiness Accountability Project (AAP) has been involved with the issue of the 1974 Census of Agriculture since last year. In February we issued a background report entitled "Counting Out Farmers," which I would like to submit to the subcommittee, along with a recent article in the NFO Reporter concerning the current debate on agricultural statistics.

In addition to the recommendation that the Congress initiate a review of the Agricultural Census, and that any change in the census flow from this review, the AAP made several additional recommendations which I would like to review at this time.

1. The 1974 Census of Agriculture should not be eliminated.
2. The census of agriculture should continue to be taken, compiled, and reported by the Bureau of Census to assure the independence of the data and to serve as a check on statistics gathered by USDA.
3. There should be more attention to the nature and extent of corporate involvement in agriculture, specifically including information on vertical integration and contract farming.
4. While reclassification of farms is appropriate for statistical purposes, there should be no redefinition of "farm" that eliminates any place on which agricultural operations are conducted.

I cannot overemphasize the need to update agricultural data—data which is exempt in both its scope and result from political expediency, data which relates people to production and profits at both ends of the food system, and data which reflects the impacts of corporate concentration in any segment of the agricultural economy on farmers and consumers.

There is nothing currently produced that is more accurate or more comprehensive than the Census of Agriculture. It is the only national undertaking that attempts to relate farm production to the farm population. It is, simply put, the data base for rural America.

Census data is the only consistent and comprehensive statistical history that exists to show changes and trends in agricultural production and farm population. If agricultural policy is either to keep up with or to challenge those changes, it must be well informed about them. For example, vertical integration and contract farming are widely considered the most important trends in agriculture today, but they are also the most unreported trends. Although census data on these trends is seriously incomplete, they remain the only national indicator available to policymakers.

The AAP supports the resolutions being considered here today. However, mismanagement, secret plans, and political maneuverings on the part of officials within the administration, USDA, and the Bureau of Census has forced the Congress to take an initiative it should not have been required to take. And the public has been forced to accept as the best alternative offered, a census without critical statistics on vertical integration, contract farming, and other factors involved in the corporate takeover of agricultural production. Therefore, the AAP recommends two additional congressional initiatives which will provide for a broader and more timely public scrutiny of the Agricultural Census:

The Congress should, by statute, require an advisory committee to the Agricultural Census, establishing standards which would be sufficient to assure that a broad spectrum of interests in agricultural policy, including consumers, farmers, and farm workers, be represented.

The current Census Advisory Committee is representative of farm groups and the farm industry. Because they have no statutory authority, they are not necessarily called or consulted before the Bureau of Census takes critical action. This was the case in the February advisory committee meeting, which the AAP attended. It was clear that most of the advisory committee members were surprised that the Bureau had not mailed the first pretest.

In October, the Census Advisory Committee had met and agreed that the Bureau would send out the first corrective mailing that month. They were not informed when the Bureau decided not to do the pretest mailing, until February, when they reconvened. By that time, the 1974 census was already behind schedule.

To the extent appropriate, the statutory language and legislative history should make clear the intent of Congress that:

(a) The advisory committee should meet often enough to maintain an overview of policy issues relating to the Census of Agriculture;

(b) The advice of the advisory committee should carry weight in the determination of census policy as it affects the Census of Agriculture;

(c) The Director of the Bureau of Census, or other appropriate official, should transmit to the Congress the recommendations of the advisory committee together with his comments thereon and a statement as to the actions he has taken or not taken, and the basis for his decisions in connection with the recommendations.

The Post Office and Civil Service Committee should not await technical necessity of new or extended authorizing legislation, but should review annual in depth both the progress being made on completion of the 1974 Agricultural Census, and the plans under way for the next Agricultural Census.

For planning the next census, this review should be undertaken within the next year, testimony should be invited from all concerned, and the content and scope of the next Agricultural Census should flow from this congressional review.

This kind of examination of the public record of the plans and approach of the census authorities will do a great deal to reveal the extent to which the census authorities are responding to the pressing needs of Congress, the agricultural community and a broader public for better, up-to-date agricultural statistics which record the profound changes taking place in the agricultural sector of the economy, and reflect the impact of those changes on the American people.

I would like to make one more comment, and that is that there has been a lot of discussion this morning about the time there is left to get out the Agricultural Census.

Originally, had the delay not happened, the first census mailing would have been in October, 8 months or so ago. However, there is still at least a year and a half left before the final mailing takes place.

I'm told that there are two major time considerations, before tabulating results, in planning and implementing a census. One is

the design for the information obtained, and the other is the time to test the design and correct the lists. With all the experience the Agricultural Census people have had with the census, and with the help of the Department of Agriculture new "sampling plan" to introduce new information, and with a genuine commitment on the part of the Department of Commerce, for staff and computer time, it seems that the Bureau could make up that 8 months time lost, and in fact comply with the law as it is written and take an agricultural census in 1974. It seems to me that a very bad precedent is set in allowing a Government agency to make policy decisions which should involve, at the very least, congressional review, by simply not fulfilling their current responsibility until it is too late to do it effectively, if at all.

Thank you.

Mr. WHITE. Thank you very much.

At this time, Mr. Lehman, you have 5 minutes for questions.

Mr. LEHMAN. I just wanted to ask one question. My interest is consumers, not farmers, and, offhand, what would the benefit to the consumers be in relation to the ability to get this kind of data before the economic census.

Ms. SECHLER. Consumers increasingly understand that they have a real stake in policy affecting agricultural production in this country—particularly the trend toward, more and more concentration in all phases of food production. During the meat boycott, our project received dozens of phone calls from consumers—particularly after they began to feel that the boycott might affect the wrong people. It helped to have information on the size of beef producers on a State-by-State basis. Most consumers we talked to had assumed that it was all major corporations across the board, and we were able to provide figures on the number of small producers, who would be the first to go under from cutbacks in demand for meat. In fact, we found that when consumers understood that boycotting meat might hurt the family farmer, they were concerned.

Mr. LEHMAN. What seems to be happening, in speaking to the people in my district is that they have the feeling that they, whoever "they" are, whether it's big oil interest, or the big farm interest, or the big packing interest, are conspiring all this time to make things appear to be what they aren't in order to raise prices and hurt the consumer.

So, what I'm trying to say is: if we relieve this tension in the field by supplying this data a little bit earlier, you might be able to relieve some of the anxieties of the people who really feel like they don't have a chance against these super, I guess, mysterious "they" that seems to be affecting our economy now.

Ms. SECHLER. I'm not sure it would relieve their anxieties about that, but at least they might be able to identify a new target for their efforts.

Mr. WHITE. Thank you very much, Mr. Lehman.

Mr. Rousselot?

Mr. ROUSSELOT. Thank you for your statement. So that we would know, could you submit for the record a little more about your Agribusiness Accountability project? I know that you are funded by the Field Foundation. How long have you been in business?

Ms. SECHLER. Three years.

Mr. ROUSSELOT. Are you related in any way with Ralph Nader?

Ms. SECHLER. No, we're not. The name sounds like it, but we are not.

Mr. ROUSSELOT. Yes, which is perfectly all right. I just thought we would establish that for the record.

Do you have people in the farm business who have been working with you in your project to determine whatever you determine?

Ms. SECHLER. We work closely with several farm groups in Washington and in the field. But we get most of our information from the USDA. Our staff are not farmers. Our backgrounds are mostly journalistic and we mainly use techniques of investigative reporting.

Mr. ROUSSELOT. Would you submit for the record how you came into being of some of those things, so we can understand your orientation a little better. I was very much interested in your statement.

There is nothing currently produced that is more accurate or more comprehensive than the census of agriculture. You find yourself somewhat in disagreement then. The end product that we had here from 1969, you found to be, as you say, comprehensive?

Ms. SECHLER. No. I said that there was nothing better. I think that it could be improved upon considerably.

Mr. ROUSSELOT. I know you made some recommendations. Have you made these recommendations to the Bureau of Census? Have you submitted your reports and recommendations to the Bureau of Census?

Ms. SECHLER. We attended the Census Advisory Committee meeting in February, and made recommendations at that point.

Mr. ROUSSELOT. But have you submitted these recommendations?

Ms. SECHLER. Not yet.

Mr. ROUSSELOT. Do you plan to?

Mr. WHITE. It is ordered that, upon receipt of the letter requested by Mr. Rousselet, it will be included in the record.

Mr. ROUSSELOT. On page 3, you charge that the officials in the Bureau of Agriculture have been guilty of mismanagement, secret plans, and political maneuvering. That sounds like we have another John Dean on our hands. Would you talk about that? Is this the basis of the findings of your organization?

Ms. SECHLER. Our organization's findings are mostly a matter of public record, or is information gathered from sources within the Bureau, USDA, and farm groups.

Mr. ROUSSELOT. In the interest of time, because my chairman is anxious to move on, could you submit whatever documentation on this you have?

Ms. SECHLER. Yes. I would be glad to.

Mr. WHITE. Upon receipt it will be included into the record.

Mr. ROUSSELOT. Thank you, Mr. Chairman.

Mr. WHITE. Thank you very much. Counsel, do you have any questions?

Mr. BULLOCK. Just one question. Are you familiar with the Department of Agriculture plan for restructuring statistical concepts relating to farm organization measures being studied in the Department at this time?

Ms. SECHLER. I've seen it. I haven't studied it in depth, so that I would be prepared to make comment on it except for the question you asked before about moving the year of the census.

The justification for moving the agricultural census to the same year as the other economic censuses would be to provide better com-

parability of data between the two. The problem is that by moving the agricultural census, it would be out of phase with itself—that is, it has been every 5 years, and then the interval would be 8 years.

My question is, if they can reconcile the different time span between agricultural census, why can't they recouncil the 3-year difference between the agricultural census and other manufacturing censuses? Obviously, either way there is some problem, so why go to all the trouble of moving it, unless there is more to the changes proposed than a simple change in the year? Rather, we feel that the proposed change may result in the agricultural census being treated as just another manufacturing census, losing the demographic data of people and production, and its value as a data base for rural America. We would lose a great deal if the agricultural census became another profile of GNP statistics.

Mr. BULLOCK. Is it possible, however, that the demographic features of the agricultural census could be included in the other censuses?

Ms. SECHLER. Why is everyone so anxious to collect the demographic data separately from the production data? Not only do we need to know what is being produced, but we need to know who produces it. Why should we separate them?

Mr. BULLOCK. It would seem to me, however, that if you were to have a truly viable economic census, in terms of getting data on resource inputs for farms, it would require compilation of labor statistics. Therefore, I can't understand how coinciding agriculture and economic censuses would necessarily cause a decrease in focus on the human element.

Ms. SECHLER. Coincidentally, it might not. But if this committee recommends that the census should be moved to 1977, it really has no further control over what data is collected unless special provisions are included in the legislation.

Mr. BULLOCK. Thank you.

Mr. WHITE. If you have anything further you would like to add, we would be pleased to receive it in further letters or statements as you prefer.

Mr. Rousselot?

Mr. ROUSSELOT. I would appreciate your input as to what you feel the way the end product could be improved on the basis of your analysis, and anything that you think, as a result of that analysis, should be added or subtracted from the forms.

I know that the gentleman from the Farmers' Union described the problems of getting the farmer to fill it out. I'm sure, if you are familiar with this form, it's a fairly detailed thing, and even though there's a short form, as I understand, for those that had income of \$2,500 or less, it's still a pretty complicated form.

Ms. SECHLER. It is.

Mr. ROUSSELOT. I would appreciate it.

Mr. WHITE. We may call upon you later. We thank you for your considerations. You've been very helpful.

This meeting will be adjourned until 9:30 a.m., tomorrow in this same room.

[Whereupon, at 12:10 p.m., the hearing was adjourned, to reconvene at 9:30 a.m., Thursday, June 28, 1973.]

1974 CENSUS OF AGRICULTURE

THURSDAY, JUNE 28, 1973

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, Cannon House Office Building, Hon. Richard C. White (chairman of the subcommittee) presiding.

Mr. WHITE. The Subcommittee on Census and Statistics of the Post Office and Civil Service Committee is now convened.

The subcommittee is meeting today to take testimony concerning the timing of the next census of agriculture.

Present law requires that a census of agriculture be taken in the fourth and ninth year of each decade. The Secretary of Commerce has formally proposed that this law be changed so as to require instead a census of agriculture in the second and seventh year of each decade. The Secretary's proposal, if enacted into law, would have the effect of postponing the next agriculture census—presently scheduled for 1974—to 1977.

A number of identically worded joint resolutions relating to the Commerce proposal have been referred to this subcommittee's consideration.

In addition, we have Senate Joint Resolution 95—Senator Humphrey's—reported to use a few days ago by the Senate. Senate Joint Resolution 95 is identical to the House resolutions before us.

An amendment to S. 1888, the general agriculture bill which recently passed the Senate, would have a similar effect to the joint resolutions. A similar amendment was voted down in the House Agriculture Committee last week, and I presume that this matter will come up on the floor again in the nature of an amendment.

At this time we have four witnesses, I believe, in the room, and we have two Members of Congress. It is a prerogative and a pleasure of the committee to recognize the Members of Congress first so they may proceed to their various duties. First we have the Honorable Frank Evans, Member of Congress from Colorado, and this week is one of the busiest of his Appropriations Committee. Mr. Evans, you may read your statement or summarize, as you wish.

STATEMENT OF HON. FRANK EVANS, MEMBER OF CONGRESS FROM COLORADO

Mr. EVANS. Thank you, Mr. Chairman. I understand my office has provided copies of my statement. I think it might be best if I just asked to have it inserted in the record at this point.

Mr. WHITE. All right, at this point your entire statement will be included in the record as though read.

Mr. EVANS. Mr. Chairman, I was interested in your introductory statement where I believe you said that legislation had been introduced at the request of the administration for the purpose of changing the current law that requires these midterm agriculture censuses. Is that correct? Has there been legislation so introduced?

Mr. WHITE. The Secretary of Commerce has formally proposed that the law be changed. You have your bill, and Mr. Zwach has an amendment. I believe you have the right to insist on the continuation of the agriculture census.

Mr. EVANS. The reason I perked up my ears with interest and listened carefully while you made your statement was the fact that in my statement I make reference to the fact that the administration has suggested doing away with the census, but I also state that to the best of my knowledge as of this date the administration has not caused the introduction of any bill to carry out its stated desire to postpone this census.

Mr. WHITE. I believe counsel can clarify this. I believe the administration has taken a position by interpretation that they would not be required to take the full census, is that correct?

Mr. BRAY. Mr. Chairman, they introduced draft legislation to that effect, but to my knowledge to this date they have been unable to find a Republican or Democratic sponsor in either the House or Senate. So the only introduced legislation says that the census must be held in 1974.

Mr. EVANS. Well, I appreciate the Chairman and counsel clarifying the situation for me. It has been my impression that this position taken by the administration to postpone the census is not a popular matter with the Congress and that in fact no such bills have been introduced, which bespeaks the fact that Congress is not anxious to change the law.

Mr. Chairman, I am appreciative of the opportunity to testify before this committee in support of House Joint Resolution 580, to require the holding of the 1974 Census of Agriculture, as required by law. As you know, a bipartisan group of 17 Congressmen has joined me in cosponsoring this and other identical resolutions, as have Senator Humphrey and several of his colleagues in the Senate.

The starting point of any discussion of the census of agriculture must be the law authorizing the holding of this census, which reads as follows (13 U.S.C. 142):

(a) The Secretary shall, beginning in the month of October, 1959, and in the same month of every fifth year thereafter, take a census of agriculture, provided that the censuses directed to be taken in October, 1959, and each tenth year thereafter, may, when and where deemed advisable by the Secretary, be taken instead in conjunction with the censuses provided in section 141 of this title.

(b) The Secretary shall, in conjunction with the census of agriculture directed to be taken in October, 1959, and each tenth year thereafter, take a census of irrigation and drainage.

The census referred to in section 141 is the decennial census of population, unemployment, and housing, taken in 1960, 1970, and so forth.

Thus, the law states that the Census Bureau "shall" take the census of agriculture in 1974. No discretion is afforded the Department of

Commerce as far as holding the census in 1974 is concerned, although in 1979, for example, the decision could be made to postpone the holding of the census until 1980, in conjunction with the regular decennial census.

Censuses of agriculture have been taken since 1820. The second census was taken in 1840, providing the first county-by-county data. Thereafter, a census of agriculture was taken every 10 years until 1920, when, by law, the census was switched to a once-every-5-years basis. Since 1957, the law has required that the census be held in years ending in 4 and 9.

Despite this clear wording of the law, the administration has "decided" on its own not to hold the census of agriculture in 1974. For fiscal year 1973, \$1,360,000 was appropriated for planning for the 1974 census. However, somewhere along the line it was decided by the administration that the census would be postponed until 1977. Thus, the \$1,360,000 appropriated was impounded. In the February 5, 1973, report to the Congress required by Public Law 92-599, the Federal Impoundment and Information Act, this \$1.3 million figure is listed as impounded in order to effect budgetary savings, along with a footnote stating: "The Census of Agriculture has been postponed until 1977 to coincide with the economic censuses."

In the President's fiscal year 1974 budget, the following reference is made to the 1974 agricultural census, accompanying the request for no funds for this purpose:

1977 CENSUS OF AGRICULTURE

A census of agriculture is required to be taken every 5th year covering years ending in 4 and 9 by 13 U.S.C. 142. The census provides measures concerning the agricultural economy of each state and county. Data are obtained from the census on a number of farms, acres in farms, value of farmland, cropland harvested, production statistics for major crops, and number and kinds of livestock, equipment, farm practices, and the use of fertilizer and pesticides.

Funds were appropriated in 1973 to begin planning on a 1974 Census of Agriculture. However, the 1974 request proposed the postponement of the census until 1977 and its combination with the 1977 economic censuses. The 1973 appropriation will be used to plan the transition. A legislative proposal will be submitted to change the timing of the census.

While the budget request is couched in conciliatory terms—"The 1974 request proposes the postponement of the census until 1977"—and, "a legislative proposal will be submitted," the report from OMB listing all the impoundments speaks with what appears to be much more, albeit blunt, honesty: "The Census of Agriculture has been postponed. . . ." One might ask in vain, "Who postponed the census?"

Mr. Chairman, the power to postpone this census rests with the Congress and starts with this subcommittee. Did this subcommittee vote to postpone the census? Did the Congress postpone the census. Of course not. Instead, a private bureaucratic decision was made to postpone the census until 1977 and then come to Congress and say, "Let's reason together." But the sum total of what they are really saying to the Congress is this: "If we sit on the census long enough, it'll just be too late to hold the census at all, and then you can concur with our decision not to hold it."

What has been the reaction of the Congress so far?

First, I note the language of the House Report 93-275, accompanying H.R. 8619, the agriculture—environmental and consumer protec-

tion appropriations bill for fiscal year 1974, which passed the House on June 15. The report states:

No funds are provided in the 1974 budget estimates of the Social and Economic Statistics Administration of the Department of Commerce to perform the 1974 Agricultural Census. These statistics are of particular significance and to combine this information as proposed in the budget with the overall 1977 economic census is entirely unsatisfactory. The Agricultural Census provides measures concerning the agricultural economy of each state and county. Data are obtained from the census on the number of farms, acres in farms, value of farmland, cropland harvested, production statistics for major crops, and number and kinds of livestock, equipment, farm practices, and use of fertilizer and pesticides. The Committee strongly disagrees with the Office of Management and Budget in deleting these funds from the budget estimate and firmly believes that this action is in violation of 13 U.S.C. 142, which provides that an agricultural census shall be taken every 5th year ending in 4 and 9.

The Committee strongly recommends that reconsideration be given to this matter with a view to the provision of adequate funds for the 1974 Agricultural Census.

In the meantime, the Statistical Reporting Service, within funds available, should cooperate to the fullest possible extent in compilation of this data.

Next, I note the action taken by the House Appropriations Committee on June 22, in approving the appropriations bill for the Departments of State, Justice, Commerce, the Judiciary, and related agencies. The committee recommended that the House order the \$1.36 million appropriated last year for "expenses necessary to prepare for taking, compiling, and publishing the census of agriculture be transferred to and merged with this appropriation." This committee action was taken in recognition of the testimony before Congressman Rooney's subcommittee, where James A. Taff, Acting Administrator of the Social and Economic Statistics Administration, stated:

With respect to the financing, we did have money appropriated in fiscal 1973 for beginning the 1974 Census of Agriculture. That was \$1,360,000. We would use that for the 1974 work if we are required to take the census. If additional funds are required, we would probably have to ask for a supplemental appropriation.

Next, I note the action of the Senate, which, in approving S. 1888 (the new farm bill), accepted an amendment by Senator James Pearson, of Kansas, requiring the Secretary of Commerce to hold a census of agriculture in 1974.

No bill has as yet been introduced to postpone the holding of the census until 1977. I understand there is a draft bill floating around to that effect, but the administration apparently is having trouble in finding someone to introduce it. Perhaps the reason is that the postponement of the census of agriculture is not a very good idea.

Our joint resolution expresses the urgency of the holding of this census as scheduled: It supplies the only complete data for agriculture at the county level; it provides the basis of many local and Federal agricultural programs; it influences many economic decisions of private industry; it provides benchmark data for projections of production and land use; it enables farmers and farm businessmen to make accurate predictions affecting their business decisions; and it generally enables us to keep up with the Nation's largest industry and our most helpful export.

The many changes taking place in agriculture and the many changes believed by many to be taking place—including the growing influence of corporate farming—are of great importance to the Congress and

the Federal Government. But unless we know accurately and as completely as possible what is taking place and what has already happened in agriculture, we will be unable to make the kind of informed judgments that will be necessary in the years ahead. Are we ready to give up the family farm? Is this just a romantic notion totally out of step with the reality of American farming? Do we want an agriculture characterized by large production units almost exclusively? These are important policy questions which cannot be debated in a vacuum and, more to the point, will never be debated at all without the availability of good current information. And, if these questions are not debated, it does not mean they will not be decided; it just means that they will be decided pretty much outside the realm of public policy discussion.

But the importance of holding the census is not solely for the purpose of debating the big questions of farm policy. The census data help our largest industry to function effectively in bringing food and fiber to American and foreign consumers. A recent survey of 1,008 executives, marketing and sales managers, product managers, advertising managers, and marketing research personnel in firms and associations related to agribusiness, taken by the Miller Agricultural Research Services of Minneapolis, Minn., showed that, of those responding, 94.4 percent used the census of agriculture data and 78 percent favored holding the census in 1974.

The executive director of the Federal Statistical Users' Conference, Mr. John H. Aiken, stated in a report to his membership on the proposal to postpone the census of agriculture:

The 1974 Census of Agriculture is a major statistical program and the decision to postpone it until 1977 is of such importance that it could have serious impact on users of these data. Undoubtedly, the decision was not made in a vacuum; there was some consultation. However, it represents another instance of a federal agency decision regarding a major statistical program where other governmental agencies and statistics users are informed of the decision "after the fact."

And, at the meeting of the Census Advisory Committee on Agriculture at the Bureau of the Census, held February 23, 1973, the members of the committee were practically unanimous in support of holding the census in 1974, as scheduled. Dr. L. S. Fife of the Farm Equipment Institute, Mr. R. J. Pommrehn of the Agriculture Publishers Association, Dr. Lawrence Van Neir of the National Canners Association, Mr. Clyde Jarvis of the National Farmers Union and the National Farmers Organization, Mr. Orville Thompson of the National Agricultural Advertising and Marketing Association, Mr. Norman Coats of the American Feed Manufacturers Association, Dr. Kennedy Upham of the Rural Sociological Society, Mr. Edward Eurich of the National Association of State Departments of Agriculture, Mr. Robert Frederick of the National Grange, Mr. Richard Kennedy of the National Agricultural Chemists Association, the National Plant Institute and the Animal Health Institute, Dr. James T. Bonnen of the American Agricultural Economic Association, and Mr. Dewey Bond of the American Meat Institute all supported the holding of the census in 1974, as scheduled. The only member present, aside from OMB and Census Bureau personnel, who actively supported the administration's position, was Mrs. Haven Smith of the Farm Bureau's Women's Committee. Incidentally, I wish to correct

for the record my previous testimony before the Senate Post Office and Civil Service Committee: Mr. W. E. Hamilton of the Farm Bureau, chairman of the advisory committee, did not vote for the resolution calling for a 1974 Census of Agriculture, which passed overwhelmingly, but rather expressed no formal opinion at that meeting. I regret my inadvertant error.

Mr. Chairman, a word about possible alternatives to the census of agriculture. The Department of Agriculture has advanced the idea to Senator Herman Talmadge of a sample survey of agriculture to be taken in 1974. In testimony before Senator Burdick's subcommittee in the Senate on May 23, by Dr. Don Paarlberg, Director of Science and Education at USDA, it was indicated that the sampling would not, however, serve the vital need of providing data at the country-by-county level, thus depriving the farmers and suppliers at the county level of the kind of data they need. Moreover, Dr. Paarlberg stated that a sampling technique has been used in the past several agricultural censuses. However, the facts show, according to the Bureau of the Census, that prior to 1969, all agricultural censuses had proceeded on a farm-by-farm enumeration basis and that a sampling of farms was introduced for the first time in 1969. With regard to that decision of the Bureau to conduct a sampling in 1969, I have attached a list of questions to my testimony which the members of the committee may wish to explore when the appropriate witness appears.

One final note, Mr. Chairman, concerning the claim you might hear that, "It's too late to hold the census now, anyway." While I am in no way attempting to condone the irresponsible approach that the executive branch has taken toward this census, simply refusing to follow the mandate of the law and trying to bully Congress into postponing the census through inaction and delay, I want to draw the attention of the subcommittee to a colloquy between the then Acting Administrator of the Social and Economic Statistics Administration, Mr. Taff, and Congressman Mark Andrews before the House Appropriations Committee's Subcommittee on State, Justice, Commerce, and Judiciary:

Mr. ANDREWS. Yes; are you in a position so you can take it if Congress by next July has not changed the law?

Mr. TAFF. We would have to start work on the census sometime during the fall or last quarter of this calendar year (1973).

Mr. ANDREWS. In other words, you can delay until the last quarter of this calendar year before you decide whether or not to go ahead?

Mr. TAFF. Yes, sir; by that time we would know what the action of Congress might be.

Mr. Chairman, I suggest that if Congress approves this joint resolution, then the Census Bureau surely "would know what the action of Congress might be" and that they would then give in and start work on this census.

Mr. Chairman, the administration's proposal to postpone the 1974 Census of Agriculture cannot be understood apart from the general administration game plan for rural America. The decisions to "terminate" REA's 2 percent loan program, the ending of the REAP program, the total impoundment of funds for rural water and sewer loans, the freeze on rural housing subsidies—all point to a policy of downgrading rural America and rural Americans. The decision to

try to postpone this agricultural census fits into the same category of negativism for rural America. I sincerely hope that this subcommittee and Congress do not agree with these judgments of the administration, that we pass this joint resolution, and that the Census Bureau is allowed to get on with this very important job.

SUMMATION

Basically, Mr. Chairman, I am strongly in support of this agriculture census. It is extremely important not only to the Nation's largest business; namely, agriculture, but to hundreds of other business and industries throughout the entire United States. The more detailed this census is the more meaningful it is to agriculture and other industries.

It seems to be another occasion, among many instances, where the administration on its own, without the consent of the Congress, is attempting to obviate the command of the law. As the chairman mentioned in his opening remarks, the current law that is on the books must be obeyed by the administration. It seems to me it is clearly a command of Congress that the census be taken.

It seems to me that what has happened here is that the Office of Management and Budget in its efforts to reduce expenses, which is laudable, has ignored the definite provisions of this statute which says such census shall be taken, not may, but shall.

Now, it may well be a tidy bookkeeping arrangement for the Office of Management and Budget in terms of a reduction in Federal spending. But time and time again this administration, for tidy bookkeeping purposes and for the purpose of cutting down on Federal expenses, takes unto itself the responsibility of either obeying the law as passed by Congress or not, as the Office of Management and Budget may, in its sole and arbitrary opinion, decide.

Frankly, Mr. Chairman, this is one of many actions taken by the Office of Management and Budget which is providing a series of straws that break the backs of camels. I have had enough of the executive department deciding whether they will or will not carry out the clear language of statutes that require certain action by the executive branch of Government.

I think this census should be taken until the law is changed. I think we should make sure that it is taken. It is for this purpose that I appear before this committee, and I appreciate the courtesies extended toward me in allowing me time to make the comments that I have.

I just don't think that the Office of Management and Budget is beyond the reach of the Congress. Now if the Office of Management and Budget continues to take on this kind of action I, for one, believe that they ought to be brought into account. I am one who believes that maybe their budget for the year 1974 is much too large. I am one who believes that if they continue in this fashion or give the Congress no indication that it and the administration are willing to treat this Congress as a coequal branch of Government that maybe the proper thing for the Congress to do is to pinch where it hurts, and that is in their budget request. I would be willing to do that, and this year. I would favor saying here is a half of your budget request for the Office of Management and Budget.

We will think about the other half of your request as soon as we get assurance from the President himself that he will treat the Congress of the United States as a coequal branch of Government. And if the President through the Office of Management and Budget wishes to reduce expenses, which is a laudable undertaking, that once it has made up its mind that it does want to cut expenses and has recommendations as to how it would cut expenses, that before putting them into effect that the administration would bring those suggestions and opinions to the Congress of the United States, a coequal branch of Government, so that we could sit down and reason together both as to the amount of reduced expenses and where those expenses will be reduced.

If we got an assurance from the President that they would be willing to so treat us in the future I am sure then I, for once, would be willing to consider the balance of the OMB budgetary request. But frankly, Mr. Chairman, I think if they didn't, I, for one, would not be interested at all in considering additional funds to fund OMB for the fiscal 1974 year.

Again I want to thank you for allowing me to appear and testify before you. I appreciate counsel's calling attention to certain corrections that should be made both to my statement and to the proposed amendment to the resolution. In both cases we agreed with the recommendation of counsel. And I want to thank you for the time.

Mr. WHITE. Thank you very much, Mr. Evans. You are a member of the Agriculture Subcommittee of the Appropriations Committee, as I recall.

Mr. EVANS. That is correct.

Mr. WHITE. Has the OMB come before you and spoken to this particular census?

Mr. EVANS. Yes. Not the Office of Management and Budget, but while our subcommittee was in session we had Mr. Taff, Acting Administrator of the Social and Economic Statistics Administration, before us.

It is not too late, in my opinion, but time is running out. If they don't begin in the last quarter of this calendar year then we are going to be, I think, in a position where it is going to be difficult to carry out the current provisions of the law which require this census to be taken.

Mr. WHITE. Our committee is not foreclosing the position of the Government. However, I think there is a consensus that the agriculture census has performed a very valuable and vital function in the economy of this country, and I don't think we are going to try to jeopardize that. So we have Government witnesses that will appear very shortly, and we are looking forward to having their testimony. We wish we could get the OMB. But as I understand, as of this time they have not consented to testify before us. Is that correct?

Mr. BRAY. They have not responded to our request.

Mr. EVANS. Well, there is one subcommittee that they must respond to, and that is the subcommittee which reviews their budget request. It is chaired by Mr. Steed, of Oklahoma, a very fine chairman. Frankly, and on the record, I will say that I have been suggesting to Mr. Steed that action be taken by that subcommittee that I referred to earlier whereby the subcommittee would say to the Office of Management and Budget "you have requested so much money, we will approve half of it or 60 percent of it, but we are going to hold back on the balance of

it until we get the assurances I spoke of a few moments before," those assurances being that we are treated in the Congress as a coequal branch of Government, and certainly that OMB and the executive carry out the clear mandate of existing laws.

I am just one—I don't know how many others feel as I do, but I am going to stick with my position, hoping that we might in the process possibly get the attention of the Office of Management and Budget.

Mr. WHITE. Whatever the position of this committee becomes, we shall advise Mr. Steed. I think this is a good observation. We can advise him of our thinking on this so that he may at whatever hearings do develop, or even have special hearings, special meeting with the OMB to apprise them of his and our position. I think this would be very valuable in order to convey our ideas.

Mr. EVANS. I think the chairman's suggestion is very appropriate. I might add that you shouldn't delay too long because that committee is going to mark up very soon.

Mr. WHITE. Well, thank you very much, Mr. Evans. We appreciate your time.

Mr. EVANS. Thank you.

Mr. WHITE. Mr. Frank Denholm, Member of Congress from South Dakota is next. We appreciate your appearance before us. You are a member of the Agriculture Committee, I believe.

Mr. DENHOLM. That is correct.

Mr. WHITE. You may proceed with your statement.

STATEMENT OF HON. FRANK E. DENHOLM, MEMBER OF CONGRESS FROM SOUTH DAKOTA

Mr. DENHOLM. Thank you, Mr. Chairman. I concur with my colleague, the distinguished gentleman from Colorado, in all that he has said. Now, as far as expense is concerned in this matter, the administration has requested \$29.3 million this year to make a sample survey. The facts indicate that only \$27.2 million, or almost \$2 million, slightly more than \$2 million less than that, was required for the actual census on the last occasion. Notwithstanding inflation we should not appropriate that much money for a sample survey that may well be almost worthless.

Mr. Chairman, the current prices and unknown supply of food and fiber for the people of this Nation precipitates a compelling need for facts to ascertain future policy. Accurate statistical data is an essential criteria for decisions of public policy now and in the future. The instability of prices received by producers at a time of constant increasing cost to consumers is of concern to all. It is impossible to project public policy that may directly affect the supply and demand of food in this country without facts and essential knowledge of the capacity of production and the propensity of consumption.

The issue before the members of this committee and the members of Congress is not what monetary savings will result from postponing of the agriculture census but what the cost will be if the census of agriculture is not completed in 1974, as required by the statutes of this land.

It is important to recognize the history, purpose and value of the programs. The first census of agriculture was taken in 1840 at the same time as the Sixth Decennial National Census of Population. In 1915 the Congress provided that a census of agriculture be taken in that year and every 10 years thereafter. Further, the statute provided that a census of agriculture be taken in conjunction with the decennial census of population. The shift to a 5-year interval was necessitated by the need for more accurate and timely information. The current legislation authorized a census of agriculture to be taken every 4 years beginning in 1959. The need for statistical data from a census is greater today than at all times in the past because of the rapidly changing circumstances in the domestic and foreign demand and supply for food and fiber.

The Congress provided \$28 million to complete the last census of agriculture in 1969. Such funds were used in data collection, preparation, programing, sampling, processing, and final printing of the census data.

The first time the Census Bureau used mail questionnaires to collect data from farmers was in 1969. The questionnaire was a successful technique in contacting all farm operators in the country. There was a monetary savings experienced in the gathering of data by using the mail questionnaire forms. However, I recommend a county-by-county sampling in the verification of the self-reporting questionnaire technique.

And let me deviate from my prepared text in that respect. I have been a public auctioneer for a number of years. I live with farmers. The fact of the matter is I received and I submitted one of those mail questionnaires, sample mail questionnaire, in the last census. I talked to a lot of farmers that received them that did not complete the forms and return the mail questionnaires. They seemed to be offended by some of the "stupid" questions that were asked on the questionnaire. And that was followed by the census of the Commerce questionnaire which was even more offensive to many of the people of this country. I have reservations about obtaining true facts in a mail-type questionnaire on a census. I urge the committee to consider the possibility of limiting the use of mail questionnaire in the future. Although it may be less expensive, I don't believe it is of merit in obtaining the basic, essential facts. If a citizen from the county known to the people makes inquiries, and personalities are involved, instead of simply a piece of paper from Washington, D.C., I think the people are more inclined to respond to the questions and to provide greater veracity to their answers.

The census of agriculture should be examined in the context of the actual census data gathered and by whom the data is used. Information is reported by averages and totals in general categories as follows: (1) Number and size of farms, value of land and buildings, and land use; (2) the tenure and characteristics of farmers; (3) farm income from crop and livestock production; (4) income from other sources; (5) farm production expenses; (6) value and type of machinery on farms; (7) types of livestock and poultry; and (8) types of crops harvested. All data is by State and county totals. There is no other available source of equal reference and value.

There are five general groups that rely upon the information provided through the census of agriculture: (1) the U.S. Department of Agriculture, (2) Members of Congress, (3) State and local governments, (4) the farmers of America, and (5) agriculture-related businesses, all of whom need the data for appropriate decisions in planning and future public policy programs.

The data received from an adequate full census assists in identifying parameters of the industry of agriculture in this country—who is involved, who controls and the types thereof. If a census of agriculture for 1974 is not taken the Members of the Congress, Federal, State, and local agencies of government and the related interests of the private sector of our national economy will be left to policy decisions in a vacuum of uncertainty and without any guidelines for the future policy.

It is imperative that a census of agriculture be conducted in 1974 because current, reliable data is needed on a continuing basis in the public interest. A county-by-county, State-by-State census of agriculture should be completed in 1974.

The administration has suggested that the census of agriculture be taken for 1977 in conjunction with the census of business, census of manufacturers, census of mineral industries, and the census of transportation.

The administration has also proposed a 1974 sample survey of agriculture. A sample survey of agriculture is not an equal substitute or an acceptable alternative to the proven value of a complete census. I am opposed to such proposals and I am certain the results will be costly compared to the value thereof.

The economic census includes the four categories of business, manufacturing, mineral and transportation industries on 5 year intervals—the last was conducted in 1972. The economic census is for a different purpose and requirements for data analysis of that census is not as critical as the need for knowledge of the future food supply and propensity for consumption of food and fiber in this country.

The Department of Commerce has not conducted the census of agriculture with essential priority required in the interest of all. I propose that the 1979 Census of Agriculture be conducted by the U.S. Department of Agriculture. The personnel of the U.S. Department of Agriculture has the expertise to administer a census. This should improve the integration of agricultural statistics since according to the American Agricultural Economic Association the current agriculture census has no relation to other Commerce Department operations.

The Congress should enact legislation directing the Secretary of Agriculture to conduct a complete census of agriculture in 1979 and every 5 years thereafter. The 1962 act of Congress authorizing the current census must be amended to allow the USDA to have access to the current mailing list of the Census Bureau which is the basis of the most recent census data. The priority of an agriculture census will not be accomplished until the Congress enacts the policy and required procedure accordingly.

Only this year, December 1972, by a Presidential order published in the Federal Register, an attempt was made by this administration to invade the privacy of a class of people, being the farmers and ranchers of this country, to inspect the Internal Revenue files and to

examine the personal tax returns of farmers and ranchers to ascertain facts as to classes and sizes and types of farms in this country, again showing the need in the Department of Agriculture for essential statistical data for future national policy. An agricultural census belongs in the Department of Agriculture so the Department can have essential information available without invading the privacy of our people, by Presidential order or otherwise invading personal tax returns filed with the Internal Revenue Service.

Mr. Chairman, the Census Advisory Committee on Agriculture Statistics has recommended that the 1974 Census of Agriculture be taken by the Census Bureau in accordance with current statute. Since the Census Bureau is currently preparing for the 1974 Census of Agriculture, which hopefully will begin January 1, 1975, it would be wise to continue the present policy under existing statute until 1979. I don't believe we can make this change until after the 1974 census is completed.

The postponement of the agriculture census in 1974 will distort the policy making process of the State and Federal Departments of Agriculture and agribusinesses much to the disadvantage of American consumers and producers. The census is needed and the results of data analysis is in the public interest.

I commend each of you for your interest in a material matter of grave concern to all. I support the proposition that the 1974 census be completed and I am hopeful that the committee will proceed accordingly.

Mr. WHITE. Thank you very much, Mr. Denholm. There are some matters that I would like to ask you that you raised generally in your testimony and also which occur to my mind. In the first place, I would like to ask in the course of your deliberations in the Agriculture Committee on various bills before it, does the committee find the returns or the data that is acquired in this agriculture census of great help in making their decisions?

Mr. DENHOLM. Yes, indeed. The fact of the matter is we have reported out an agricultural bill and if we could have had current statistical data it might have made a difference in some of the policy decisions that are represented in the new agricultural bill that will come before the Congress the week following our recess.

Mr. WHITE. Did you have gaps in your knowledge? Did you consciously see areas wherein you needed information but did not have it available because of the time span between the last census?

Mr. DENHOLM. Well, the facts are changing rapidly, and although we had the last available statistics at our disposal we did not know for certain what the situation is now. Things are changing fast in the size of operations, the number of people involved. And I think the policy that we make here for the future will have more impact on the future than it has in the past.

We have noticed a tremendous change in demand and supply of food in recent months. Obviously this administration did not have that information available to them—and I say obviously—I don't know—or if they did, they disregarded it—when sizeable foreign sales of grain occurred the domestic which demand had a tremendous impact on the domestic market and increased the consumer cost. I do not know, Mr. Chairman, which it was, whether they didn't have the information or they disregarded the information they had at that time.

Mr. WHITE. That was one of the next questions I was going to ask, if in fact you project this information might have direct bearing on the type of trade agreements we make with other countries on foodstuffs.

Mr. DENHOLM. That is the point exactly correct.

Mr. WHITE. In fact this would not only be as to quantities present in our storage, but also projected yields for the future, let us say foreseeable 2 or 3 years in advance?

Mr. DENHOLM. As you know, Mr. Chairman, we seldom make national policy in Congress for 1 year at a time. We enact a program or enter into a foreign trade agreement that is likely to be extended over a period of time. We must have basic facts and statistical data available to make future projections. I am not sure that we use it to the best advantage at all times. If it was available to us we could use it to formulate judgments on future policies.

Mr. WHITE. Now we are in a very different type of situation, of course. We have a number of crises. We have changes seen as to our foreign relations, domestically our economy is altering considerably. Would you say that the facts that would be gleaned from an agriculture census could have a direct bearing on decisions as to wage and price controls?

Mr. DENHOLM. Indeed so. The fact is I should be at another committee meeting now because we are meeting with the Cost of Living Council people this morning. We met with them yesterday morning at 10 o'clock. They have a 60-day freeze on at the present time, as you know, which is a tremendous hardship upon the dairy, poultry, and livestock interests within the industry of agriculture. Yesterday the gentleman who appeared before our committee repeatedly said "well, we are doing this as fast as we can get the facts in. We are going to make these changes and make these exceptions as we can get the facts."

I had one question, "Didn't you have any facts before you went into the 60-day freeze? Wasn't this information available to you? Didn't you know that you would probably short supply and increase consumer cost by putting a 60-day freeze on?" It is impossible to eat fried chicken in September that was drowned in a barrel in June. The statistics that are available on a current basis indicate that the dairy cow herds are dwindling very rapidly in this country. We have lost 111,000 dairy cows to slaughter in the first 5 months of 1973 because the cost of feed is too high and the market demand for red meat is favorable.

It is essential that statistical information be on file and readily available to make judgments and project future policy upon.

Mr. WHITE. Did I understand you to say you would recommend a sample survey?

Mr. DENHOLM. No, I don't. I am opposed to a sample survey. The administration has recommended that a sample survey be conducted.

Mr. WHITE. If a sample survey were to be made in order to accomplish the purposes that you have outlined in the various categories would you make a guess as to how large a survey that would have to be in order to be effective?

Mr. DENHOLM. It would have to be at least on a county-to-county basis. Any other survey would be useless.

Mr. WHITE. That seems to be the testimony of the witnesses that have appeared before us.

Mr. DENHOLM. I personally object to the mail order questionnaire procedure.

Mr. WHITE. You feel you have to go out and get that information?

Mr. DENHOLM. I think if you have somebody in the community do it they are more acceptable than if a questionnaire is sent from Washington.

Mr. WHITE. Do you think farmers are reasonably independent?

Mr. DENHOLM. Yes, indeed.

Mr. WHITE. Yes, I find them to be so, too. Counsel has a question.

Mr. BULLOCK. I just have one question, Mr. Denholm, and that is if the taking of a sample survey yielding State and national data in lieu of county data could provide the data significantly faster than a full census; and if such surveys were taken on a biennial basis to take into account this rapid changing structure of agriculture do you think a case could be made possibly for a series of sample surveys yielding this type of data?

Mr. DENHOLM. I think there might be some merit to an annual survey as a supplement to a periodic census, but I think to do annual survey would be a misconceived notion that it was going to provide the foundation for the actual knowledge necessary to make future policy. I think it would constitute error. I think if you have the full census on a periodic basis, 4 or 5 years, then an annual survey in between might very well have some merit.

Mr. WHITE. Thank you very much, Mr. Denholm. We appreciate your coming, and this committee will be making its recommendations and I know that your testimony will be very productive to us.

Mr. DENHOLM. Thank you, Mr. Chairman. I believe that an ample number of copies have been made available for the members of your committee.

Mr. WHITE. We hope to synopsise the testimony of various witnesses who have appeared, and if at a later time you or your staff would like to look at that in order to get a total oversight we would be glad to make it available.

Mr. DENHOLM. I will appreciate it very much, and I do appreciate the opportunity to appear here. I wish you well.

Mr. WHITE. Thank you very much.

Now the next witnesses are both from the U.S. Government, and in order to not only expedite, but in order to have more rounded presentation of facts it has been the suggestion of counsel, which I think is very good, that both witnesses will come to the witness table and bring whatever experts they desire with them. So at this time I would call the first witness, Dr. Quentin West, Administrator, Economic Research Service, U.S. Department of Agriculture, to come up with his assistants, and also the Honorable Robert L. Hagan, Deputy Director, Bureau of the Census, Department of Commerce, if you would both come forward. I believe we have room enough, and maybe at times you may wish to supplement each other's testimony. We will first hear from Dr. West.

STATEMENT OF DR. QUENTIN WEST, ADMINISTRATOR, ECONOMIC RESEARCH SERVICE, U.S. DEPARTMENT OF AGRICULTURE, ACCOMPANIED BY BRUCE W. KELLY AND C. KYLE RANDALL

Dr. WEST. Mr. Chairman and members of the subcommittee, I am glad to have this opportunity to present the views of the Department of Agriculture on House Joint Resolution 554—by Mr. Zwach of Min-

nesota—and House Joint Resolution 580—by Mr. Evans of Colorado, et al. The Department of Agriculture does not favor the enactment of these resolutions.

Both of these House joint resolutions direct the Secretary of Commerce to submit an estimate of the cost of carrying out the statutory mandate to conduct a census of agriculture in 1974 within 30 days after their enactment. They also direct the Secretary of Commerce to make the data acquired from the 1974 Census of Agriculture available to the public as soon as practicable following the taking of the census.

A provision directing the Secretary of Commerce to conduct a census of agriculture was included in S. 1888 the Agriculture and Consumer Protection Act of 1973 as passed by the Senate. That bill is now under consideration by the Committee on Agriculture, House of Representatives.

The Department is a major user of the agricultural census results in constructing its statistical series, conducting economic analysis, and operating programs. This enumeration of the farm sector each 5 years provides sector-wide basic data and, sometimes the only available data, for continuing statistical series that measure the characteristics and performance of the sector. These data are needed by the Economic Research Service, which I head, to provide benchmarks that make data from other sources more useful and input data for analytical models used in the many varied research activities of the agency.

We are also aware of the wide range of important uses made of agricultural census data by firms engaged in all aspects of the agricultural industry, farm organizations, trade associations, and State and local governments.

Shifting the timing of the census of agriculture to the same 5-year cycle used for economic censuses would have some advantages. An important advantage would be having all economic census data relate to the same year. Also, there may be some operational cost savings possible from a consolidation of the agricultural census with the other economic censuses in 1977 and every 5 years thereafter. However, the proposed postponement of the next census of agriculture from 1974 to 1977 would create a gap in the Department of Agriculture's statistical programs. Although we believe interim data is needed before another full census in 1977, a full census of agriculture in 1974 would not meet those needs, because if we were to start now to prepare for the census of agriculture in 1974, it would be substantially a rerun of the 1969 census. The Director of the agricultural census has stated that in order to take an agricultural census in 1974 it would have to be practically the same as the 1969 census. This would be inadequate to meet our interim needs for data. It would mean continued use of the present farm classification system which has remained essentially the same since 1959.

In the present classification system we cannot separate farms with value of sales of \$40,000 or more. These farms are all included in that one class. We cannot divide the value of sales class into the farms with value of sales of \$40,000 to \$100,000; \$100,000 to \$500,000; and value of sales \$500,000 or more except by using fragmentary data from other sources. It is these larger farms for which the more detailed data are needed. In fact, farms that sell less than \$40,000 worth of farm products these days are not very large farms.

The present classification system cannot adequately describe major changes in recent years in the size, type, and control of agricultural operations. Individual firms are increasing in size and becoming more specialized in products produced and functions performed. Increased control over production of farm products by firms primarily engaged in many other forms of economic activity have made it almost impossible to adequately describe the production sector of agriculture using the current classification system. And I might say this is one of the problems that we faced in trying to estimate the response to economic factors that occurred during the early part of this year.

A new classification system being studied by the Department identifies farm establishments engaged in the production of crops, livestock, and miscellaneous farm products and the relationship of the income from this production to any other business activity the farm firm may be engaged in.

The classification categories would be farms with operators primarily dependent on farming for their income, farms with operators that are engaged in farming only part time and receive more income from nonfarm activity, and nonfarm firms who produce agricultural products. Data would be cross classified by size of organization, type of agricultural production, and tenure. Special attention would be given to operating and linkage data on integrated firms engaged in agricultural production.

We believe a sample survey specifically designed to provide the kinds of data needed for a revision in the economic classification of farms would better serve our needs than the kind of a 1974 Census of Agriculture that could be taken starting now.

Because of the discussion of shifting the next agricultural census from 1974 to 1977, we have considered several alternative plans for interim 1974 agricultural sample surveys which would meet at least our most important needs for data.

And by the way, just to insert there, the figure that was given by the previous witness included 5 years of surveys, not just an annual survey, or just not one survey, and also that these interim surveys would be made by personal interview which, of course, is more costly than the mail questionnaire.

These plans generally would provide a basis for the revision in economic classification of farms described above. One particular plan for a series of annual sample surveys that might be undertaken in lieu of the 1974 Census of Agriculture was developed in response to a request from the chairman of the Senate Committee on Agriculture and Forestry. That plan was provided to Senator Talmadge in response to his specific request, and it does not constitute an official administration proposal.

We believe that such sample surveys would be more useful than a 1974 repeat of the 1969 agricultural census program. It would likely be possible to publish results from a sample operation on a more timely basis. We are just now receiving some of the information for the 1969 census, and there is some which we would like to have that we are not going to receive at all.

In order to conduct such a survey, rather than a full census, it would be necessary for Congress to amend section 142 of title 13 so that the full census of agriculture can be taken for the year 1977 and

each fifth year thereafter. We respectfully request that Congress enact the required amendment to permit more appropriate and useful surveys in lieu of the full census.

This concludes my statement, Mr. Chairman, and I will be glad to try to respond to questions the subcommittee may have.

Mr. WHITE. Thank you very much.

I think Mr. Hagan, we will ask you to proceed with your statement because questions may be then addressed to one or the other of you, and either one can supplement the other's answer.

**STATEMENT OF HON. ROBERT L. HAGAN, DEPUTY DIRECTOR,
BUREAU OF THE CENSUS, DEPARTMENT OF COMMERCE**

Mr. HAGAN. Mr. Chairman, before I begin I would like to add one comment to Dr. West's statement about the cost figures mentioned by Congressman Denholm. The mention of the \$29 million survey budget figure was a reference to the response the Department of Agriculture made to Senator Talmadge outlining a 5-year survey program. I don't want it confused with the interim survey that has been developed by the Department of Commerce, Bureau of Census, with an estimated cost of about \$7 or \$8 million.

Mr. WHITE. Seven or eight?

Mr. HAGAN. Between \$7 and \$8 million.

Mr. WHITE. This is a sample?

Mr. HAGAN. This is a sample.

Al right, sir, I will begin my formal statement.

Mr. Chairman, I appreciate the opportunity to offer comments on House Joint Resolutions 554 and 580 concerning the census of agriculture.

The Department of Commerce opposes enactment of these resolutions and the substance of a similar amendment to the pending Agriculture and Consumer Protection Act. Before outlining our position, I should like to comment briefly on some of the criticisms that have been made regarding our proposal to take the next census of agriculture for the year 1977.

It has been said that this proposal is not responsive to urgent and immediate needs for statistical information on the agricultural sector of our economy, and that we have ignored a clear legal mandate to take a 1974 Census of Agriculture.

It is certainly true that there are immediate needs for statistical information on the agricultural sector of our economy. Recent events such as price changes, increased exports and disastrous weather have contributed to the urgency of these needs. However, we believe that the most important needs for agricultural statistics could be met by a 1974 survey of agriculture activities. These needs for interim data do not require a full census in 1974. If the necessary approvals were to be provided, the Census Bureau is able to conduct such a survey. Survey forms could be mailed early in 1975 to collect information for calendar year 1974. We could obtain information on the classification of farm operations, farm and nonfarm income, farm expenditures, associated nonfarm activities, and other related subjects. The survey would cost between \$7 and \$8 million over 3 fiscal years, and would provide National and State data. A sample survey would

be preferable at this time to a full census. In addition to providing a substantial saving in cost, it should be possible to obtain and process the data in a shorter period of time.

As to the legal requirement to take a census of agriculture in 1974, a legislative proposal was forwarded to the Congress on April 18, 1973, which would amend section 142 of title 13 so that the census of agriculture would be taken for the year 1977 and every 5th year thereafter.

Detailed agricultural census data serve many needs. Among the most important is the provision of benchmarks for current statistical programs. These programs include the annual statistics issued by the Department of Agriculture and the annual compilation and analysis of economic statistics by the Department of Commerce. The economic censuses every fifth year serve similar purposes, but the process of adjusting to benchmarks is greatly complicated by having the agriculture and economic censuses come in different years.

Our proposal to conduct the census of agriculture for the year 1977, concurrently with the economic censuses, would provide substantial benefits to users of the data from both censuses. It will permit more integrated coverage with respect to the kinds of goods and services farmers are buying and selling in increasing variety and quantity, and at the same time permit the separate classification and complete and unduplicated coverage of agricultural operations of business firms. It will improve the compilation of farm income statistics and the national economic accounts by providing benchmark data in the same year for all sectors of the economy.

The conduct of a 1974 survey of agriculture would be consistent with our proposal that there are important advantages in taking the census of agriculture concurrently with the economic censuses in 1977. These advantages cannot be obtained, however, without amending title 13. All in all, Mr. Chairman, our proposed legislation to defer the 1974 Census of Agriculture achieves two important objectives—the reduction of Federal spending and the improvement of Federal statistical programs. We strongly urge that in lieu of these resolutions, the Congress favorably consider the proposed legislation submitted in April.

I will endeavor to answer any questions the committee might have. Thank you, Mr. Chairman.

Mr. WHITE. Thanks very much, Mr. Hagan. Something just occurs to me—I don't want to inject politics. My good friend, Mr. Rousselot just came in. What disturbs me—I understand that the Nixon administration is seeking ways in order to economize, in order to cut down expenditures. But it just occurs to me that if you took a census in 1977, full census as proposed by the administration, that just happens to be just about after the administration has completed its term of office. So that the cost will not reflect in the present Nixon 4-year term. Now I am wondering—not speaking of Mr. Nixon, but I am talking about the Bureau of the Budget—it could have happened under a Democratic administration, too—if this isn't the thinking of the Office of Management and Budget to prune somewhere and prune at the expense of the agriculture industry, not recognizing the value of these census searches. Does this occur to you, sir, that this spans that period of time?

Mr. HAGAN. No, it doesn't, Mr. Chairman. The decision or reasons behind the decision are entirely in terms of the feasibility of combining

the two operations in 1977. There will be some cost savings, I might add, in combining these two operations together for whatever administration happens to be in charge in 1977, 1978.

Mr. WHITE. Well, now the last one was in 1969, and every witness who has come here, including yourself, has spoken about how valuable it would be to have one in 1977. If it is valuable in 1977 why isn't it valuable in 1974?

Mr. HAGAN. Obviously we are not demeaning the value of the census in 1974, either. We are saying that we need this time to arrange or to provide a methodology for the combination of the two.

Mr. WHITE. Now, the Bureau of the Census and the Department of Agriculture have known what the law has been. It has been on the books a number of years, that has required, does require an agriculture census taken in 1974. Have the two departments taken measures to prepare for the taking of this census, the full census? Are you prepared to take the full census in 1974, and if not, since the mandate of the law clearly edicts that the Census Bureau shall take it?

Mr. HAGAN. Let me attempt to answer that question this way. We are prepared to take a 1974 census if the requested legislative action is not forthcoming.

Mr. WHITE. But you have made no effort up to this moment in the anticipation that it might be forthcoming?

Mr. HAGAN. We have efforts underway to take whatever action will be needed depending on the will of Congress.

Mr. WHITE. For a full census as you took in 1969?

Mr. HAGAN. Not an exact duplication. Our proposal—we see it as being virtually a full census without some of the follow-on surveys. We would provide county data, which is the real measure, I think, of a full census.

Mr. WHITE. How would you provide that, Mr. Hagan? By enumerators, by mail, by sample, or how?

Mr. HAGAN. By the same techniques we used in 1969.

Mr. WHITE. In other words, you are not going to diminish in any way the type of census that you took in 1969 if Congress decrees or by inaction does not change the law?

Mr. HAGAN. No, sir. I want to make this one distinction, that within the time frame we would have to make use of the computer programs and other plans that were developed for 1969. There will not be time now to introduce new techniques and methods, so we will use essentially the same approach as 1969; however, we may not be able to include some of the supplemental special survey work that was part of the 1969 agriculture census. We could take the main census itself.

Mr. WHITE. Why are you not prepared to have a supplemental?

Mr. HAGAN. It would be a matter of timing and also funding.

Mr. WHITE. Well, see, again this concerns me because you have known what the law is, and, therefore, you should be prepared. You could not anticipate that the Congress was going to change, especially considering that no one yet has introduced any measure or any bill to make such a change as has been recommended. And I am sure that members of your staff and the Agriculture Department have got pretty good consensus from the Hill, especially since an amendment was placed on a Senate bill insisting on a census to be taken. I would think that under those circumstances clearly measures for adequate census and followups would have been taken.

Mr. HAGAN. Well, we are prepared to take—I like the choice of terms you use—an adequate census in 1974 if a decision—

Mr. ROUSSELOT. If I could interject, if the gentleman would yield, what would be the difference in cost in 1974 as to what you would do if the Congress didn't mandate you to do it?

Mr. HAGAN. In view of the timing our plans at this time—assuming that we don't receive the approval we have asked for—would be to conduct a census of agriculture covering the year 1974 without the supplemental follow on surveys, and the difference in cost would be about \$8 million. So we are talking about a \$20 million effort.

Mr. ROUSSELOT. If you do it without the follow-on?

Mr. HAGAN. Without the follow-on surveys it would be \$20 million.

Mr. ROUSSELOT. And with the follow-on it would be \$28?

Mr. HAGAN. That is correct.

Mr. ROUSSELOT. So the follow-on effort, which is followup interviews—is that what it is?

Mr. HAGAN. It consists mainly of supplemental forms mailed out to specialized farm operations.

Mr. ROUSSELOT. On the basis of what you get back?

Mr. HAGAN. On the basis of what we get back on the initial return.

Mr. ROUSSELOT. That costs \$8 million?

Mr. HAGAN. That is correct.

Mr. ROUSSELOT. Are those personal interviews or are they just form interviews?

Mr. HAGAN. They are mail-type inquiries with some personal or telephone follow up to elicit better information.

Mr. ROUSSELOT. So if we don't as a Congress mandate you to do what you did in 1969 you will do a 1974 agricultural census that will cost \$20 million?

Mr. HAGAN. That is our present thinking, yes, sir.

Mr. ROUSSELOT. So you have made plans then to make an agriculture census effort of roughly \$20 million?

Mr. HAGAN. We have been planning for a number of options, yes, sir.

Mr. ROUSSELOT. OK. And if we mandate you to do it you will do it at the \$28 million figure, is that correct?

Mr. HAGAN. That is correct.

Mr. ROUSSELOT. In the difference of the two, the \$20 million job as opposed to the \$28 million job, does that effect the quality of the result of the end product?

Mr. HAGAN. No, sir, it would affect the range of information that would be available. The quality would be the same for the various components of the total census effort.

Mr. ROUSSELOT. I regret that I was in another hearing on postal legislation so I wasn't able to be here earlier. In your statement did you indicate all the options that you think you have under the law?

Mr. HAGAN. No, sir. The only option—

Mr. ROUSSELOT. Would you be willing to do that? You mentioned several options.

Mr. HAGAN. Yes, sir, we can provide a range of options.

Mr. ROUSSELOT. All right. So would you submit in writing what you consider to be the options of the Bureau, under the present law, title 13.

Mr. HAGAN. Yes, sir, we would be glad to.
[The information follows:]

In response to Mr. Rousselot's request, the Bureau's options under the present law, Title 13 are:

1. To take a full scale census of agriculture for the year 1974, similar to that taken for 1969 at an estimated over-all cost of about \$28,000,000.
2. To take a somewhat reduced census of agriculture for the year 1974, which at an estimated overall cost of about \$20,000,000 would provide reasonably complete data at the county level but which would delay collection of any of the data usually obtained in follow-on surveys until a decision is reached on the recommended rescheduling of the census of agriculture to 1977 and every five years thereafter in conjunction with the other economic censuses.

Mr. ROUSSELOT. Do you believe that the end product that came out for the 1969 census is basically a valuable product to the farmer himself?

Mr. HAGAN. Yes, sir.

Mr. ROUSSELOT. Because yesterday we kept hearing from people who were testifying that the end product was in some cases used by the farmer, but in most cases it was used by the people who support him, either his cooperatives who sell his products or the various services that he relies on, machinery people, other people.

Mr. HAGAN. That is a statement you can make about any statistic really. The same would be true of our economic censuses.

Mr. ROUSSELOT. What percentage of the farmers of this country do you think actually read this census?

Mr. HAGAN. I have no way of knowing, Congressman.

Mr. ROUSSELOT. Could you somehow in your interview find that out, whether this—actually show them the end product, without adding too much cost to the survey, actually find out how valuable this is to each farmer?

Mr. HAGAN. That would be a very difficult thing to do in terms of sending out a publication of that size obviously for each State to each farm operator.

Mr. ROUSSELOT. I don't mean that.

Mr. HAGAN. There may be some other technique to ask a question or several questions concerning their knowledge and use of agriculture census statistics without getting into a very bulky, costly type of operation. We would be glad to explore it.

Mr. ROUSSELOT. How many of these did you print in 1969? I realize there's different ones for different States. But what was the total publication figure?

Mr. HAGAN. I don't have those figures with me. I don't know whether Mr. Turbitt has that information or not. There are tens of thousands of these, varying quantities based on the previous demand. GPO records the sales and tells us how many they have.

[The following information was furnished:]

The Bureau on its printing requisitions for the 1969 Census of Agriculture publications has ordered 800 to 1,500 copies of each of the more than three thousand individual, 8-page county reports; varying numbers from 300 to 1,200 for each of the Volume I, Area Reports, depending on the number of farms and the importance of agriculture for the specified State or area; approximately 1000 copies of the individual chapters of Volume II, General Report; 1,500 copies of Volume III, Agricultural Services; 1,000 copies of Volume IV, Irrigation; approximately 1,000 copies for the individual parts of Volume V, Special Reports; and 900 copies of Volume VI, Drainage of Agricultural Lands. The Government Print-

ing Office which has the responsibility for the sale of these, (except for the 8-page county reports which are sold by the Bureau) as well as for most other government publications specifies an additional number of copies to be printed as their over-ride on each printing requisition for sales copies. We are requesting the Government Printing Office to furnish directly to the Committee the information on the number of the 1969 Census of Agriculture reports sold.

The Bureau distributes the reports printed on its requisition to other government agencies, for the most part to those in the U.S. Department of Agriculture including copies of the individual county reports to the County Extension Agents.

In addition to the published reports the Bureau has made the data shown in the individual county reports available on computer tapes which have been purchased by those wishing to have the data in that form.

Universities, market research groups and others have purchased copies of the computer tapes. The published reports are also distributed to approximately 470 Government Depository Libraries.

Mr. ROUSSELOT. Could you give us some idea of the basic changes that you intend in the 1974 survey form over the 1969 survey form? We had some complaints from people that were here that this becomes a little bulky for a farmer to fill out, and I would be interested to know if you plan to streamline—I know you have a short form as well as the long form—but if you have devised ways to extract the information you need without having it as bulky.

Mr. HAGAN. There would be some streamlining, and we would be glad to provide marked up copies of the 1969 form that would show the data that would be requested in the 1974 survey.

Mr. WHITE. Any material requested or that is furnished by either Mr. Hagan or Dr. West as a result or in response to questions from this committee will be placed in the record.

[The following information was furnished:]

Copies of the 1969 Census form are attached showing changes that are contemplated for the proposed 1974 Survey and also for comparison changes that are likely to be needed in the event that the census is not postponed.

[The census forms are retained in subcommittee files.]

The size of the form used in the census of agriculture has been a continuing concern to the Bureau since with its large number of pages and hundreds of items asked, it presents a discouragingly formidable appearance to the farm operator who is asked to fill it out and return the completed form to us. Because agriculture in the United States is so varied and complex, any general purpose form which attempts to account for all of the crop and livestock production of commercial importance for each county has to be extensive. Most farm operators can skip many of the segments and furnish information for only a relatively small number of items. If for some future census of agriculture, we can identify the type of farm operations for each farm in advance, shorter specialized report forms can be used for each type of farm. We are studying this approach.

Mr. ROUSSELOT. If we passed the middecade census provision and include it in legislation to move the agricultural census from 1974 to 1975, to do it the same time, would that be any help?

Mr. HAGAN. Not really. These are almost two entirely separate types of jobs. The universe for mailing out household questionnaires, our master address listing and out farm directory listing are really two separate operations. The timing is somewhat different, too. We would plan, of course, to mail out the agriculture questionnaires at the beginning of a calendar year so that the data that are obtained from the farmers is comparatively recent.

Mr. WHITE. Would the gentleman yield?

Mr. ROUSSELOT. Yes.

Mr. WHITE. That might compound your—

Mr. HAGAN. I think it might. My initial reaction is negative to a combination of that type.

Mr. ROUSSELOT. Now let me be sure I understand. Depending on the action or lack of action of Congress, the Bureau of the Census is planning to go ahead and take a \$20 million survey instead of the mandated \$28 million full census of agriculture.

Mr. HAGAN. That is contingent on either the action or absence of action on the part of the Congress. If Congress is favorably disposed to changing the law we would request funds for the 1974 survey in the amount of \$7 to \$8 million. If they are not so disposed then we would propose to take the 1974 census of agriculture at approximately the \$20 million level.

Mr. ROUSSELOT. And if we mandate you, you will go to the \$28?

Mr. HAGAN. Obviously. Yes, sir.

Mr. WHITE. Thank you. In accordance with the rules of the committee, members arriving during the time of testimony of witnesses will ask questions according to the sequence of their arrival—first Mr. Lehman.

Mr. LEHMAN. I yield to Mr. Wilson.

Mr. WHITE. All right, Mr. Wilson, 5 minutes. By the way, Dr. West or Mr. Hagan are open for questions. They presented their testimony back to back.

Mr. WILSON. I am more concerned with the mechanics that are used in conducting the agricultural censuses and surveys. Is it done by the Census Bureau or by the Department?

Mr. HAGAN. I would like to answer that and make a distinction between the two types of activities that the Department of Agriculture and the Bureau of the Census conduct and which serve to complement each other. The Census Bureau, of course, only conducts the quinquennial census of agriculture. The only other Bureau activity in agricultural statistics is the cotton ginning program that is conducted on an annual basis. The remainder of the collection of agricultural data is the responsibility of the Department of Agriculture, including all of the other annual survey work.

Mr. WILSON. Now who interprets the statistical information that you get?

Dr. WEST. Mr. Chairman, this involves two agencies in the Department of Agriculture. One, the Statistical Reporting Service, has the responsibility for collecting all of the data and doing the principal summarization and publishing the information. The other agency is the Economic Research Service that uses this information to make economic analyses relative to agriculture, and I am the Administrator of the Economic Research Service. We have a representative, Mr. Kelly here, from the Statistical Reporting Service.

Mr. WILSON. Well, the reason I ask is because of my concern that the statistics are being used to support the particular views of the Secretary of Agriculture. Is it possible for the statistical information you gather to be edited, to be used in this way to present information other than what it actually is?

Dr. WEST. What you say is possible—I can't say that it is not possible, but it is not done. We have a great deal of freedom, we make our own decisions on how we put out the data in the Economic Re-

search Service, and the procedure in the Statistical Reporting Service is set up, and day-to-day, week-to-week, month-to-month, or year-to-year changes in attitudes of the Secretary of Agriculture does not change that procedure. So I think this data is very free from political influence by anyone inside or outside the Department of Agriculture.

Mr. WILSON. To your knowledge there has been no effort to interpret statistical information differently than what the actual facts are you gathered?

Dr. WEST. That is correct, and there was a group within the last year from Congress that came down to investigate that very question, and their report came to the conclusion that they did not think that this kind of influence was changing the statistics or the analysis that we were putting out.

Mr. WILSON. Well, I have had great confidence in the Bureau of the Census, and insofar as retraining the confidentiality of the census I am confident that this is retained and guaranteed. We are talking about something a little different, though, about interpretation of figures and using them for particular purposes. And I would assume you would probably use a lot of the same methods and same safeguards in your department as are used in the Bureau of the Census.

Dr. WEST. Yes, in fact the Statistical Reporting Service in putting out their crop production information operate in a closed corridor in which these reports are put together and then released to the press. And no one in the administration sees those before they are released.

Mr. WILSON. I see. Well, there was a time when I wouldn't have even thought about this possibility of people trying to manipulate things, but in the last couple of months, why, you don't know what to believe. It is frightening to see some of the things the executive branch is doing. I just wanted this assurance from you that we are running a proper operation here that does not lend itself to manipulation by a Secretary who is trying to present a different picture to the public than what the truth may be.

Thank you.

Dr. WEST. That is the situation, Mr. Wilson.

Mr. WHITE. Mr. Wilson, if you have some other questions we have time.

Mr. WILSON. No, let Mr. Lehman ask his questions.

Mr. LEHMAN. I don't have any specific questions. I did ask the question on the floor a couple of days ago to a Congressman from Iowa, and it was a casual question, and I said "How is the corn crop doing in Iowa?" He said "I think the corn crop is doing better than the people." And it bothered me in that sense, that the people in his agricultural State were disturbed, because the implication in my mind was they didn't know what was going on in the farm business. Then the next day you get the embargo on soy beans. What bothers me is—I don't come from an agricultural district, but we have the same consumer problems everyone else has. So many things are coming out haphazardly, that we should have some way to get some really hard data and statistics so that everybody from the farmer to the housewife could know what was going on from day to day, week to week, month to month, and year to year. And I don't think we need to wait to 1977 to find out. That is just my opinion.

Mr. WHITE. Thank you, Mr. Lehman. Now I would like to ask some questions either of you or the gentlemen with you. How much did you say a sample survey that you are suggesting would cost?

Mr. HAGAN. Are you talking about the—

Mr. WHITE. For 1974.

Mr. HAGAN. The one that the Bureau of the Census offers?

Mr. WHITE. Yes.

Mr. HAGAN. It is approximately \$8 million.

Mr. WHITE. That was the \$8 million you are talking about. So really what you are talking about is a savings of approximately—the other was \$20 or \$29 million?

Mr. HAGAN. Approximately \$29 million, the full cost.

Mr. WHITE. So you are really talking about \$21 million saving if you don't conduct a full census and only conduct a sample survey?

Mr. HAGAN. Part of that would be savings. Part, of course, is deferral and would be spent in 1977.

Mr. WHITE. Now one matter that was brought to my attention is this, and would you please verify it? Is it true or not that \$1.36 million in funds for planning the census for 1974 were impounded and no request for funds for taking the 1974 census was included in the present fiscal year 1974 budget and request?

Mr. HAGAN. That is true.

Mr. WHITE. And knowing that the law would require the taking of this in the absence of a congressional mandate to change, why did they take this action?

Mr. HAGAN. Well, as I said, the action is consistent with the request and contingent upon the request to change the timing from 1974 to 1977, and our appropriation request contained language explaining the proposal and its contingency.

Mr. WHITE. It was brought to my attention also by someone in the course of conversation, a knowledgeable individual, that there may be an endeavor on the part of the Department of Agriculture or the Census Department, or we will say the executive branch, to change the definition of farms so that, in effect, by changing the economic or income definition the Government in fact would be eliminating approximately 90 percent of the farms. Now would you please verify or not verify that?

Dr. WEST. Mr. Chairman, I described to you a proposed classification of farms. We are not proposing to change the definition of farms, but to improve the classification that we have so that we can better study what is going on in the farming community. As it is now, when we talk about farm income, for example, we are dividing the total income or farm income—we are dividing the total farm income by 2,800,000 farms, more than half of which are part time. They are not full operations, and their reaction is much different, their whole operation is much different than the real commercial food and fiber sector. As it is now we just don't have enough information to really talk about where the action is.

As I mentioned, the top classification is \$40,000 or more in value of sales. And so there is no way from the census information that we can separate out what is going on where most of the farm commodities

are produced. Those that are selling over \$100,000, as I remember the figures, are accounting for about two-thirds of the total production. So that we just don't have that kind of detailed information.

So we are not talking about changing the definition, but we are talking about an improved classification so that we can better study what is going on; to be able to separate out those in which farming is only part of a firm's interest which has other activities so we can identify those.

Mr. WHITE. But will you be counting those?

Dr. WEST. Oh, yes, we will be counting them.

Mr. WHITE. And will you be counting the production?

Dr. WEST. What's that?

Mr. WHITE. Will you be counting their production?

Dr. WEST. Oh, yes. The intention would be to count all production, even those that are selling \$1,000 or less, to count that production, but to be able to identify those so that we can better study those that are truly producing the bulk of the food and fiber, those that have this as a part time avocation and those that are large corporations that have this as part of their larger enterprise.

Mr. WHITE. I think in order to round out our record and to clarify this point it would be in order for me to request of you a letter or résumé of the plan that you propose for reclassification, if anyone would be excluded, what you expect the impact to be, and how it would actually change your present programing by this new classification, so that we may share this with those who are concerned. The individual who talked to me is probably the most knowledgeable person on agriculture in the House, and he was disturbed; and when he gets disturbed, knowing his expertise, I get disturbed. So I feel it would be in order for this to be presented to the subcommittee.

[A working paper entitled "Classification System for Food and Fiber Production Sector" was submitted and is placed in the subcommittee files.]

Mr. WHITE. I still go back to one other factor, and you say and other witnesses have talked about how valuable the 1969 census was and how valuable it is to continue a census in the future, and yet it seems to me that the executive department is glossing over the importance of taking the regularly legally required 1974 census, that this doesn't seem to be so important, that this seems to be a repetition of what has gone before. And yet if that is a repetition of what has gone before then who is to say that future censuses won't be a repetition of what has preceded that particular census in the future?

Dr. WEST. If I could respond to that—

Mr. WHITE. I mean it doesn't add up logically, frankly.

Dr. WEST. As I mentioned, things have changed so fast in the agriculture community that the format and the type of classification, the type of information we are getting, pretty much established back in 1969, is no longer adequate. We feel that a survey properly designed for 1974 would give us better information than a census which was based on the same format that was made in 1969, using the same computer programs and so on, that it would not give us the kind of information that we need right now.

Now we oppose nothing being taken for 1974. We strongly oppose just simply doing away with the 1974 census and giving us nothing.

We have to have something. But in the limited time that now is available to make a major change in the format for the 1974 census we believe that a properly conducted agriculture survey would give us much more useful information than a census made on the basis of the 1969 program.

Mr. WHITE. Well, if you have this position of your thinking surely you have some new direction in mind and surely this has already been planned out by some one of your employees, maybe in the nature of new questions. Is this what you are speaking of, a different type of question to secure different type of information? Is this what you are speaking of?

Dr. WEST. Yes, sir.

Mr. WHITE. Don't you already have that?

Dr. WEST. Yes, sir.

Mr. WHITE. Why can't you include that in the next one? What is to keep you from including that in the next general survey?

Dr. WEST. Well, as Mr. Hagan indicated, that in the time frame available you cannot change all the computer programs. You cannot change the frame for selecting the individuals that you would get the information from. You see, for part of the farms this was a sample anyway. Those with sales, I think of \$2,500 and below value of sales that was on a sample basis in the 1969 census. We feel that a smaller sample based on personal interviews will give us much better information, much more useful information than a mail questionnaire with the type of framework that was used in 1969.

Mr. WHITE. But, Dr. West, I am a layman. I am just a lawyer, you know. They have a lot of those up in Congress. And maybe I am oversimplifying, but I do know we are in a computer age when it doesn't take masses of people in order to revise and revamp and do things like this. What is so difficult with the time we have left, considering the army that you have in the Agriculture Department—one of the largest departments in the Government, isn't it—and I presume with the many experts you have at your command, any number of experts. This committee has given you any number of experts as requested from time to time—what is to prevent you in the time you have from making the changes that you already have in mind?

Dr. WEST. Well, Mr. Chairman, we are prepared to propose those to the census. But we have nothing to do with taking the census except to indicate the kind of information we need.

Mr. WHITE. I understand, but when you make those proposals then what is so difficult about the Census Department accepting them and incorporating them in whatever procedures they have? Is it that difficult that it takes that many years?

Mr. HAGAN. Mr. Chairman, I think I ought to respond to that question. I think that question is properly directed to us, and I would like to have Mr. Turbitt, our Associate Director for Economic Operations, respond to the reasons why only a limited amount of change could be undertaken at this time.

Mr. TURBITT. Thank you. Mr. Chairman, in preparation for a census of this size and scope it is very hazardous to design a questionnaire without testing it thoroughly for new questions. Our experience has been that especially in the areas in which Dr. West has been talking about that you need to test the kind of questions that you ask to deter-

mine whether or not, in the first place, they are answerable in the manner in which you are asking them and whether the answers are giving you the kind of information that you are looking for. And a testing operation of this sort means setting up a questionnaire and going out into the field and doing the interviews and examining the questionnaires, and this runs into many months of time.

Mr. WHITE. How many questions are you talking about, sir?

Mr. TURBITT. I am not sure of the number of questions, and in terms of the number of subjects that Dr. West was talking about I think we are probably talking about testing several pages of questions.

Mr. WHITE. Well, you are men of commonsense, you know whether they are answerable or not.

Mr. TURBITT. Yes, sir; but even the printing of questionnaires takes months these days.

Mr. WHITE. Printing. But I am talking about composition.

Mr. TURBITT. Well, the composition would take months. There is a matter of getting agreement among the departments and among advisory groups, and so forth.

Mr. WHITE. How long does that take?

Mr. TURBITT. That takes months as well.

Mr. WHITE. Why does it have to take months? We don't understand and the general public doesn't understand why it takes months when something is not critical. We have a suspicion that in fact the Government is dragging its feet in order to get this other system, and we are not too keen about it, frankly. And we want to know why you can't incorporate these other ideas, get together the agencies, say here's what we want to do, let's get an agreement. General Motors couldn't run by taking months on a decision on something like that.

Mr. TURBITT. Well, they don't redesign a car in a few months.

Mr. WHITE. But redesigning is different than rewording of words.

Mr. TURBITT. This is essentially what we are talking about, redesigning means of obtaining new and different information which has never been tested.

Mr. WHITE. How many questions?

Mr. TURBITT. As I indicated, I am not sure how many questions would be involved, but I am sure there would be a large number, several pages of questions. And the test—when you operate a test of this sort you usually find some of the fine things you didn't know—you find that when going into an area trying to determine, for example, the relationship between agricultural production for people who are primarily involved in agriculture and agriculture production for people who are primarily involved in other things, that you don't even know how to ask the proper questions sometimes to get the information you need. You find you make errors in the original questionnaire and the questions have to be revised. And this runs into periods of months, and we are now already into close to the second half of 1973, and we are only something like 18 months away from designing a survey which would involve over 2 million.

Mr. WHITE. If someone told you you had to do it how long would it take you to do it, sir?

Mr. TURBITT. It would depend on how many changes are involved. We have stated, I think, that we can take the census for 1974 with a questionnaire quite similar to what we used in 1969; additional

questions, different questions, different types of information, to do it properly and to be sure we are not wasting money and don't end up with a product which is not usable, they should be tested. Now I think in the context of some of the things we are talking about, instead of the follow on surveys we did for 1969, we could do some of this as follow on surveys to the 1974 census which would mean that some of these data would come out later, but would give us time while the census was going on, the main part of the census, to test some of the questions.

Mr. WHITE. Haven't you already been working on questions? You are not starting from zero? Haven't you tested these for county agents? Haven't you been in correspondence with people throughout this country who are involved with agriculture already?

Mr. TURBITT. No, sir. The Census Bureau has not tested any of the questions.

Mr. WHITE. Hasn't the Agriculture Department done all this? Haven't you tested with county agents?

Dr. WEST. It is not our responsibility to take the census.

Mr. WHITE. I know, but you are the one that wants the answers.

Dr. WEST. Yes, but we have no authority nor no budget to do the kind of work that is the responsibility of the census.

Mr. WHITE. Is there anybody in any of your two agencies who has been looking at this particular problem and saying "yes, I think next time we ought to ask this question, and this is the type of procedure I think we ought to use" in the time since 1969 to this moment?

Dr. WEST. You see, our responsibility is to say the kind of information we need, the kind of classification we need, but it is up to the people who are trained to take that information to interpret that in terms of questionnaires.

Mr. WHITE. Have you done that as far as letting them know what kind of information you need?

Dr. WEST. In general terms.

Mr. WHITE. I mean specific, because that's what we are talking about, and we are faced with 1974.

Dr. WEST. Well, I agree with that, that it is getting late. But there has just been no motion in the direction of doing this by 1974.

Mr. WHITE. Because why?

Dr. WEST. Well, because the decision was taken sometime ago that it wasn't to be taken.

Mr. WHITE. That's right. That's precisely right.

Counsel is recognized for questioning.

Mr. BULLOCK. I would like to begin by quoting three benefits I think have been stated that would derive from delaying taking the census from 1974 to 1977. First, it would allow the corporation to revise the classification system, and I think Mr. White probed that in quite a bit of detail, so I won't say anything about that.

The second rationale I have heard is it would lead to an improvement in the accuracy of gross national product and associated national income accounting statistics. No technical justification was submitted to the subcommittee staff concerning this issue. And by technical I mean anything that would allow us to look into it in detail.

I went out and contacted Bureau of Economic Analysis officials regarding this and talked to them. As a result of it, I am in agreement that benefits would be derived from coinciding the censuses. However,

I also feel that there would be rather severe problems in estimating what benefit in terms of improvement in accuracy that would result. It is just that the interactions are too complex to really foresee what would happen. Mr. Hagen, would you agree with me on this point, that it is difficult to foresee how much increase in accuracy this would lead to, and if you do not agree would you provide some rationale whereby we can make an estimate?

Mr. HAGAN. I certainly agree that it is not a readily answerable or identifiable type of problem, but I do defer in this instance to the experts who compile the GNP. You have already talked with them, you said, and my answers obviously would reflect their recommendations to us, and we are the supplier, if you will, of the inputs to their benchmarking programs, and they are the experts on how it is used.

Mr. Turbitt would like to make a comment on that.

Mr. TURBITT. I think some of the advantages could be estimated, for example, when you are taking an input-output table which is a basic document to try to develop gross national product, at least a benchmark, and you have agriculture data for a particular year and data from the manufacturing sector for another year, and so forth, you have price differentials which are very difficult to deal with, and that kind of work which has to be done on the interim operation to adjust the prices so you have them all for the same year, those are the kinds of things that could be estimated. But as to the increased accuracy that the gross national product would produce, I would have to agree with you.

Mr. BULLOCK. The third rationale—I hate to term it that—benefit—that I have heard would result from this would be economy in Government. And I specifically refer to the minutes of the February 23, 1973, Census Advisory Committee, and this quotes you, Mr. Turbitt, as saying that you explained that the agriculture census was postponed by decision at the high levels of Government because of the budget limitations, but that combining it with the economic censuses was in line with earlier discussions within the Bureau about future plans and objectives. Could you elaborate on the nature of this budget decision, who made it, when was it made, where was it made, and what was considered in making it I don't know which one of you would like to speak to that issue.

Mr. HAGAN. The references that Mr. Turbitt was quoted as making to the advisory committee meetings are, I think, put in the best perspective by stating the chronology of events. Obviously we had an agriculture advisory committee meeting in the fall of 1972, and at that time this proposal had not really been agreed upon, so that while preparation of the budget was continuing we did not inform the advisory committee at that time that we were still in the process of making a decision. The decision was made after reviewing the priorities of the total budget request of the Bureau of the Census and the parent organization, SESA. The final decision was made some time in October that in the assessment of benefits to be obtained and the long-range effect on the total statistical program that this change should be proposed.

Mr. BULLOCK. What precisely was the connection between the decision to request postponement of the census of agriculture and the decision to request funds for mid-decade sample survey? Were these directly connected?

Mr. HAGAN. They were not directly connected, no, sir. Obviously they both require large sums of money. The Bureau of the Census had recommended initially in its budget request that both be considered, and they were. And as I said, in the prioritizing of benefits census the cost and resources required to do it, it was decided that the deferral to 1977 Agriculture Census would yield some benefits to us.

Mr. BULLOCK. At what level did this prioritizing that you speak of take place?

Mr. HAGAN. It takes place at all levels obviously in developing budgets.

Mr. BULLOCK. But you say you submitted a request from the Bureau for funds for both of these, is that correct?

Mr. HAGAN. Our base budget obviously would include the full range of programs that we would plan to do, and this then goes forward from the Bureau through SESA to the Department of Commerce. What is recommended by the Department of Commerce to OMB is the official budget. Anything that precedes that is not yet official. And it is in this planning and development stage.

Mr. BULLOCK. Then am I to understand the Commerce budget which went to OMB, at that stage the census of agriculture postponement had been proposed?

Mr. HAGAN. Yes, that is a matter of record.

Mr. BULLOCK. OK, just moving on to a few other issues, in your testimony before the Senate Post Office and Civil Service Committee on this matter you indicated that it was most important that the 1974 statistics of agricultural activities provide reliable data at the State level, and you repeated that here. In your view would title 13 have to be amended, specifically amended, in order for you to take such a survey in lieu of the full 1974 Census of Agriculture? The issue I am trying to get at here is: is there anything in title 13 which requires you to generate reliable data at any minimum geographic level, and is it not also true you have the power to sample small surveys?

Mr. HAGAN. Absolutely. This is a complicated issue, and it is illustrated by Mr. West's earlier statement that we really didn't take a census in 1969, and I want to include in the record what we consider to be a census of agriculture. Section 195, title 13, empowers the Secretary of Commerce, and consequently the Director of the Bureau of the Census, to use sampling. This obviously embraces the census of agriculture and the economic censuses, as there is a discretionary power to invoke sampling as long as—and this is implied—that the needs are met and the data is, of course, valid and usable. And it is within that authority that we have used sampling both in the economic census and in the agricultural census.

Of course, I don't have to add there is a great amount of pressure from the Congress to reduce the paperwork burden on small businessmen, and this is consistent with that policy. And we still believe that we do produce valid data, that we save money, and we reduce the effort that the businessmen have to put forth to comply with all of the requests that come to them. At the same time the census has traditionally—and this is not a matter of specific law—but the census has traditionally provided county data. And, of course, that then greatly limits the kind of sampling that you can do. So that you have to use sampling in such a way that it permits you, we believe—that it has to be used in such a way that it permits us to provide compre-

hensive data at the county level in order to designate it as a census. That's why we changed the terminology; when we provide estimates at the State and national level we have called it a survey instead of a census.

Mr. BULLOCK. I am pleased to have extracted a statement from you on that because it has been the source of a great deal of confusion on a lot of people's part. A lot of people assume that a full census of agriculture in terms of total enumeration is required, and it needed to be said for the record that the Census Bureau does have an underlying definition of the term census and will adhere to that.

Mr. HAGAN. I quite agree.

Mr. BULLOCK. OK. Would the Census Bureau require funds additional to those that would be provided by the appropriation bill recently reported out of the House Appropriations Committee in order to take the 1974 survey you contemplate, the \$7 to \$8 million survey you contemplate? Would you need to have appropriations for that?

Mr. HAGAN. It is possible we would need a small supplement to that for the initial fiscal year.

Mr. BULLOCK. What other approvals, either congressional or executive, would you need to be given before you take such a survey? And this is in response to your assertion that you would need to acquire certain approvals before you can take it.

Mr. HAGAN. Obviously we believe we need—and it is a matter of legal interpretation—to have title 13 changed so that it would cover the year 1977.

Mr. BULLOCK. Is it safe to say that this proposal would generate no objection within the executive branch as a whole? And I might refer the question also to Mr. West. How do you feel about a \$7 to \$8 million survey as opposed to some of the plans you have considered within your own department, and specifically the \$29 million plan submitted to Senator Talmadge?

Dr. WEST. Of course, the \$29 million proposal included the 1977 complete census by this definition to give county data.

Mr. BULLOCK. I'm sorry, I did not know that.

Dr. WEST. Yes, that does: That includes annual surveys for, I guess, 4 years, and a complete census by that definition in 1977.

Mr. BULLOCK. What is the value of the complete census or the cost of the complete census included in that? The \$28 million figure was stated for conducting a census similar to one conducted in 1969, and I would expect that if you were going to incorporate the revisions in classification into the Census Bureau data-processing system it would be more costly by now.

Dr. WEST. Mr. Kelly might be able to enlarge on this. But it is my understanding that the survey that would be taken would give county data, would still not include as many respondents as a regular census, but still would be a large enough survey in order to give county data.

Mr. BULLOCK. This is then the 525,000, I think, sample survey.

Dr. WEST. Right.

Mr. BULLOCK. Well, if title 13 were amended so it would change the census phasing in accordance with the Secretary of Commerce's proposals wouldn't this have the effect, if your proposal was in, too, of having the survey taken in the same year as the census? I am probing here to see what kind of cooperation between those two

agencies is taking place in getting the interim data if you do shift to 1977.

Dr. WEST. We were not proposing—in fact this was not a proposal. It was in answer to a question from Senator Talmadge. We were not suggesting a budget in the Department of Agriculture to do this in competition with anything that is being done by census. We are working very closely together, and whatever comes out will be meshed together. There was no discussion as to where this might be taken, and according to present legislation that will be taken in the census and not in the Department of Agriculture. So we are not talking about something in 1977 duplicating something else being taken by the census.

Mr. BULLOCK. Then would the \$7 to \$8 million survey contemplated by the census based on what you know about it meet your most critical needs?

Dr. WEST. Yes, we have had discussions with census on that. This has been a joint plan between the two. Now I would like, though, to still put in a plug that the way things are changing that annual data are really needed, and we would push very hard for a program that would give us additional annual data above what we are now able to generate in the Department of Agriculture.

Mr. BULLOCK. And this would require additional funding either within the Department or the Census Bureau?

Dr. WEST. Not in this first year. This first interim survey that the census is talking about would take care of that first year. But we are talking about in years in between that and 1977.

Now one thing that we haven't maybe emphasized enough in this timing is that when you get a huge census the time involved in compiling and publishing that data becomes important, so the time necessary to prepare and publish is much greater than on a small survey.

Mr. BULLOCK. Do you feel that the gain in time you would get—obviously you do—would more than offset the loss in county data to the data users?

Dr. WEST. Yes, we feel that we could go until 1977 for additional county data, if we could get the required data on a State, regional, and national basis.

Mr. BULLOCK. I just have a couple more questions. It seems to me that there have been—there is one specific plan that has been advanced, or at most two or three, for making the transition in phasing to coincide with the economic census. Mr. Rousselot brought this up to some degree. Have you considered specifically other options for making this transition—for example, maybe going 6 years between this agriculture census, between this agriculture census period, and having another 6-year one, and working gradually out so that you would phase into a comparable phasing to the economic censuses, or have you also considered the option of perhaps taking a sampling more extensive than the one contemplated in 1974, but less extensive than a full census, that would yield reliable data for economic areas, in both 1974 and 1977, and getting something thereby maybe less damaging to data users? These are just two suggestions I thought of. Do you have information on other proposals you have considered and why they were rejected, and would you be willing to furnish the committee that information?

Mr. HAGAN. We, of course, considered a number of options and talked about a large number of plans. The first part of your question about a 6-year interval until the two economic, agricultural censuses coincide doesn't give the proper kind of timing that is needed to bring this about from our point of view, so that we would not consider that a feasible proposal to accomplish this in the time limit that we see is needed.

On the matter of the larger sample we have not seriously considered samples for what might be your economic area concept of, say, groups of counties. We have considered State and county level. And, of course, when you talk about county level you are talking about a census.

Mr. BULLOCK. OK. I only have one more question, and that arises out of your last remark. In testimony yesterday we received a variety of estimates of how much sampling would be required to yield viable county data, and we received estimates that seem to me to be quite low, 10 percent one time, and up to 30 percent as a maximum. And these were three estimates provided by various gentlemen yesterday. As I seem to have read in your testimony before the Senate committee, you indicated it would almost require full censuses to generate viable county data. Do you still hold to that?

Mr. HAGAN. Yes, consistent with the type of sampling we would be striving for.

Mr. BULLOCK. OK. Thank you.

Mr. WHITE. Mr. Bray.

Mr. BRAY. Mr. Hagan, I just have a few questions. Under present law is there any legal authority whatsoever giving the Census Bureau or the Secretary of Commerce the discretion not to take or to postpone the 1974 agricultural census?

Mr. HAGAN. My initial reaction is there is not, although our legal adviser is here and I would like to ask him to comment. Mr. Erickson.

Mr. ERICKSON. Your question was whether they could postpone a census?

Mr. BRAY. Or not take it.

Mr. ERICKSON. Doing absolutely nothing?

Mr. BRAY. Yes, just do what they have been doing thus far. Is there any legal authority for this?

Mr. ERICKSON. The Bureau is authorized to take a survey in lieu of the census, or a sample. That is within the scope of title 13, within our authority.

Mr. BRAY. Well, there is no legal authority, is there, giving you discretion not to take the 1974 Agriculture Census?

Mr. ERICKSON. As a census, yes, there is.

Mr. BRAY. Well, all right, a 1974 agriculture sample survey.

Mr. ERICKSON. That is authorized.

Mr. BRAY. Pursuant to 195.

Mr. ERICKSON. Correct.

Mr. BRAY. But there is no other discretion given?

Mr. ERICKSON. None that I am aware of.

Mr. BRAY. What legal authority, if any, do you rely on to justify the impoundment of the \$1.3 million appropriation for fiscal 1973?

Mr. ERICKSON. I am not qualified to answer such a question.

Mr. HAGAN. I concur. That is a matter for OMB to answer.

Mr. BRAY. I have here a letter from the Library of Congress legal staff which states you have no such authority to impound funds. I would also like the reporter to enter this in the record.

Mr. WHITE. So ordered.

[The letter follows:]

THE LIBRARY OF CONGRESS,
CONGRESSIONAL RESEARCH SERVICE,
Washington, D.C., June 14, 1973.

To: House Subcommittee on Census and Statistics.

(Attention: Mr. Bray).

From: American Law Division.

Subject: Agricultural Census, 1974.

Reference is made to your request about the mandatory nature of an agricultural census in 1974. The language of the statute (13 U.S.C., sec. 142) is apparently mandatory and leaves no area for administrative discretion by the Secretary of Commerce to suspend the census until 1979. Although no decision has been rendered by the courts on this particular matter, sufficient decisions have been made by courts on questions of reductions in allocation of a number of statutorily prescribed sums to use as analogies for the proposition that the Secretary has not been delegated administrative discretion to by-pass the census in 1974.

The statute provides (13 U.S.C., sec. 142): "(a) the Secretary shall, beginning in the month of October, 1959, and in the same month of every fifth year thereafter, take a census of agriculture, provided that the censuses directed to be taken in October 1959 and each tenth year thereafter may, when and where deemed advisable by the Secretary, be taken instead in conjunction with the censuses provided in section 141 of this title (i.e., the regular decennial census)."

(b) The Secretary shall, in conjunction with the census of agriculture directed to be taken in October 1959 and each tenth year thereafter, take a census of irrigation and drainage."

Funds for the 1974 agriculture census were provided in the Departments of State, Justice, Commerce, the Judiciary, and Related Agencies Appropriations Act, 1973, (P.L. 92-544, 86 Stat. 1109, 1117—"For expenses necessary to prepare for taking, compiling and publishing the 1974 census of Agriculture, as authorized by law, \$1,360,000, to remain available until December 31, 1977").

The governing words in 13 U.S.C., sec. 142 are, "... shall, beginning in the month of October, 1959, and in the same month of every fifth year thereafter, take a census of agriculture ..."

The only discretion permitted to the Secretary in the statute is to forego the quinquennial agriculture census in years ending in "9" and incorporate it in the regular decennial census in the following year. He has no discretionary authority to forego the agriculture census in years ending in "4".

It is not a question of whether the Secretary should spend any given amount of money for the census, but one of the performance of a purely ministerial function, the taking and carrying out of an agricultural census (see, *The City of New York v. Ruckelshaus*, U.S. District Court for the District of Columbia, Civil Action No. 2466-72, May 8, 1973). The only authority for any decision by the Secretary is that which has been delegated to him by the Act (*City of New York v. Ruckelshaus*, *supra*; *State Highway Commission of Missouri v. Volpe*, (C.A. 8th), Civil No. 72-1512, April 2, 1973; *Berends v. Butz*, U.S. District Court, Minnesota, No. 4-73 Civ. 41, March 20, 1973; *Local 2677, the American Federation of Government Employees v. Phillips*, U.S. District Court, District of Columbia, Civil Action No. 371-73, April 11, 1973). Thus, the issue is, not whether the Secretary will abuse his discretion in not holding the census, but whether he has been allegated any discretion to so act in the first place (*State Highway Commission of Missouri v. Volpe*, *supra*).

There is no discretionary authority delegated to the Secretary in 13 U.S.C., sec. 142 to not carry out the census. Rather the language of the statute is mandatory—he *shall* take a census of agriculture. Nor is there anything in the Act that authorizes him to deter the census for other reasons that may be totally remote and collateral to the Act itself (*State Highway Commission of Missouri v. Volpe*, *supra*).

The Appropriations Act does not delegate such authority either. Even if some discretionary authority as to not spending the sums appropriated in the 1972 Appropriations Act (P.L. 92-544) is assumed for the purposes of argument as

having been garnered from that Act, it is undeniable that that statute does not grant unfettered discretion to the Secretary to refuse to spend for the purposes of an agricultural census in 1974. There is no delegation of authority to that end (*State Highway Commission of Missouri v. Volpe, supra*). Nor is there, on the other hand, any delegation of authority to use the funds to prepare for a 1979 census.

The only authority delegated to the Secretary is that of deciding how the funds so appropriated shall be spent so as to carry out the intent of Congress that the census shall be taken in 1974.

Finally, there is nothing in the Anti-Deficiency Act, 34 Stat. 49, as amended, 64 Stat. 765, 31 U.S.C., sec. 665(c) to justify the intent of the Secretary. That Act provides that reserves may be established when the funds "will not be required to carry out the provisions of the appropriations concerned" (*State Highway Commission of Missouri v. Volpe, supra*). That does not seem to be the situation as respects the agriculture census.

In summary, there is no delegation of authority in either the authorization or appropriation Acts to the Secretary to permit him to refrain from taking the agriculture census in 1974. There is no delegation of authority to allow him to use the funds appropriated for the 1974 census to prepare for the 1979 census.

ROBERT L. TIENKEN,
Senior Specialist.

Mr. WHITE. Just to wind up, I will ask both of you don't these agriculture surveys for the benefit of all farmers and those connected with the industry usually generate additional income in the sense that they make new decisions and new directions in their decisions and thereby develop the pace of the industry? You see what I am driving at?

Dr. WEST. I didn't quite follow your point.

Mr. WHITE. Well, the fact is the full survey that has been made in the past reflects directly or indirectly the quickening tempo of income for those who interpret and utilize the data that is gathered, isn't this true? In other words, it is not a nullity in the sense of economic productivity?

Dr. WEST. Now are you talking about the income to those who work on the data?

Mr. WHITE. The users, the farmers, the auxiliary, and ancillary industries.

Dr. WEST. There is no question that all kinds of useful economic data should improve decisions and, therefore, should improve income to the farmers and other people in the agri-business sector. If I didn't believe that I wouldn't be an economist. And certainly the census is one of those elements which provides some very basic data that would be useful in those decisions. Now part of the problem is that of being near enough to the period that it is useful and it is more than historic, and so the sooner we can get that information out and analyzed after it is collected, the better; because, as was talked about, things are changing so fast that if it is several years after the information is taken then the relevancy of that is much less than it was a couple of decades ago in which the change was much slower.

Mr. WHITE. The point I was making is it seems to me that the Office of Management and Budget should consider not just expenditure today of funds, but also the income taxes that are generated as a result of a proper and thorough survey of the agricultural spectrum of this country, and I think this should certainly be taken into consideration. Certainly in our trade relations, as I mentioned to an earlier witness, this is vital information in order to make a proper decision that doesn't in fact penalize the American public, which we feel was penalized by the wheat arrangement.

Dr. WEST. Mr. Chairman, you give the best support to the profession of economists that I have heard for a long time.

Mr. WHITE. Well, there are lots of members that really feel the same way, and I think there is such a thing as false economy. I think you can spend a dollar and get \$3 back by the value of your decisions if you spend it the right way.

We will hold the record open for the submission of the information that has been requested by the witnesses. I am not going to conclude the hearings at this time, for there may be other witnesses that will be suggested at a later date. But we will synopsize the record, we hope that the reporter will have an early opportunity to transcribe, and we will be making some decisions.

I do hope that both you gentlemen, who may not be part of the decisionmaking process of this—I understand your particular roles, and we are not castigating you—in the event that we decide, in fact it should be a full census—I am persuaded that somebody out there, a faceless somebody, has dragged their feet and has anticipated Congress, assuming that Congress was going to take a direction which I am not sure it will. In fact, chances are it won't. But I think they also should know down there that Congress is quite concerned about its co-equal position in the form of government, and that they will insist that the letter of the law be complied with, and that people down in the executive, whoever it might be, can't tinker, because various committees of this Congress are going to continue their oversight and this committee will continue its oversight. We are somewhat insulated and independent of decisions of the executive department. We will continue to exercise our oversight powers, and this, therefore, won't necessarily be the end of this particular problem.

So I hope that message is conveyed in terms stronger than I am addressing them.

But thank you very much, both of you, for coming. We would be happy to receive any further information you might care to submit, or if you would care to come before the committee again to discuss this, we could arrange for that.

(Whereupon, at 11:25 a.m., the subcommittee adjourned.)

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1974 CENSUS OF AGRICULTURE

WEDNESDAY, JULY 11, 1973

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, Cannon House Office Building, Hon. Richard C. White, chairman of the subcommittee, presiding.

Mr. WHITE. The meeting of the Subcommittee on Census and Statistics of the Committee on Post Office and Civil Service will now come to order. And as our first witness we have Mr. Paul Krueger.

The subcommittee is meeting today to take additional testimony concerning the timing of future census of agriculture. Present law requires that a census of agriculture be taken in the fourth and ninth year of each decade. The Secretary of Commerce has formally proposed that this law be changed so as to require instead a census of agriculture in the second and seventh year of each decade. The Secretary's proposal, if enacted into law, would have the effect of postponing the next census of agriculture, presently scheduled for 1974, to 1977.

Congress intended that planning for the required 1974 Census of Agriculture be begun in fiscal 1973. \$1.36 million was appropriated for this express purpose. These funds were impounded on November 24, 1972, and remain in reserve at this time. In addition, the President failed in his fiscal year 1974 budget message to request any funds enabling preparation for a 1974 Census of Agriculture.

These actions have served to delay planning activities for a census required under law. As such, they may have served to jeopardize the proper and efficient conduct of said census. It is thus altogether appropriate that the Office of Management and Budget clarify the basis and legal authority for these budget actions. OMB has accommodated us in this matter by sending to these hearings a spokesman, you, Mr. Paul Krueger, Deputy Director of OMB's Statistical Policy Division.

Mr. Krueger, we wish to welcome you and thank you for appearing before us. It is my understanding that, due to timing problems, you have prepared no written statement. It is also my understanding, however, that you have certain comments you wish to make concerning the status of agricultural statistics in general and how programs for generating such statistics might be improved. We would welcome your comments on these matters.

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STATEMENT OF PAUL KRUEGER, DEPUTY DIRECTOR, STATISTICAL
POLICY DIVISION, OFFICE OF MANAGEMENT AND BUDGET

Mr. KRUEGER. Thank you, Mr. Chairman. I am happy to appear before you and do what I can to clarify the situation which we are now in regarding the postponement of the next census of agriculture and to outline for you the effort that is underway to meet the recognized needs for statistics in this important area of activity.

As you know, what gave rise to the situation we are in now is the fact that the President's budget for fiscal year 1974 was prepared and presented to the Congress without any request for funds to carry out the 1974 Census of Agriculture that is provided for in title 13, under which the Census Bureau operates. That in turn then gave rise to—before I go on to that matter, I must say that this was presented in the context of a proposal, also contained in the budget document, that legislation would be submitted to provide for the change in the timing of the taking of the agriculture census to coincide with the taking of the other economic censuses, namely covering the years ending in 7 and 2, instead of as they now do, 9 and 4. But this meant deferring the census covering the year 1974 until one covering the year 1977.

As a result of that proposal then, since funds had been appropriated in the 1973 appropriations for planning for the 1974 Census of Agriculture and since it had been proposed in the budget that the 1974 census not be taken, there was therefore no use for the funds that had been appropriated to plan for the census, if it was not to be taken. You don't spend money to plan for it if it is not to be taken. That is what is referred to as the impoundment, which is technically taken in the form of apportionment. Simply no funds were apportioned for this year for the expenditure of those funds. In view of the great concern that has been expressed about the impact of the failure to take a census covering 1974, we became much more aware than we had been previously, certainly, of the need for some kind of information covering the year 1974.

Since this situation has arisen, we have given considerable attention to the kind of program that would be most useful in light of the expectation that a full census would be taken covering the year 1977. What kind of a program, then, would best serve the needs in anticipation of the fact that a full census would be taken in 3 years, which is 3 years later than would otherwise have been the case of one covering the year 1974.

We have formulated, at least in outline form, a program which we now propose to present to the Congress, probably in the form of an amended budget for the Department of Commerce. This would provide for a number of components or elements of a rather comprehensive package, which we believe should be given serious consideration to meet these kinds of needs.

First, there would be included in the proposal a request for funds to conduct a rather extensive survey. I wouldn't necessarily call it a census, because it would not be a census in the context which we usually use that term but it would be a rather extensive survey of farms and agricultural activities covering the year 1974 with a sample which would be sufficient not only to provide national data, but to pro-

vide reasonably accurate State data for the immediate purposes and uses. It would not be of sufficient intensity to provide local area data, however.

The cost of such a survey would run somewhere between \$7 and \$8 million. It hasn't been priced out exactly yet, but we do have estimates in that range. The basic purpose of such a survey would be to meet most needs of the Department of Agriculture and other Government agencies for information pertaining to the agricultural and the farming situation. It would provide basic information on farm income; it would provide information on income received by farm operators from farm-related type activities such as one farmer performing farming services in the way of cultivation, harvesting, application of pesticides, or what-not, for other farmers. It would include information on nonfarming income. It would include information on investment in machinery and equipment and other elements of farm expense in the way of expenditures for pesticides, purchase of farm services, employment, farm labor, and so on. This is basically the kind of information which is needed, particularly by the Department of Agriculture to improve and firm up their estimates of farm income which have been deficient in the past, and it serves the interest of the Department in that respect.

It would not provide, however, and I want to make this clear as I don't want to mislead anybody as to what kind of information it would not provide; it would not provide detailed information on production of specific crops, except maybe for some of the major crops. It is considered that the work of the Department of Agriculture, which is presently going on and has been for some time, is entirely adequate to serve those needs for information about the size of the wheat crop or the corn crop or what-not.

Well, that is one part of the package. Another part of the proposal is the part that would be reflected in the budget request which will be submitted to Congress shortly, I hope. This part of the proposal would be, in conjunction with taking the regular agriculture censuses to coincide with the economic censuses and considering this proposal that I have just outlined as being in lieu of a full coverage of 1974 Census of Agriculture, a proposal that a long range program be laid out which would provide for the conduct of annual surveys of agriculture in between the taking of the quintennial censuses of agriculture. This would provide an opportunity to collect certain kinds of information on a rotating basis year after year, which are not of the type that should appropriately be included in a full scale census of agriculture. It would provide an opportunity to obtain annually certain kinds of information which we do not otherwise get. And it would be a sort of a counterpart in the agriculture field of what we have in the census of manufacturers, where we have quintennial census of manufacturers and every year an annual survey of manufacturers is conducted on a sample basis.

This annual survey then of agriculture or farms, as you will, would be a relatively small sample, in the same way as the annual survey of manufacturers covers the relatively small sample of all manufacturing establishments. Under sound statistical sampling procedures, of course, this inevitably means almost complete coverage of the largest economic entities, whether they be farms, manufacturing establish-

ments, or whatnot and then scaling down a sample to the very smallest economic entities, whether they be farms, manufacturing establishments perhaps even in the case of the census of manufacturers, maybe no coverage. Certain kinds of information may be obtained from certain administrative records, as for example, in the case of the manufacturing, even in the census we do not get returns from the small manufacturing establishments. We take information from the tax returns and their gross receipts because a very large number of the very smallest ones represent only a very small proportion of the total amount of output. So from the standpoint of economic use of resources, you can't afford to put very much into obtaining detailed information on such a large number when they contribute so little to the total value of production or employment, or whatever it may be.

That then would be a second part of the program that we would like to propose. I have already said that this would be in conjunction with, of course, the changing of the timing of the regular census of agriculture to the years ending in seven and two. In conjunction with this operation, we would also propose that procedures be developed for the compilation of what is referred to sometimes as a farm directory, which is essentially a listing of farms which is required for the conduct of any kind of survey of this sort. And it is the kind of information, for example, which is required by the Department of Agriculture in carrying on their current crop and livestock estimating work. One of the best ways of compiling such a list is to do it in conjunction with an extensive data collection operation such as we have been talking about here, and then making available that kind of a list of farms for use within the Census Bureau and to the Department of Agriculture for the carrying on of their work. This is something which the Department of Agriculture has been very much interested in for a long time. It is something which was finally facilitated by the signing of the Executive order which gives the Department of Agriculture access to tax return information of the type required to develop such a list, namely the name, identification, and some indication of the size of the operation.

Well, that is essentially the kind of program which we are working on and I am prepared to propose this program in a formal submission to the Congress, I hope next week.

Mr. WHITE. Thank you, Mr. Krueger. What we are going to do is allot each member this morning about 10 minutes for the first round and if there are other questions they would like to ask later, we will see what our time is and if possible, permit them to further ask questions. And we are going to recognize them in order of their appearance for the committee this morning.

Therefore, Mr. Hanley, if you will proceed with your questions, sir.

Mr. HANLEY. Thank you very much, Mr. Chairman. Mr. Krueger, I am assuming then that it was the OMB that sought postponement, as opposed to the Department of Commerce.

Mr. KRUEGER. No; that is not correct. Technically the order of events here is that the Department of Commerce submitted their budget request for fiscal 1974 and it did not contain any provision, any request for funds for the 1974 Census of Agriculture.

Mr. HANLEY. Then OMB first became aware that in essence apparently Commerce favored a postponement when Commerce failed

to build into its budget a request for these funds? This was the first inkling that OMB had that perhaps Commerce sought a postponement?

Mr. KRUEGER. Well, we knew it was being considered within the Department before the formal submission of the budget came over; yes.

And I believe the officials of the Department of Commerce have so stated. The first opinion at that point originated then.

Mr. HANLEY. And on February 5 of this year the Office of Management and Budget transmitted to the Congress a report on budgetary reserves. This report documents the impoundment of \$1.36 million in funds appropriated for planning the 1974 census on agriculture. The report cites two passages from title 31 of the United States Code, providing legal justification for this impoundment action. Now the first of these passages makes legal the impoundment of funds when necessary "to effect savings whenever savings are made possible by or through changes in requirements; greater efficiency of operation; or other developments subsequent to the data on which such funds are made available."

For the committee, that being the case, could you provide the subcommittee with a full explanation of why OMB feels this provision of the United States Code is applicable in this particular case?

Mr. KRUEGER. Well, the decision was that it was applicable in the light of the proposal that the 1974 census of agriculture not be taken. Therefore, as I indicated earlier, if the census is not to be taken, it would be a complete waste of funds to plan for the taking of a census you are not going to take.

Mr. HANLEY. Then the second United States Code citation used to justify the impoundment in question permits impoundment in order to "achieve the most effective and economic use of funds available for periods beyond the current fiscal year."

Again, could you provide an explanation of why this provision of the United States Code applies in the case in question here?

Mr. KRUEGER. Same basic reasoning process. The 1973 appropriation of funds for the planning of the 1974 census of agriculture provided that the funds in the amount of \$1.36 million be available to remain available until December 31, 1977. They were not funds which were required to be spent in any particular year. They could be spent over an extended period of time, which is the normal procedure that is followed in the appropriation of the funds for the so-called periodic censuses since the operation extends over a substantial number of years. The appropriation is usually made so that the funds are available until sometime fairly far into the future.

Mr. HANLEY. You mentioned the year 1977.

Mr. KRUEGER. This was the language of the 1973 Appropriation Act. The funds were to be made available until December 31, 1977.

Mr. HANLEY. In response to a request from the subcommittee staff, the American Law Division of the Library of Congressional Research Service provided an opinion as to whether or not there exists a legal authority for the impoundment of funds appropriated for planning of the 1974 census of agriculture. The opinion argues that no such authority for impoundment exists.

Would OMB be willing to provide to the subcommittee a written response to the arguments cited in this opinion?

Mr. KRUEGER. Well, I was just handed a copy of it this morning and I haven't even looked at it. I would think so, depending on the nature of the points made in the opinion. I would certainly think it would be in order.

Mr. WHITE. Mr. Krueger, the committee, upon receipt of the responses to the opinion as requested by Mr. Hanley, will then make it part of the record and may I interject at this point, when would you anticipate that you could get these responses back?

Mr. KRUEGER. I will certainly take it back with me and give it to the appropriate authorities and ask for a response to it.

Mr. WHITE. We are going to hold you to that, Mr. Krueger.

Mr. HANLEY. This is very important to the subcommittee and I am confident that OMB will be cooperative.

Thank you, Mr. Krueger. Thank you, Mr. Chairman.

Mr. WHITE. Mr. Rousselot?

Mr. ROUSSELOT. Mr. Krueger, we appreciate your being here today. Is Mr. Ash aware that you are here on this subject? The reason I ask is because agriculture is one of the biggest industries in California and I was wondering if he was aware that you were here on this subject?

Mr. KRUEGER. I am not sure.

Mr. ROUSSELOT. Could you make sure that he is and that he will know of your testimony? So many times we don't know if the head of an agency understands when somebody is here.

Mr. KRUEGER. I certainly will. As of now, I am not sure how far up the line the arrangements—

Mr. ROUSSELOT. You make sure that he understands, would you please?

Mr. KRUEGER. Yes.

Mr. ROUSSELOT. Do you believe in abiding by law yourself?

Mr. KRUEGER. Yes.

Mr. ROUSSELOT. Well, under the present section of 142(a) of title 13, United States Code, the Secretary of Commerce is required to take a census of agriculture in October of 1974. When you went through this, your process of reviewing this budget, did you take into account that that was the law?

Mr. KRUEGER. Yes.

Mr. ROUSSELOT. How do you justify shutting this aside?

Mr. KRUEGER. On the basis of a proposal that the law be changed?

Mr. ROUSSELOT. I understand that, but we weren't notified until just this year of the intention to shuttle it aside. The Census Bureau people tell us it takes at least a year, or 2 years' minimum time, to prepare for this kind of census. Why weren't we at least given the courtesy of advance notice that you intended to just shuttle this aside? Don't you think we should have been given this courtesy, if you were going to break the law?

Mr. KRUEGER. I think I can attribute that to poor planning.

Mr. ROUSSELOT. Yes, we have had a lot of poor planning lately. I think it is important that if there are good and sound reasons to just shuttle aside a census that is clearly required by law, that advance notice—more than just April of this year—be given to the House. I know there was a request for a change in law, but if preplanning is required

for this kind of census—and the census people made it clear that this kind of advance planning is necessary—I would think that OMB in its check of this kind of thing, would consult the law, at least when this kind of preplanning was occurring. Do you not check the law?

Mr. KRUEGER. We were entirely aware—

Mr. ROUSSELOT. Then were you aware that the law was mandatory? Is that correct?

Mr. KRUEGER. This may not excuse it, Congressman, but the law also requires a census of transportation, has required for some time that a census of transportation be taken and one was not taken for quite a number of years.

Mr. ROUSSELOT. I just wondered what kind of thinking goes on when we have been told that much advanced planning is required for a census, and yet we are really kind of put on notice after the fact. I am a little disturbed at that. I hope you will transmit that feeling to Mr. Ash. The Senate has passed a resolution, Joint Resolution No. 95.

Are you aware of that?

Mr. KRUEGER. Yes.

Mr. ROUSSELOT. Supposing the House were to pass the same thing, what do you intend to do at OMB?

Mr. KRUEGER. What I would expect to do would be to initiate what the resolutions calls for. I can't vouch for what final decision would come out of the Director's Office of the OMB or the President's Office. I don't know.

Mr. ROUSSELOT. In other words, if the House passed something similar, you would consider that adequate notice that you should proceed with the full census; is that correct?

Mr. KRUEGER. I personally would; yes.

Mr. ROUSSELOT. And you would recommend that to your superiors?

Mr. KRUEGER. Yes.

Mr. ROUSSELOT. I hope you will convey that message, that the Senate has passed the joint resolution which is now being considered by the House.

You had a chance to review the material that actually came out in 1969, did you not; as to whether OMB does any analysis to determine if material is productive or useful?

Mr. KRUEGER. We are aware of it certainly, and we know we approved the plans for the obtaining of the information. We approved the questionnaires which were used by the Census Bureau.

Mr. ROUSSELOT. In your analysis, does anybody check to see if the end product is worth anything?

Mr. KRUEGER. We endeavor to do that, yes, by expressions of opinion which we attempt to get on the usefulness of all the information that is published.

Mr. ROUSSELOT. I would appreciate if we could get some kind of analysis from OMB as to how valuable this material actually is. The 1969 report has been out for some time and was it used? Do you check those kinds of things?

Mr. KRUEGER. No, we do not check them at all. We rely on expressions of opinion, the views which are obtained principally by the Department of Agriculture or the Department of Commerce or by such organizations as the Federal Statistics Users Conference, and what they say about the usefulness of such data.

Mr. ROUSSELOT. Didn't the Users Conference say they thought the 1974 census of Agriculture would be useful?

Mr. KRUEGER. Yes.

Mr. ROUSSELOT. Then you didn't really take into account what they said?

Mr. KRUEGER. That was after the fact of the proposal.

Mr. ROUSSELOT. What I am trying to get at is do you do any kind of real analysis as to whether the end product is worth the dollars spent on it. I guess that is what I am asking and if you do, could we have that input?

Mr. KRUEGER. We do not make that kind of analysis.

Mr. ROUSSELOT. You rely entirely on the agencies?

Mr. KRUEGER. That is correct.

Mr. ROUSSELOT. I thought that was one of the main purposes of OMB, to help the President decide whether end products of any kind produced were useful?

Mr. KRUEGER. That is correct, but in doing that we do not follow a procedure in which, for example, we go out to farmers and obtain their views as to whether or not they find a publication useful.

Mr. ROUSSELOT. You mentioned the users group, and our understanding was that they supported the census. And so, evidently, for those to whom you did ask advice, you didn't use that advice?

Mr. KRUEGER. What you are getting at is we did not check with such interest groups in the process of making the decision which is reflected in the 1974 budget for example, as to whether or not it would be appropriate to postpone the census by 3 years. That we did not do.

Mr. ROUSSELOT. Mr. Krueger, it has been made clear many times before Congress that the whole industry of food production is an extremely important area. On the basis of all the testimony we have heard, if there are some overwhelming reasons why the census should not be taken, those reasons have not been shown. Could OMB provide us with any information they have, other than just the cost and the cost differential? As I understand, the Census Bureau was going to go ahead with an \$8 million minimum survey of some kind as opposed to a \$28 million census. I realize you didn't make the initial decision; Commerce did. Could you provide us information as to how you arrived to those decisions other than just the recommendation of Commerce not to do it?

Mr. KRUEGER. Well if you are only—

Mr. ROUSSELOT. Especially, since you were breaking the law not to do it, tell us how you arrived at the overwhelming conclusion that it should not be done. You were aware of the law, as you have told us.

Mr. KRUEGER. In the first place, we concurred in the objective which we considered to be desirable, to change the timing of the census of agriculture.

Mr. ROUSSELOT. I understand that.

Mr. KRUEGER. We can only do this by taking a census covering 1977. The question then is how do you get to that position of taking one covering the year 1977. Do you take one covering 1974 and then 3 years later do another one, which entails an expenditure of the full amount of funds required to take two censuses, but in this case 3 years apart instead of 5 years apart. Or do you get to that position by some other process? What I am proposing now, and what I would like to appeal

for on the grounds of merit in the situation which exists as of now, is a serious consideration of the proposal of the kind I just outlined instead of taking a census of agriculture, full scale covering the year 1974, about which there are grave reservations as to usefulness, at least for certain purposes.

Mr. ROUSSELOT. Let me interrupt at that point. If there are grave reservations, let us have those in writing.

Mr. KRUEGER. All right. You are talking now about simply a re-taking, a rerun, as has been referred to, of the 1969 Census of Agriculture.

Mr. ROUSSELOT. Did Mr. Butz, the Secretary of Agriculture, oppose this census?

Mr. KRUEGER. No.

Mr. ROUSSELOT. He didn't?

Mr. KRUEGER. Not that I know of.

Mr. ROUSSELOT. In other words, he favored it then?

Mr. KRUEGER. He didn't oppose it, as far as I know.

Mr. ROUSSELOT. Mr. Krueger, can you give us in writing what the position of the administration or OMB will be if Congress does not change the law to permit the delay?

Mr. KRUEGER. I think as of now, the position of OMB would be to submit a proposal of the type I have just outlined.

Mr. ROUSSELOT. To proceed with the \$8 million—

Mr. KRUEGER. Something of that order.

Mr. ROUSSELOT. But as I understand, according to the census people, if the law were to be carried out as written, the census would cost between \$20 to \$28 million?

Mr. KRUEGER. That becomes in part a legal question of what constitutes a census on the one hand as distinguished from a large scale survey or something like that.

Mr. ROUSSELOT. But I think section 142(a) of title 13 is relatively specific and according to the census people, they are pretty aware, on the basis of their previous census, what is required by the law. Their guess was that it would be between \$20 and \$28 million. They seemed to indicate that part of their problem in moving ahead with that, if they were ordered to do so by the Congress, would be what OMB would allow them to spend on it. You now tell us that if Congress again reinforced what the law says, that you would only go with an \$8 million census; is that correct?

Mr. KRUEGER. Substantively from the standpoint of the usefulness of the information to be obtained, I would favor that.

Mr. ROUSSELOT. I didn't say what you would favor. What would you do?

Mr. KRUEGER. What would I do? At this point, I can only assume, at my level at least, we would initiate plans to prepare such a proposal.

Mr. ROUSSELOT. At the \$20 to \$28 million level? Thank you. The answer to that is affirmative?

Mr. KRUEGER. As far as I am concerned; yes.

Mr. WHITE. Tell us precisely what your position is and what your role is in the decisionmaking procedures of OMB, so that we will know in context what part you play.

Mr. KRUEGER. I am Deputy Chief of the Statistical Policy Division. I am a professional technician. I am concerned with the collection, proc-

essing, dissemination of statistics. My role then is to view these kinds of questions from this standpoint.

Mr. WHITE. Do you have any part in the decisionmaking process as to how to proceed and whether to proceed for taking of a census as we have in this instance?

Mr. KRUEGER. Yes.

Mr. WHITE. You do? Then were you a part of the decision not to proceed with the 1974 census decision?

Mr. KRUEGER. I concurred in it.

Mr. WHITE. Were you consulted prior to the full affirmation of that decision?

Mr. KRUEGER. Yes.

Mr. WHITE. In other words, you would say your affirmation was a part and a substantive part of the final decision not to proceed in the 1974 census for agriculture?

Mr. KRUEGER. Yes.

Mr. WHITE. If you had said that you felt a census should be taken for agriculture purposes in 1974, that the process would have proceeded?

Mr. KRUEGER. I don't know.

Mr. WHITE. Is it possible that they would have?

Mr. KRUEGER. It is possible, yes. My personal judgment in this case would be that probably it would not have. I don't know. That is my personal view of it.

Mr. WHITE. But at least you have influence in the final decision as to whether to proceed or not?

Mr. KRUEGER. Yes; I think so. But may I amplify on that? That was from the standpoint of the achievement of the objective of obtaining the synchronization of the economic censuses. I think I must say this at this point, that we were not aware in the process of making that decision and viewing it from that standpoint, of the rather vigorous expressions of opinion about the need for information covering the 1974 year and the damage that would be done if there was, instead of the normal 5-year lapse between the taking of the censuses, an 8-year lapse. That is basically the reason why we are now proposing the other program.

Mr. WHITE. But Mr. Krueger, isn't that almost an aside insofar as the law requires that a census be taken? In other words, in the time you assume that it is not going to be noticed or not going to be urged on you, do you make a decision contrary to the law or do you adhere to the law in your decision?

Mr. KRUEGER. No; but the decision was made on the premise that the law would be modified.

Mr. WHITE. How could you anticipate that Congress would change the law when there are 535 members with different opinions?

Mr. KRUEGER. I have great difficulty anticipating what a lot of people in organizations are going to do.

Mr. WHITE. Precisely. So how could OMB make the decision that Congress would change the law and OMB make its decision and proceed on that before notifying Congress of its intentions?

Mr. KRUEGER. The particular decision here was technically the submission of a budget and a program proposal—

Mr. WHITE. And the Congress did appropriate \$1.36 million for the planning which was pigeonholed by your decision to impound those funds and take no action whatsoever, isn't that true?

Mr. KRUEGER. This is true.

Mr. WHITE. It would fly in the face of the law.

Mr. KRUEGER. But associated with that was the proposal that the law be amended.

Mr. WHITE. You are making an assumption and OMB should never make assumptions. Weren't you, sir?

Mr. KRUEGER. Making an assumption with respect to what?

Mr. WHITE. That Congress would change the law.

Mr. KRUEGER. We were hoping they would and we still hope they will.

Mr. ROUSSELOT. Wait a minute. Could I interject? You assume they would change the law, even when the Senate already has passed the Joint Resolution No. 95?

Mr. WHITE. I was just going to ask that next. You are still operating apparently under that assumption.

Mr. KRUEGER. We are hoping they will amend the law.

Mr. WHITE. Let's talk about the hope. You already have a resolution of the Senate and I think it was not even germane to the bill to which it is appended, if I remember correctly, insisting that the Census Bureau proceed with the agriculture census; isn't that true?

Mr. KRUEGER. Yes.

Mr. WHITE. That means the majority of the Senate did approve that particular action, right?

Mr. KRUEGER. Yes.

Mr. WHITE. You are now before this committee, and observe the majority of the committee being present are somewhat irate that the law was not followed regarding the census?

Mr. KRUEGER. Yes.

Mr. WHITE. You also know that there has been a cry over the Nation from many sources who are the electorate of this Nation, insisting that the agriculture census be taken; isn't that true?

Mr. KRUEGER. Yes.

Mr. WHITE. You know Members of Congress heed these cries. So how can you say you hope this law will be changed?

Mr. KRUEGER. I hope the kind of proposal I have outlined will be eventually seen and accepted as being more desirable in the long run than simply a retaking of the census of the kind we have had in 1969.

Mr. WHITE. When was this decision made, Mr. Krueger, not to take the agriculture census of 1974?

Mr. KRUEGER. Well, it was reflected in the 1974 budget.

Mr. WHITE. Which was in 1973?

Mr. KRUEGER. It came to Congress in January of this year.

Mr. WHITE. This is July of 1973, which means 6 months later. So where is the proposal, sir? Do you have it codified?

Mr. KRUEGER. Beg pardon?

Mr. WHITE. Do you have an actual bill?

Mr. KRUEGER. No. We hope to have it next week.

Mr. WHITE. How long does it take to draw a bill, Mr. Krueger?

Mr. KRUEGER. It is not only the bill which would be required, but a budget proposal.

Mr. WHITE. The fact is, I don't think you ever intended to take a census in 1974, and were hoping that this census would go beyond Mr. Nixon's term in 1977 so the expense would not show on his 4 years; isn't that true, sir?

Mr. KRUEGER. So far as I know, this had absolutely nothing to do with it. There was a concern with the expense of money which would have been required for 1974.

Mr. WHITE. All right, Mr. Krueger, I am sure you, being a statistician, have a good memory and I think you can carry the message back to the OMB the feelings of this committee and the Senate, in regard to the need for an agriculture census. Now, once you arrive at a point which you should have by this time, that the Congress is going to insist on a census for agriculture, what does OMB propose to do with the \$1.36 million which is now impounded? What decision will you make in that regard?

Mr. KRUEGER. I will assume that by the same token, the decision was made to reserve the funds on the premise that the census would not be taken, that if the situation changes and now the census is to be taken, that the funds will be released and used to plan for it.

Mr. WHITE. Let me point out that in our hearings we had a number of experts who are in the field, in the agriculture business, and it was clearly stated to us that a census for agriculture needs is not extremely useful unless it reaches down to the county level.

Now in your opening statement, you proposed a census of sorts that would reach to the State level, but not to the county level. In other words, you are still of the attitude for a proposal that in the opinion of most of those in the field would be useless for their purposes and very likely therefore, useless to the purposes of Congress and the purposes of industry. Are you aware of this attitude of the agriculture industry?

Mr. KRUEGER. Yes; and that refers certainly to certain kinds of uses which I fully recognize would not be served unless they have small area data, and the only way you can get small area data is a census of sufficient magnitude to give you the reliability you require for such small areas.

Mr. WHITE. Let me ask you this hypothetical. Isn't it true that whatever income is generated in an industry such as the agricultural industry adheres to the advantage of the United States in the form of taxes returned?

Mr. KRUEGER. Right.

Mr. WHITE. So therefore, if you have economy today—even \$28 million worth of economy—you may be cutting yourself short on greater revenues from income taxes and other revenue derived from a census—agriculture census—isn't that true? So in other words, expediency of savings can sometimes be found foolish?

Mr. KRUEGER. That is the way the phrase goes; yes.

Mr. WHITE. At this time, Mr. Lehman, do you want to ask any questions?

Mr. LEHMAN. No; I have no questions.

Mr. WHITE. I may have some others later. Mr. Bafalis?

Mr. BAFALIS. No questions.

Mr. WHITE. I will allow the members of the committee about 4 minutes additional and then we go to counsel. Mr. Hanley?

Mr. HANLEY. Thank you, Mr. Chairman. I noticed in your testimony an inconsistency which I found troublesome. You responded to my question related to the reason for the negative action taken by OMB in this matter as the result of the fact that the Commerce Department did not contain a request for the money in its budget.

Subsequently, in response to Mr. Rousselot, you said that OMB did have grave reservations about the necessity for the census.

Mr. KRUEGER. I must have made that statement in some context.

Mr. HANLEY. In response to Mr. Rousselot's question.

Mr. KRUEGER. If I made it, let me explain what I meant. I would have reservations, and I did have reservations about the taking of a census covering the year 1974 and then retaking one 3 years later to cover 1977 in order to achieve the objective of getting on the cycle. I think there should be a better and more economical way of accomplishing that transition.

Mr. HANLEY. That being the case, then you erroneously answered my question, because apparently and on this basis of the statement you have just made, OMB took it upon itself to take this negative action and not necessarily the Department of Commerce.

Mr. KRUEGER. Negative action?

Mr. HANLEY. With regard to the census.

Mr. KRUEGER. No. Negative action with respect to the 1973 funds. That is correct.

Mr. HANLEY. You have changed your testimony now to say that OMB had grave reservations about the necessity for the census, which is somewhat inconsistent with your original response to my question where you said the reason was that the Department of Commerce had not requested the money in its budget and for that reason OMB then took a negative action or negative position?

Mr. KRUEGER. I was describing the process there. The Department of Commerce submitted a formal budget proposal which did not contain any request for funds for the 1974 census of agriculture.

Mr. HANLEY. And on the basis of that, you told me that it was the basis for the inaction taken by OMB. Then subsequently you related that philosophically and otherwise, the position of OMB was against the taking of the census.

Mr. KRUEGER. Well, I guess I may be only objecting to your use of the term "reason why." OMB has—

Mr. HANLEY. Let me get back then to the original question then. OMB looked upon this with a jaundiced eye?

Mr. KRUEGER. The deferral of the 1974 census? No.

Mr. HANLEY. You have said that OMB had grave reservations about the necessity for the census.

Mr. KRUEGER. About a 1974 census if it was expected to take one covering 1977. That I had reservations on then and I have reservations about it now. That is the reason why we are proposing a different kind of a program, in order to achieve the transition in the timing. I am sorry. I don't understand you.

Mr. HANLEY. Well, I suggest that you read the minutes of this hearing, and perhaps you might better understand what I am saying. Now to get back to this matter about the law and actually walking away from the law, because the law might be changed, how in the world can

we justify that on the premise that the law might be changed, you are not going to act in accordance with that law? That is what you have told us.

Mr. KRUEGER. It was a simultaneous proposal—one, to amend the law—

Mr. HANLEY. But the law remains the same. And I think you know that the intent of the Congress is that you adhere to the law until such time that that law might be changed. So in essence, you know, the agency has broken the law; is that true?

Mr. KRUEGER. Well, technically—I am no lawyer—but technically I don't know if they have broken it yet or not.

Mr. HANLEY. Seems to me very clear that the law has been broken.

Mr. KRUEGER. There has been every indication today that there was no intention take the 1974 census as provided for by the present law; that is correct.

Mr. HANLEY. Well, that is very interesting.

Mr. KRUEGER. But, simultaneously, there was a proposal to amend it.

Mr. HANLEY. No indication that the agency was to abide by the law?

Mr. KRUEGER. Yes; because there was simultaneously a proposal to amend the law.

Mr. WHITE. In your mind, you mean, sir.

Mr. KRUEGER. Yes.

Mr. HANLEY. You know in the private sector, people go to jail for doing that. And this is the second instance during the course of a month where in testimony provided before a committee, we have learned of an agency actually breaking the law. And this, in my mind, cranks up the necessity of our moving in the direction of doing something, perhaps through the Judiciary Committee, that is going to put the responsible person in that agency on the spot if he or she takes it upon him or herself to break the law contrary to the will of Congress. Now if you are not going to adhere to the law, then why do we sit around here in Congress conducting hearings and markup sessions and developing legislation if the law is not going to be adhered to? It would be an exercise in futurity. So on the basis of your testimony this morning, and on the basis of testimony presented in another committee during the course of the past month where admittedly the law was broken, it seems to me then that we have got pretty good reason to move in the direction of some corrective legislation that is going to put that responsible agency person on the spot in the same sense that a citizen in the private sector who breaks the law finds himself in. Certainly it is very irritating to me, and I think it is very irritating to every member of Congress in recognition of the effort and time that is put into making these laws.

Mr. KRUEGER. Mr. Congressman, I can understand your irritation. I can understand the feeling of frustration that perhaps is felt rather widely over the situation in which we are in now. But technically since you refer to breaking the law, again I am no lawyer, but the time has not yet come for the taking of the 1974 census, so I don't know of anybody who has broken the law yet. It really comes down then to the question of how do you accomplish a change in a program? Now it is entirely possible, and I guess I would have to say that in the light of the situation as it has developed, that we chose a poor way in this particular situation.

Mr. HANLEY. The answer to the question is to effect the change through legislative process.

Mr. KRUEGER. It would have been much more desirable had this been anticipated long enough ago to have submitted a proposal to amend the law and then proceed from there.

Mr. HANLEY. I would hope that would be the process, but obviously it wasn't.

Mr. KRUEGER. That would be the appropriate procedure in order to accomplish this transition.

Mr. HANLEY. Thank you, Mr. Chairman.

Mr. WHITE. Mr. Rousselot?

Mr. ROUSSELOT. I have been in agencies of the Government and I know how they operate, but I am somewhat perplexed that OMB could make such a decision. You are part of it and are conscious of its responsibilities under the law, and you say to us that you were aware of the law requiring this particular census under section 142 (a) of title 13. You are aware of that mandate by Congress, and you were at the time you made the decision, whatever that date was. You say that was concurrent with the budget itself, that there was no provision, alternative, or option left open to go ahead with the census. Now I realize that Mr. Dent, Secretary of Commerce, sent a memorandum on April 18 to the Speaker of the House asking that section 142 (a) of title 13 be amended. That was dated April 18. On June 22, the Senate passed a joint resolution enforcing the mandate to go ahead with the census. What have you done since that action on June 22? Have you made any plans to do anything or are you still going to disregard the law?

Mr. KRUEGER. Since June 22, we have been in the process of discussions with the Department of Agriculture and the Department of Commerce with respect to the kind of a program which I have talked about today.

Mr. ROUSSELOT. Has one Member of the Congress or the Senate introduced your amendment?

Mr. KRUEGER. Not so far as I know.

Mr. ROUSSELOT. Isn't that an indication to you that nobody in this Congress is going to go along with your recommendation?

Mr. KRUEGER. This I hope would be considered in context with what are the alternatives and what are the benefits and relationships here.

Mr. ROUSSELOT. Well, let me try to get right to the heart of this matter. Since April 18, nobody in the House of Representatives or the Senate has indicated they are willing to amend this law. As a matter of fact, the opposite has occurred. On June 22 the Senate spoke pretty clearly, by its actions, that it expected this census to go ahead. Again, there is the law which is on the books and has been there for some time. As a matter of fact, the Census Bureau took a very extensive census in 1969. Many people have come here to testify, especially county organizations, that they need this material—that it is required for the whole industry of agriculture—to make certain determinations in the future. Now, what plans can you assure us that OMB is taking to make sure that the Department of Commerce is going to go ahead and comply with the law?

Mr. KRUEGER. I would hope as of yet even, and this may be an exercise in futility, too, but I would hope that as of yet we could come to some compromise which would be more acceptable than proceeding

with the rerun of the 1969 Census of Agriculture in 1974, because I believe you have had testimony also before you as in the case of the Senate that there were grave deficiencies in that, grave doubts as to the usefulness of simply repeating that kind of a census. My primary interest here, if I may get away from the question of whether it is breaking the law or not breaking the law, my primary interest here from the standpoint of the substance involved is how do we develop a program of the kind which will provide the most useful information.

Mr. ROUSSELOT. Have you done an analysis of that?

Mr. KRUEGER. I have.

Mr. ROUSSELOT. I don't think it is good enough to just go ahead and say you are going to break the law, and that is what you will be doing if you don't comply with it. What are the alternatives? Have you submitted that and the backup for that reasoning?

Mr. KRUEGER. No. I hope to—

Mr. ROUSSELOT. This is a long time after the fact, and the census people tell us that even if the census were mandated right now, it would still press them to get it done. Of course, I think they could still get it done, but it requires leadtime and if that leadtime is required, why aren't you at OMB making preparations to go ahead with this, since one branch of the Congress has already said go ahead with it. You said you looked into the law when you considered this, and I want to make it clear as one Member of the Congress, that I think it is breaking the law if you don't go ahead with the taking of this census, especially when one branch of the Congress has passed a resolution stating that this be done.

You talk about frustration. It isn't just a matter of frustration. We have people who, for the slightest reason of noncompliance with IRS, have their property confiscated if they don't comply with IRS regulations. I don't think the members of Government that operate in the executive branch should be any different from the normal citizen, do you? Well, you have the message, I think.

Mr. WHITE. Mr. Bafalis, do you have any questions?

Mr. BAFALIS. No.

Mr. WHITE. I have just a few, then we will go to counsel. I think it has pretty well been touched on, but what can we expect from OMB on the agricultural census now from this point on? As far as action goes? What action will you yourself and those about you decide in order to implement what you apparently—I am sure you see is the clear meaning of Congress, certainly this committee and the Senate?

Mr. KRUEGER. Well, as of the time before I came up here, it was the position that we formulate a proposal and formally submit it to the Finance Committee; a program like I just outlined. I would assume—

Mr. WHITE. Are you talking about a change in the law?

Mr. KRUEGER. The proposal to push ahead on the pursuing of the objective of amendment to the law, but the submission of a program covering 1974 of the type I just described.

Mr. WHITE. When do you anticipate getting that before us?

Mr. KRUEGER. Next week.

Mr. WHITE. Will you send a copy to this committee, so we can examine it to see whether we consider it adequate, because we do have oversight in this area.

Mr. KRUEGER. That would be the normal budget proposal.

Mr. WHITE. You acknowledge that in order for the Census Bureau to plan for a census, they must have planning money. Will you be making a decision quickly concerning the release of the impounded funds so they may proceed with their planning?

Mr. KRUEGER. Some decision will have to be made, yes. Exactly what it will be, I don't know, to be perfectly honest with you. There is a question as to whether or not the funds that were appropriated for 1973 might be used to carry out the program I have described, because the language of the Appropriation Act for 1973, providing the \$1.36 million, was to prepare for and conduct the 1974 Census of Agriculture. Now, if we are in the position of not taking the 1974 Census of Agriculture, I think the decision might very well be that those funds could not be used for doing other than the taking of a 1974 Census of Agriculture, in which case we would have to find other resources. I don't know what the—

Mr. WHITE. Mr. Krueger, may I mention that I see looming ahead, if real action isn't taken somewhere around the line, either action by Congress or mandatory injunction by an individual or a class of individuals, which I think would embarrass the administration, frankly.

You have just mentioned a legal block, and I presume that you will have your staff advise this committee within that same week as to the question of this legal block and as to what you feel or your agency feels that Congress has to do so there will be no question that you can proceed on the taking of the Agriculture Census for 1974. Anticipating that Congress won't change the law, because that is the only logical, rational, scientific premise that you can go on. You can't go on the premise that it will change. Am I correct on that?

Mr. KRUEGER. We have also had the situation in the past in which funds have not been appropriated for the taking of the—say, for example the 1953 census of manufacturers, and one was not taken.

Mr. WHITE. You can be sure that this Congress and this committee and the Senate are going to be insisting that the census be taken and they did have planning money, which could be utilized up to this moment.

Mr. KRUEGER. Well, it seems perfectly clear, if the 1974 Census of Agriculture is to be taken, those funds are ready and available. Already appropriated funds. The budget would have to be amended, and an appropriation would have to be made to finance taking the census.

Mr. WHITE. If you will advise us and we will advise the Appropriations Committee and the proper committees of Congress, so there will be no question and no hiatus between your agency and the Congress that would stall the particular census. Would you please provide the committee with the analysis of your staff on that subject as to what Congress must do and what legal roadblocks that there may be?

Mr. KRUEGER. With respect to proceeding with the census?

Mr. WHITE. Yes. Thank you very much. Mr. Lehman?

Mr. LEHMAN. I want to ask one question. This act of omission, whatever it is, seems like it was very unwise. I have no farmers in my district, but I have an awful lot of consumers looking down the road to the meat rationing and so forth coming on before the end of this decade. Considering competition abroad for all of our feed grains and

farm products, at the last half of this decade we are going to be talking and dealing with consumers who don't have this information available to them from a mid-decade census. We are going to be in a very defensive position, and these are the kinds of questions that are going to come up. Why don't you have the information? Why are we in this fix? Already they are upset when they see baby chicks drowned, and that is what the mail looks like to the Congressmen. I think from the standpoint of just having a viable, responsible Federal Government, we are going to have to provide our people with the kinds of information that will have to come from this kind of mid-decade census. Things just happen too fast.

I was in the meeting this morning on the food lunch program, and comment came up that they are converting coal cars to feed grain cars with canvas over the top of them in order to transport feed grain to ports. People see these things going on, but they don't have any information, any substantial kinds of documents or data, so they can see what is happening to the agricultural industry and the agricultural products of this country. We need this census, and we don't need to wait until the end of the decade to have it.

Mr. WHITE. Thank you, Mr. Lehman. Mr. Bullock?

Mr. BULLOCK. Mr. Krueger, again I am no lawyer either, but it seems to me that the basis of whether OMB has acted illegally in this matter hinges upon whether delaying the planning funds or making available the planning funds for the census has jeopardized the efficient and proper conduct of the census. It would seem to me that if it has not been jeopardized up to this point, whether or not the law was broken is open to debate. Has OMB taken any steps to identify a date after which they feel that such a jeopardy would occur to the taking of a full census, if Congress should indeed decide a census should be taken?

Mr. KRUEGER. No specific or precise date, but it is getting closer all the time or may have been passed, actually. But so that I can certainly say that every additional day or week that passes removes that much time which could have been usefully used in better planning.

Mr. BULLOCK. But OMB has not designated any specific date after which they would have moved ahead with the census?

Mr. KRUEGER. I don't know if the Census Bureau has, and I don't know if they would say there is a specific date beyond which you can't, and before which you can.

Mr. BULLOCK. I realize it is not that black and white, but there is a place after which the disaster becomes snowballing.

It seems to me that many of the advantages that have been cited in favor of coinciding with the agency's censuses are just advantages, and they are many. But it seems to me this problem has also existed for many years. The compilation of input-output tables is not a new innovation, and the problems that have been incurred in trying to generate the agriculture portions of this have been known for some time. What possible rational justification is there for delaying the proposal to change until this late in the ball game? Seems to me there is no reason at all. I can't think of any other than just a move to delay the taking of the full census.

Mr. KRUEGER. If you are suggesting that it should have been done some time ago, I agree with you.

Mr. BULLOCK. Yes. What excuse is there for it not having been done a long time ago, if indeed it is such a good proposal? Who dropped the ball?

Mr. KRUEGER. I don't know that anybody dropped it. Nobody picked it up.

Mr. BULLOCK. Who failed to pick it up?

Mr. KRUEGER. Nobody picked it up.

Mr. BULLOCK. It seems to me one option would have been a 1973 census and then move to the 1977 census, and therefore putting a 4-year interval between. If this idea had been placed a year ahead of the time, it wouldn't have been so objectionable.

You mentioned that you feel taking a survey in 1974 and then taking a census in 1977 would be the best plan of operation. Suppose that Congress goes ahead and mandates that a full census of agriculture is to be taken in 1974, and the Government goes ahead and takes that census, are you prepared or do you have any comments as to whether a transition to 1977 would still be desirable?

Mr. KRUEGER. I think there might be some question as to whether or not, if the full census is to be taken in 1974, it might be appropriate, perhaps, assuming that the legislation will be passed to change the timing—that the nature and the content and coverage of the 1977 census might be different from what they might otherwise be; yes. That would certainly be something to be considered.

Mr. BULLOCK. If there is real merit in this transition, perhaps OMB should go ahead and consider this transition, even if Congress mandates for the 1974 census. The inputs on that analysis should be made available to Congress in enough time where proper evaluation could be undertaken.

Mr. KRUEGER. Yes.

Mr. WHITE. Thank you very much. Mr. Rousselot?

Mr. ROUSSELOT. Mr. Krueger, are you familiar with the document that was sent by Mr. Dent to Vice President Agnew, relating to the suggested amendment to section 142, title 13? Are you familiar with the document that went with it?

Mr. KRUEGER. Yes. You mean the amendment to the legislation.

Mr. ROUSSELOT. Yes, and the description or statement of purpose and need for the change.

Mr. KRUEGER. Yes.

Mr. ROUSSELOT. You are familiar with it?

Mr. KRUEGER. I have seen it.

Mr. ROUSSELOT. I am surprised then, because in this statement of purpose and need, it describes how key a component of the economy agriculture is, and its social significance to the country, and how necessary it is to understand farming as a way of life, the characterization and mechanization of the system, and how it has changed. Then there are four major points about how rapidly the agriculture economy of the country is changing—the whole complex of it. I think the statement of purpose that was sent with the document by Mr. Dent further enforces the need to take the census right now. The statement refers to the substantial decline of the population, the tremendous change in acreage from 213 to 333 acres per farm in the period up to 1970, the drastic change in the value of farmland, the drastic change

in the way it is farmed. To me, that would be an indication of the necessity of completing the 1974 census, wouldn't it to you, on the basis of the documentation presented by Mr. Dent?

Mr. KRUEGER. The question I think, Congressman, substantively is what kind of census, and this committee has had testimony at your previous hearing that something other than a rerun of the 1969 census would be desirable.

Mr. ROUSSELOT. Yes; you are talking about the components that go into it and I understand that, but that still doesn't justify the ignoring of the law and not doing it. That is the point that I am making. As a matter of fact, the statement of purpose and need sent up by Mr. Dent, I think, justifies going ahead with it, because there is such a tremendous change in the whole industry. Wouldn't it to you?

Mr. KRUEGER. Right, and I think the kind of survey program I have just outlined would do a better job of providing information which would reflect and describe those conditions of change than the rerun of the 1969 census.

Mr. ROUSSELOT. You are merely saying the components of it should be different, and that is one of the questions I was trying to lead into. That may well be, but nobody came here and told us that. You have the power to go ahead and change the components. The executive branch does. They don't need to come to Congress to change the components.

Mr. KRUEGER. The problem here becomes, Mr. Congressman, a question, at this late stage, and here again we can be berated for having fiddled away the time, but the problem becomes one of so planning a different kind of a census, and the leadtime there is such that it is just practically impossible to plan a substantially different kind of a census than one that was taken in 1969. So that the Census Bureau is in the position of saying realistically in view of the time element, now, that about the only thing they could do in conducting a full-scale 1974 Census of Agriculture is a rerun of the 1969 census. And there has been a fair amount of testimony, a lot of people at least don't want that. So the question becomes then, how do we get a better product?

Mr. ROUSSELOT. That is what I have been trying to address myself to in the questions today. You are going to have to tell us how you think that would be a better end product. Are you willing to submit that in writing?

Mr. KRUEGER. Yes.

Mr. ROUSSELOT. By when?

Mr. KRUEGER. I hope next week.

Mr. WHITE. Would you like to put the letter in the record from Mr. Dent to the Speaker?

Mr. ROUSSELOT. I will ask unanimous consent that Mr. Dent's letter and the copy of his recommended bill and his statement of purpose and intent be submitted for the record at this point.

[The material follows:]

APRIL 18, 1973.

HON. CARL ALBERT,
Speaker of the House of Representatives,
Washington, D.C.

DEAR MR. SPEAKER: Enclosed are four copies of a draft bill "To amend section 142 of title 13, United States Code, entitled 'Census,'" together with a statement of purpose and need in support thereof.

We have been advised by the Office of Management and Budget that there would be no objection to submission of our proposed draft bill to the Congress from the standpoint of the Administration's program.

Sincerely,

FREDERICK B. DENT,
Secretary of Commerce.

Enclosures.

A BILL TO AMEND SECTION 142 OF TITLE 13, UNITED STATES CODE, ENTITLED
"CENSUS"

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 142 of title 13, United States Code, is amended to read as follows:

"§ 142. Agriculture, irrigation and drainage

"(a) The Secretary shall, beginning in 1978 and every fifth year thereafter, take a census of agriculture which shall relate to the year immediately preceding the taking thereof.

"(b) The Secretary shall, in conjunction with the census of agriculture directed to be taken in 1978 and each tenth year thereafter, take a census of irrigation and drainage.

"(c) The census of agriculture authorized by this section may be conducted as a part of the economic censuses directed to be taken under section 131 of this title."

STATEMENT OF PURPOSE AND NEED

The census of agriculture provides measures concerning the agricultural economy of each state and county. Data are obtained from the census on the number of farms, acres in farms, value of farmland, cropland harvested, production statistics for major crops, and number and kinds of livestock, equipment, farm practices, and the use of fertilizer and pesticides.

Under the present section 142(a) of title 13, United States Code, the Secretary of Commerce is required to take a census of agriculture in October 1974, and in the same month each fifth year thereafter. Section 142(a) also now provides that if the Secretary deems it advisable the census of agriculture of 1979 and each tenth year thereafter may be taken instead in conjunction with the decennial census of population. Under the present section 142(b) authority is provided to take a census of irrigation and drainage in conjunction with the census of agriculture of 1979 and each tenth year thereafter.

The proposed draft bill would amend section 142(a) by: (1) deleting the present requirement that the census of agriculture be taken in October 1974, and that subsequent censuses of agriculture be taken in the same month and providing in lieu thereof that the Secretary of Commerce, beginning in 1978 and every fifth year thereafter, take a census of agriculture relating to the year immediately preceding the taking; (2) deleting the section 142(a) tie-in of the census of agriculture with the decennial census of population; (3) making conforming amendments to section 142(b) to reflect the revisions to section 142(a); and (4) adding a new subsection (c) providing that the census of agriculture may be conducted as part of the economic censuses directed to be taken under section 131 of title 13, United States Code.

The elimination of the specific month when the census of agriculture shall be taken will permit flexibility in the actual date or period of data collection,

thus enabling the Secretary of Commerce to direct the report forms be submitted to a respondent's attention on a more timely basis in terms of the ready availability to the respondent of the data requested.

While agriculture continues to be a key component of the U.S. economy, its social significance, i.e., farming as a way of life, has waned in recent decades. Once characterized by the family farm our agricultural system is now dominated by commercialized operations, applied science, mechanization and automation, and the need for ever increasing amounts of capital. The impact of this change is illustrated by the following figures:

Between 1950 and 1970 the number of farms in the U.S. declined from 5.6 million to 2.9 million.

In the same period, farm population declined from 23.0 million to 9.7 million. As a percentage of total population, farm population has declined from 15.3 percent to 4.8 percent.

While the average acreage per farm has risen from 213 to 333, farm employment has declined from 9.9 million to 4.5 million. Farm employment as a percentage of the civilian labor force has fallen from 12.4 percent to 3.9 percent in the past twenty years.

Between 1939 and 1969 the average value per farm rose from \$35,000 to \$76,000.

The draft bill will permit the 1978 census of agriculture to be taken as part of the 1978 economic censuses which also covers the year 1977, a change which was recommended in the President's Budget for FY 1974.

An important benefit of conducting the census of agriculture concurrently with the economic censuses is that the action would improve the accuracy of the GNP accounts since data on the agriculture sector of GNP would be available for the same base-year reference as the rest of the economy. At the present time, data on agriculture must be tracked backward two years and forward three years to arrive at GNP benchmarks. This process is time-consuming, awkward, and subject to far greater errors than would result from a concurrent census of agriculture.

The draft bill will continue the authority in section 142(b) to collect irrigation and drainage data every ten years.

Mr. WHITE. Without objection, it is so ordered.

Mr. ROUSSELOT. Mr. Krueger, I think many of us here are sympathetic to the effort of OMB to try to have our Federal Government live within its means, because Congress is also responsible for having appropriated more dollars than the Treasury has to spend, but I still want to review this point. I am still somewhat disturbed that OMB participates in the decisionmaking process to just either avoid, ignore, or totally disregard law on the books that certain things have to be done.

When you make those kinds of decisions that you have obviously made, don't you get any kind of legal advice that you are facing some real problems by just totally ignoring the law on the books in relation to carrying out various congressional mandates?

Mr. KRUEGER. I think your question there should be addressed to the Department of Commerce. The Department of Commerce has the statutory responsibility for the conducting of the census.

Mr. ROUSSELOT. We have directed those questions to those people when they were here. But you have admitted here today that you participated, knowingly, in the decision not to provide sufficient funds for a mandated program of the Congress. Doesn't that bother you at all?

Mr. KRUEGER. Not in anticipation of the proposal which to me makes eminently greater sense.

Mr. ROUSSELOT. But when you are making these kinds of decisions in OMB, don't you get any kind of legal advice that you are, in fact, breaking the law?

Mr. KRUEGER. I did not have such legal advice. No one ever told me that; no.

Mr. ROUSSELOT. Well, I hope you carry the message back that we are concerned about that process of decisionmaking.

Mr. WHITE. Mr. Bullock has one more question.

Mr. BULLOCK. Mr. Krueger, there seems to be a conflict in opinion in just how much revision can be incorporated into the 1974 process and procedures and questionnaires at this point in time.

And, specifically, some witnesses have stated, as you have, that if the census were taken at this date, it would essentially be a rerun of the one that was taken in 1969 or would probably have to be so.

Subsequent to that testimony, I got in touch with Mr. Hagan and Mr. Turbitt at the Census Bureau and, specifically, I did not call their attention to it because they already had it, but referred to the USDA proposed scheme for reclassifying farm data and I asked whether it would be easier to incorporate that data revision scheme into a survey rather than a full census. Mr. Hagan indicated to me that he found no real problem in doing either.

I then contacted Mr. Turbitt and he said it was their view that about three-quarters of the called-for revisions could be incorporated if a full census were taken.

I just wanted to mention this and maybe solicit some of your comments on it.

Mr. KRUEGER. Well, that was entirely possible with respect to that particular element, yes. But what you are talking about there—if I understand—is a question of the classification of farms. On what kind of basis do you distinguish between different types of farms and farming activities and so on?

But what does not get to the question of the content, the substantive content, the data collection operation itself.

Mr. BULLOCK. Well, it seems to me that at least some of the elements called for by the scheme are new concepts and would affect the content.

Specifically, there are things relating to nonfarm income and/or involvement of corporations in agriculture. So there would be some modification of content, it seems to me.

Now, maybe these are the one-quarter of the revisions that Mr. Turbitt felt would not be incorporated. But what I am trying to say is that the prime motivating force in complaining about the content of the 1969 census has been the Department of Agriculture and they were the only ones who were putting forth a plan for modification and to have more fuller, deeper objectives.

On the basis of my conversation with the Census Bureau, it might be that those can be incorporated. A 1974 census does not have to be a rerun and perhaps, it can be substantially better than the 1969 product.

Mr. KRUEGER. That was substantially correct. I have not talked to him particularly—I have not talked to him over the last 2 weeks about that particular point. I have been out of the city for 2 weeks before this.

Mr. WHITE. Mr. Krueger, you have withstood us very well, sir. We appreciate your coming before us. I think you have a clear indication of the thinking of the members of the committee. We hope that you will carry the message back. We hope that you will be responding very shortly so the Census Bureau can proceed.

We will hold the record open for a short time to receive the matters that we have requested from you.

Mr. ROUSSELOT. Mr. Chairman?

Mr. WHITE. Yes.

Mr. ROUSSELOT. As I understand, one of the main things we are after is information as to how you would improve the quality of the end product, in your judgment, on the basis of your consultation with the Department of Commerce and the Department of Agriculture. That was one of the basic judgments that you had made as to why it should be changed and why it should be different as far as the quality of the end product.

Mr. KRUEGER. That would be reflected in the program that I talked about.

Mr. ROUSSELOT. Yes; and you will have specifics of how that quality can be improved, is that correct?

Mr. KRUEGER. Yes, that is my intention. But, again now, from the standpoint of engaging in unproductive effort, if it were determined—

Mr. ROUSSELOT. But that was one of the main reasons why you felt it should be different?

Mr. KRUEGER. That is right.

Mr. WHITE. Thank you very much, Mr. Krueger. This meeting is now adjourned.

[Whereupon, at 11:05 a.m., the hearing was adjourned.]

[Subsequent to the hearings, the material which follows was received by the subcommittee for inclusion in the record.]

MICHIGAN STATE UNIVERSITY,
East Lansing, Mich., July 30, 1973.

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

DEAR MR. WHITE: At hearings on the proposed postponement of the 1974 Census of Agriculture on June 27, 1973 I was asked to supplement my testimony in a letter addressed to several questions. This is my response to that request made by representatives John H. Rousselot (R) of California and Andrew J. Hinshaw (R) of Orange County, California.

THE INTEGRITY OF FEDERAL STATISTICS

Both Mr. Hinshaw and Mr. Rousselot asked that I expand on my brief opening remarks in which I expressed concern over the apparent efforts to politicize the federal statistical establishment. I have not argued nor do I believe that any numbers have been changed or manipulated. It would, in fact, be almost impossible to change a number through direct political intervention without nearly immediate discovery. The process by which most of our data are produced are too complex. Too many people are involved at every step of the process.

But it is not necessary for the numbers to be manipulated before political influence can effect the behavior and integrity of the federal statistical system. Many other decisions are made that are just as important. For example:

What is and what is not to be published?

What publication format is to be used?

When is a particular statistic to be released?

Who is officially to interpret a statistic?

What interpretation is to be placed on a statistic?

All of these questions substantially effect the nature and impact of any data produced. When something is not published at all or it is released at a later, less critical, date or if one interpretation rather than another is placed on it,

it is difficult, if not impossible, to prove that politics influenced the specific decision. Many other reasons are usually available and given to explain the decisions.

Thus, one usually must reserve judgment on specific events and depend on the incidence and pattern of substantial numbers of such events in judging these matters. And in my judgment, the pattern of events over the last three years provides a reasonable presumption that some episodic, if not systematic efforts, have been made to politicize various aspects of the federal statistical system.

Mr. Hinman wants me to prove or retract such statements. I believe that the first amendment to the Constitution still assures me of the right to voice my judgment of the facts in this case as best I can perceive them. My conscience will not let me do otherwise.

I am not alone in my conclusion. In August of 1972, Professor Philip M. Hauser of the University of Chicago gave a presentation on "Statistics and Politics" at the Social Statistics Section of the annual meetings of the American Statistical Association. He agrees that there is no hard evidence of direct political manipulation of numbers but he draws much the same conclusion I have. Let me quote him extensively, for he makes my case.

"As a statistician, with now more than 42 years of continuing contact with government statisticians and statistics, I have, of course, become aware of the statistical "smoke." Specific instances which have occasioned suspicions of undue political pressure include:

1. The sequence of events which led to the premature retirement of the Deputy Director of the Census, the Chief of the Population Division, the Chief of the Construction Statistics Division, and a number of other senior statisticians in that Bureau.

2. The sequence of events which led to termination of the monthly press conference by the Assistant Commissioner of the Bureau of Labor Statistics in *re* the *Monthly Report on the Labor Force*, his reassignment and, eventually, his premature retirement.

3. The contemplated reorganization of statistical activities within the Office of Management and Budget, fortunately rescinded, which would have made the old Division of Statistical Standards an arm of that Bureau's management personnel and which did remove the title of Assistant Director of the Office from the head of statistical activities in that Office.

4. The reported political pressures from the Secretary's office in the Department of Agriculture on the statistical activities within that Department.

5. The conflict within the Department of Health, Education and Welfare in regard to the conduct of a survey on nutritional deficiencies of children in this nation.

6. The order to the Bureau of the Census to stop using "Poverty" in the title of its annual report on the poor in the United States. (This was almost an ingenious and quick way to abolish poverty in this nation.)

7. The reprimand of the Census staff associated with the release of the 1971 poverty report.

8. The cancellation of the Urban Employment Survey during this election year 1972, which since 1969 has been providing labor force and other information about residents in "poverty areas" in much of urban America.

9. The imposition of political clearance procedures for members of statistical as well as other advisory committees. This had initiated a widespread search for Republican statisticians, demographers, and other scientists. (Perhaps there can now be developed new fields of Republican mathematical statistics, Republican demography, Republican physics, Republican medicine and so on.)

10. The placement within the Bureau of the Census of five persons who are not accurately described as "political commissars" who function it was to oversee statistical operations and analyses. In one flagrant situation the Assistant Chief of one of the Census divisions was peremptorily removed from for the convenience of the political functionary who was then provided with amenities not previously afforded assistant division chiefs. (I have the names of the five political functionaries now reduced to two by reason of pressures brought to bear.)

11. The collapse of morale among statisticians in a number of agencies by reason of the "reign of terror" generated by the presence of political functionaries placed at the statistical operating and analytical levels. This, of course, was one reason for the premature retirement of many able career service statisticians.

12. The tendency to delay or withhold statistical reports deemed adverse to the interests of the Administration.

I am sure that many other instances could be added to this list which would further bolster the suspicion that statistics and statisticians are being subjected to unprecedented political pressures. I say unprecedented having in mind the scale of events generating suspicion. On the basis of my own experience with government statistics I know of no administration in which some zealous politician or politically minded press relations "eager beaver" did not, at some point, try to impair the integrity of statistical reports; but never have I witnessed as widespread and insistent efforts to politicize the statistical enterprise."

My personal and more recent knowledge leads me to conclude that Professor Hauser's item 4 and 8 do not have substance of relevance to the issue of politicization of federal statistics. In addition the subsequent firing of the Directors of BLS and Census and the Assistant Secretary for Social and Economic Statistics in the Department of Commerce should be added to this list.

My colleague, Professor Charles C. Killingsworth, of Michigan State University, testified July 13, 1973 before the Joint Economic Committee of Congress on the findings of a committee of investigation which he chaired for the Industrial Relations Research Association (copy attached). His committee was charged to examine the question of whether the Bureau of Labor Statistics had been politicized in recent years. The Committee's conclusion was that there had indeed been attempts politically to influence the behavior of the Bureau of Labor Statistics. The Executive Board of the Industrial Relations Research Association concluded in its subsequent resolution "that the credibility of the Bureau of Labor Statistics has been impaired by the events of the last two years . . ." This is quite the point! Even without hard proof of specific manipulation or of the motivation entering into specific decisions, the pattern of events raises a substantial question about the credibility of federal statistics. A cloud of suspicion hangs over federal statistics today without having directly manipulated any numbers.

As Professor Killingsworth puts it in discussing one specific occurrence, the termination of press briefings in the BLS:

"If this had been the only development significantly effecting the Bureau of Labor Statistics, there still would have been controversy by perhaps considerably less concern about the integrity of the BLS. The heart of this matter is that each of these incidents draws part of its meaning from each of the other incidents. It is seriously misleading to consider each incident completely in isolation. This is a situation in which the whole is considerably greater than the sum of its parts."

It is hardly necessary for positive proof of manipulation of numbers to exist before there are substantial problems concerning the integrity of statistical systems. When the pattern of events suggests to sufficient numbers of reasonable men that something not very admirable is going on in the administration of federal data systems, that alone constitutes a major question or problem of integrity. It seems to me totally inadequate to dismiss the problem as the October 5, 1972 investigative report of this subcommittee does in concluding there has been no politicization simply because there is no concrete proof that any numbers were manipulated. This misses the point entirely. A problem exists if the question can be raised by reasonable men. This has occurred.

Quite a substantial number of inquiries have been mounted by various organizations into this issue. The Federal Statistics Users' Conference and the American Statistical Association mounted a combined inquiry. The Office of Management and Budget's Advisory Committee on Statistics while not producing a formal report, was deeply involved in evaluating the situation and was quite disturbed at one point. As I cited earlier, the Industrial Relations Research Association constituted a committee to investigate what was happening in the Bureau of Labor Statistics. The Joint Economic Committee of Congress held hearings on this subject on June 13 and 14, 1973. Even the Subcommittee on Census and Statistics of the Post Office and Civil Service Committee took the question seriously enough to mount an investigation of its own. There may have been others of which I am unaware. All of this expressed concern itself establishes the problem as real.

I conclude that there is a disturbing pattern of events involving incredible rates of turnover in top civil service personnel, in both Census and BLS, forced resignations or retirement, abrupt reassignment of duties, the sudden and

demeaning forced resignation of one of the most distinguished statisticians in the federal government, Geoffrey Moore, and the injection of five "political commissars" into the Bureau of the Census (three of them were eventually removed, under pressure not too many months later). The behavior of the other personnel in this organizations has to have been affected. There is a generally unrecognized problem implicit in the extremely high rate of turnover in the leadership in both BLS and Census. The resignations, transfers and retirements were of highly respected, outstanding statisticians whose experience and competence would be difficult to match under the best of conditions. Even if, as has been the case, most are replaced by promotion of other competent statisticians in the agency (and many of these are indeed outstanding individuals), at best this leaves the middle management level in a state of turmoil and lacking the same depth of experienced statistical leadership which previous top administrators had been able to call upon.

This sea of suspicion is now compounded by the nomination of two individuals to primary statistical leadership roles in the Department of Commerce who have no substantial background in statistics. These two gentlemen have been done a grave injustice by the administration. They may be quite competent administrators in their own right but they have been placed in an almost untenable leadership position by virtue of the previous pattern of events for which they have no responsibility. By the very act of doing this the administration has raised further questions about its commitment to the integrity of federal statistics.

Problems in the 1969 Census of Agriculture

Representative Rousselot requested that I expand on the reasons why I concluded that the 1969 Census of Agriculture was so inadequate that I could not recommend a rerun of the same design for a census in 1974 or 1975. In rerunning the 1969 Census, all we would accomplish would be to continue an increasingly intolerable situation.

The basic problem is one of conceptual obsolescence. When one sets out to measure anything, the first question that must be answered is "what is to be measured?" If the configuration of data that is produced is to be internally consistent and to have the greatest significance, the ideas quantified must bear a meaningful relationship to each other and to the reality of the world being described. All I am saying is that there must be some concept of the reality of the world that is to be measured. We know that reality is nearly infinite in its variation and configuration and must be simplified or categorized if man's mind is to handle it in a systematic way. Thus, one either implicitly or explicitly develops a series of concepts which in some significant degree are capable of portraying the nearly infinite complexity of the real world. If those concepts are not reasonably accurate reflections of that real world then no amount of sophisticated statistical technique or of dollars invested in data will produce accurate numbers. The concepts that now underlie the census and most other agricultural data systems such as farm, hired farm labor or farm income were reasonably accurate reflections of that reality 30, 40, and 50 years ago. The problem is that in agriculture the real world has changed drastically. The structure of the food and fiber industry today only vaguely resembles the structure that prevailed at the time the concepts were created. The world has changed and the concepts have not.

As the world changed we have adjusted some by changing the operating definition of our concepts but for the most part the basic concepts themselves have not been changed in any fundamental way. This is not a problem that one can blame statisticians in the Bureau of the Census or the Department of Agriculture for. This is a responsibility of the economists and other social scientists and professions that devoted many hours of professional energy to defining these concepts in the early decades of the 20th century. We have failed, however, to continue to invest in the redevelopment and redesign of these concepts. Statisticians managing agricultural data systems have done their best in this situation to maintain the quality of the numbers they produce. Measurement techniques have improved many times over since the 1930s. Computational techniques have been revolutionized. Management of data systems has grown far more sophisticated. But none of this is sufficient to offset the debilitating effect of being forced to measure something that, in some major degree no longer exists.

It needs to be pointed out that the problem of conceptual obsolescence is not limited to agricultural statistics. Most of our older social and economic statistics share in this problem including to some extent our national income accounts.

I was asked to provide specific instances of concepts that are no longer useful. Rather than attempt to summarize what has already been developed by the American Agricultural Economics Association's Committee on Economic Statistics, I suggest that the August 1972 report (copy enclosed) be entered into the record. It discusses specific areas of data and concepts which are now inadequate. It would be my recommendation that the federal government through the Bureau of the Census, the Department of Agriculture, and the Office of Statistical Policy in the Office of Management and Budget sponsor a major effort in redesigning the concepts underlying agricultural data systems in cooperation with users and the various intellectual disciplines and professional associations that are inherently involved. I do not visualize this task being accomplished quickly. Renewed conceptualization of the fundamental concepts underlying our data systems in the food and fiber sector and social and economic statistics for rural areas will take a decade of effort. It is important that it be begun and begun now. In the meantime, of course, we face practical problems of turning out the best quality numbers that we can manage for users who are critically dependent on them in their private and public management decisions in the food and fiber sector. Thus, I see, as the most practical immediate approach, the motion of various thoughtfully designed cumulative surveys.

There were other problems associated with the execution of the 1969 Census of Agriculture which probably also had some impact on the accuracy of the data and certainly on its utility. The most obvious problem arises out of the failure to publish the results of the 1969 census in a timely manner. As I indicated in my testimony, some of that data will not have been published until next year—a full five years after the data was collected. A great deal of this data is quite perishable in terms of its value and I question the intelligence of the resource management decisions that have allowed these data to be published so late as to be nearly useless except for historical value. As I see it this is primarily a resource problem. There is a wide spread belief amongst users of Census produced agricultural data today that the Census leadership has lost any concern it ever had for agricultural data. The census today attaches the lowest possible priority to the production of agricultural numbers. This means that in the internal census allocation of resources, human and material, that the agricultural census has been progressively short changed with the results that we now see. This naturally leads to the suggestion that if the Census Bureau no longer is capable of or interested in administering the agricultural census that these responsibilities be transferred elsewhere. They are too vital to be left languishing at the bottom of some bureaucracy's misplaced set of priorities.

Another problem that has plagued the 1969 Census of Agriculture is that of the difficulties of moving to a more completely computerized analysis and data preparation process. This has been preceeding over the last two census as I understand it and there have been many acknowledged difficulties that have probably impacted the quality of the data.

In addition, the Census of Agriculture, has with the 1969 census, been transformed from an enumeration to a sample and thus is no longer a true census. Accurate data, of course, can be collected through sampling techniques and this should not present overpowering problems of statistical design. However the Census is operating not a random sample but a list sample. The problem of compiling those lists is very critical to the quality of numbers that are produced. In my judgment, the inadequacies of that list which was sampled have resulted in substantially poorer data in the 1969 census than in previous censuses even with the best efforts of the very competent staff of statisticians managing the process. Resources and energy simply have to be poured into improving these lists and designing a system for continual revision of such lists so that the accuracy of the numbers can be maintained. If this is not possible, the Census should go back to a random sample technique even though it is undoubtedly more expensive. There is no point in generating numbers that are useless no matter how many dollars saved with a less expensive sampling technique.

In my judgment, the Agricultural Division of the Bureau of the Census has done as good a job under the conditions that they operated as could have been

done. The question is whether they had adequate backup and resources. The answer to that question, in my judgment, is no. And my conclusion is that the 1969 Census of Agriculture is a substantially less accurate census than previous ones.

I trust that these expanded comments will be of some value to the Committee.

Sincerely yours,

JAMES T. BONNEN, *Professor.*

[The attachments referred to follow:]

POLITICS AND THE BUREAU OF LABOR STATISTICS—CHARLES C. KILLINGSWORTH,
MICHIGAN STATE UNIVERSITY

"The credibility of the Bureau of Labor Statistics has been impaired by the events of the last two years * * *" This was the salient point of a resolution which was adopted last December by the Executive Board of the Industrial Relations Research Association. (The full text of the resolution is attached as Exhibit A.) The IRRA has a membership of approximately 3,000 persons, drawn from government, labor, management, the universities and research organizations. The Executive Board is structured to represent this diverse membership. The December resolution was adopted after the Board had heard a report from a special committee which had been appointed to investigate "recent events" in the BLS. The members of the committee were Professor Melvin W. Reder, City University of New York; Dr. Harold L. Sheppard, Upjohn Institute, Washington; and myself as chairman. The committee made an oral report to the Executive Board in December. The purpose of this statement is to restate the factual findings which were the heart of that report. In addition, I will present my own views concerning the impact of these recent developments on the Bureau of Labor Statistics, and I will offer some suggestions for remedying the present unsatisfactory situation.

The principal "events" with which the IRRA committee concerned itself were three in number. They were as follows:

(1) The termination of press briefings by BLS technical personnel which, for many years, had been held monthly in conjunction with the announcement of the consumer price index and the unemployment rate. This occurred in March 1971.

(2) The reorganization of BLS and the reassignment of two top-level career men: Harold Goldstein, who had previously conducted the press briefings; and Peter Henle, who had written a memorandum protesting the termination of the briefings. This occurred in September, 1971. Both men left the BLS shortly after this event.

(3) The acceptance of the previously-requested resignation of Geoffrey H. Moore, the Commissioner of Labor Statistics, some three months prior to the expiration of his statutory term of office. This occurred in December, 1972.

Some background information is essential in order to understand fully the impact of each of these developments on the Bureau and on its clientele.

Termination of Press Briefings.—Repeatedly during late 1970 and early 1971, the press had highlighted real or apparent conflicts between the statements of BLS technical staff and political figures of the Administration—usually the Secretary of Labor or the Chairman of the Council of Economic Advisors—concerning the newly-announced price or unemployment statistics. The conflicts were especially frequent with regard to the unemployment figures. Once, for example, the BLS spokesman called the unemployment figures "sort of mixed" while the Secretary of Labor called them "heartening." On another occasion, the BLS technician said that a decline in the unemployment rate was "marginally significant," while the Secretary said that it was "highly significant."

The BLS press briefings long antedated the present Administration. With only brief interruptions, they had been held for many decades. The Nixon Administration had raised the question prior to 1971 whether they should be discontinued, and the unanimous reaction of the senior staff of the BLS had been that they should be continued. Commissioner Moore stated publicly after the event that no recommendation for termination had been forwarded from the BLS. The decision to terminate was announced by the then Secretary of Labor, James D. Hodgson. However, the investigation of the IRRA committee established that the decision was actually made in the White House and that an order to that effect was then sent down the line to Secretary Hodgson.

A lively controversy developed over this decision. Administration spokesmen offered a number of reasons for the termination. No other statistical agency in the federal government held such briefings; the BLS technicians were always being exposed to questions from the press with policy implications; and the termination of the briefing sessions had been recommended by the President's Committee to Appraise Employment and Unemployment Statistics (the Gordon Committee) in its report in 1962. These were among the most-frequently used arguments in various forums. They were far from unanswerable. By general agreement, the unemployment rate and the consumer price index are the two most important numbers developed by the federal government. No other numbers generate as much commentary in the White House, in Congress, in the press, and in other forums. Commissioner Moore had stated both publicly and privately that the BLS technicians had handled the conferences satisfactorily, without encroaching on the policy areas properly left to political figures. And Professor R. A. Gordon, who had been the chairman of the committee that usually goes by his name, was the first to deny that that committee had recommended the termination of press briefings by BLS technicians.

These comments are not intended to do more than to indicate the nature of the controversy that developed. My personal judgment is that, although plausible arguments can be made for the Administration decision, on balance the stronger arguments on the merits of the question are on the side of those who opposed that decision. But most reasonable people, I think, would agree that the question is one about which reasonable people might differ—if they focus narrowly on the simple question whether or not BLS technicians should regularly conduct press briefings on the unemployment rate and the consumer price index. If this had been the only development significantly affecting the Bureau of Labor Statistics, there still would have been controversy but perhaps considerably less concern about the integrity of the BLS. The heart of this matter is that each of these incidents draws part of its meaning from each of the other incidents. It is seriously misleading to consider each incident completely in isolation. This is a situation in which the whole is considerably greater than the sum of its parts.

Reorganization and Reassignment of Personnel.—Although press briefings by BLS technicians were terminated in March, 1971, explanatory press releases were still issued. The release announcing the unemployment rate for June, 1971 (issued on July 2, 1971) stated that the rate had dropped from 6.2 percent in May to 5.6 percent in June. The release warned, however, that this drop "may be somewhat overstated because of the seasonal adjustment procedures and because more young workers than usual were still in school during the survey week." A prominent footnote explained in some detail the basis for this comment, and added that "When the seasonal adjustment factors for this year are updated, the May-June 1971 change will probably also be moderated." This guarded prediction turned out to be correct; the revised seasonally adjusted figures computed early in 1972 turned out to be 6.1 percent for May and 5.8 percent for June, which cut in half the amount of the drop originally reported. At the time, though, the warning that the change may have been overstated evoked dismay and anger within the Administration. These reactions were duly reported in the press and the Department of Labor was privately told of President Nixon's anger concerning the incident.

It was against this backdrop that Commissioner Moore undertook a reorganization of the Bureau and a reassignment of personnel in September, 1971. Word of this action promptly "leaked" to the press, and news stories, editorials, letters, columns and cartoons emphasized the theme that the BLS technicians were being punished for offending the Administration by their honesty. President Nixon's Press Secretary and Commissioner Moore insisted that the reorganization had been under consideration for a long time, that it brought the BLS structure into line with the earlier recommendations of the Office of Management and Budget, and that the reassignments of personnel were entirely unrelated to the controversies that had developed a little earlier.

The IRRA committee discussed the reorganizations and the reassignments in considerable depth with Commissioner Moore. One conclusion that the committee drew from this discussion was that there were defensible and understandable organizational and managerial reasons for the reorganization and reassignments. But it was also clear from other interviews that the timing of the reassignments, and the manner in which they were announced to those affected, created the strong impression that the changes were related to the controversies just discussed. During our interview with Commissioner Moore, one of the committee

members asked him the following question: "Are you willing to state categorically that your decision to reassign Harold Goldstein was not influenced by the Secretary's displeasure with his press conferences?" This was the only question that Commissioner Moore chose not to answer for the IRRA committee. And, when the committee met with Secretary Hodgson (nearly two years after the press conferences in question), he remarked that Goldstein had "handled those press conferences so well that there was an uproar every month."

Displacement of Commissioner Moore.—Shortly after the 1972 election, the White House directed all Cabinet members, subcabinet members, and a number of other presidential appointees to submit their "resignations." Secretary Hodgson appears to have been among the first to be notified that his resignation was being accepted. Then, on December 14, 1972, the White House announced that several additional resignations from the Department of Labor were being accepted, including that of Commissioner Moore.

The Commissioner of Labor Statistics has a statutory term of office of four years. In Commissioner Moore's case, his term had three months left when he was, in effect, dismissed. This was the first time in the nearly 90-year history of the Bureau of Labor Statistics that a Commissioner had been removed before the completion of his term of office. Indeed, the Commissioner has always heretofore been regarded as a non-political official, and long tenure in office has been the rule rather than the exception. Ewan Clague, for example, served under five presidents of both parties. In accordance with its practice at the time, the White House gave no reason for the removal of Commissioner Moore. So the event must speak for itself.

The removal of Commissioner Moore, in my judgment, effectively removed any ambiguity which the objective observer might have found in the preceding events. It seems fair to say that, if the message to BLS staff members had theretofore been muted and ambiguous, it suddenly came through loud and clear: If you offend the Administration, you may lose your job. It is certainly within the realm of possibility that this message was not planned or intended by the Administration. Conceivably, the three actions just discussed may have been unrelated, arising out of ad hoc decisions made without consideration of the apparent pattern that was emerging. The IRRA committee certainly has no evidence that, at some point in time, a decision was made within the Administration to create a situation in the Bureau of Labor Statistics which would make the staff responsive to political pressures. What counts here, though, is not the motivation or the intention but the effect. The effect, to put the matter bluntly, is pressure for political conformity.

I want to emphasize as strongly as possible—as does the IRRA resolution—that I see no basis for a suspicion that the figures released by the BLS are no longer trustworthy. Any tampering with such a number as the national unemployment rate, for example, would necessarily become known to a considerable number of people within the BLS. It seems certain that such tampering would quickly be exposed, through "leaks" to the news media if by no other means.

The effects of the perceived political pressure on the BLS are somewhat more subtle. One effect has been a high rate of turnover of senior staff members of the Bureau. Both Harold Goldstein and Peter Henle left not long after their reassignment; Goldstein took early retirement and Henle took a leave of absence following which he found a job elsewhere in the federal government. A surprising number of other long-service staff members of the BLS—some in key jobs—have also left some retiring early and others taking new jobs in other agencies or in private industry. The IRRA committee did not investigate the circumstances of these retirements and resignations, and no doubt it would be misleading to attribute all of them to the events previously discussed in this Statement; but it seems reasonable to attribute at least some of them to this cause.

Job opportunities for senior people in the federal service and in the universities are not plentiful these days, and this fact has probably helped to keep the turnover at the BLS below what it might otherwise have been. Some of the senior staff people still at BLS report in private conversation that morale is quite low. The most important aspect of the situation, though, is the effect of perceived pressure for political conformity on the exercise of judgment by the BLS professionals. Fairness requires the presumption that there are some with sufficient courage, or independence, or private means to remain unaffected even if they believe that honesty may jeopardize their jobs. But there must also be a significant number of persons who feel that discretion is the better part of valor,

and that there is wisdom in the old bureaucratic saying, "never stick your neck out." I can testify that as I have read the monthly BLS reports on employment and unemployment in recent months, I have noted unusual developments in the figures that I think would have been the subject of comment in the past but which now pass without mention in the official press releases.

That impression of mine could be a mistaken one. But the increased skepticism with which one reads BLS releases these days is the essence of the point made by the IRRA resolution: that the credibility of the BLS has been impaired. To say that a substantial part of the professional clientele of the BLS was shocked by the removal of Commissioner Moore may be an understatement. The loud and clear message to the BLS staff was perfectly audible to the clientele as well. I think that it is not unreasonable for the BLS clientele to assume that at least some staff members are responsive to the pressure for political conformity.

The best performance of their job requires that the BLS professional staff should have the assurance that the honest exercising of professional judgment will not endanger their job tenure. Often it is not enough merely to tell the public what the unemployment rate is (for example); it may be just as important to know how reliable the figure is, and why it changed if it did. The fact that a statement concerning the significance of a number may have political repercussions is certainly not the same as a recommendation for a policy change based on the number. The first is clearly a proper function of the technician, and only the latter should be reserved for the political figure.

If pressure for political conformity has a chilling effect on the reporting of factual findings, surely the effect is even greater in the area of innovative research and the development of new ideas and concepts. Let me give you a specific illustration of my point. Many students of the labor market believe that we should have a rigorous review of the conceptual basis for our elaborate system of employment and unemployment statistics. To cite only one example there are large discrepancies between most econometric estimates of hidden unemployment and the BLS reports of "discouraged workers" that are based on household surveys. Which are closer to reality? And should we try to find ways of making sure that at least some of the hidden unemployed actually get into the official count? How adequate and realistic, under present-day conditions, is the present definition of "seeking work"? Should we attempt to develop some measures of underemployment or "subemployment" to supplement the present count of the unemployed? These questions are merely illustrative, of course, and not exhaustive. But it is obvious that at least some of the answers would have substantial political implications. How secure could the BLS professional staff feel today in tackling such questions? And how confident could the BLS clientele be that the answers were not affected by political pressure?

The credibility of an agency like the Bureau of Labor Statistics is a valuable national asset. I have been speaking from the no doubt parochial viewpoint of an academic scholar. But the agency serves many interests. Wage rate changes for millions of workers are determined by BLS numbers under the provisions of escalator clauses, and these numbers are a major consideration in most collective bargaining negotiations. Such examples could be multiplied. A loss of confidence in the integrity of the numbers published by the BLS would create acute national problems. It is essential to repair the damage that has already been done to the credibility of the BLS before the doubts that have been created spread to the numbers.

In my judgment—and this was also the judgment of the IRRA Executive Board—the essential first step is to appoint as the new Commissioner of Labor Statistics "a person with the highest professional qualifications and objectivity." The intended implication of this phrase from the IRRA resolution is that such a person would not himself be responsive to political pressures, and that he would protect his staff from such pressures. Of course it is banally obvious that we always need well-qualified men for important government posts. But the need for a Commissioner of Labor Statistics whose qualifications are completely beyond challenge is really critical at this juncture, because of the sequence of events in the past two years.

It is not always enough to be virtuous; some occasions demand a demonstration of virtue. That will be true for the new Commissioner. If he takes office with nothing more than a determination—no matter how firm—to resist future applications of political pressure, but feels that it would be indiscreet to make a point of this intention before some new need arises, he may do little to repair the impaired credibility of the BLS and to give new courage to his staff. In my

opinion, what is needed is some highly visible symbol of the restoration of the professional independence of the Bureau. The best way I can think of to provide that symbol would be to reinstate the BLS press briefings on the unemployment and price figures. Whatever may be the abstract pros and cons of such conferences, it seems to me that, against the backdrop of the last two years, the case for resuming them is overwhelming.

Over the longer run, the new Commissioner might be wise to recommend the appointment of a new "Gordon Committee" to undertake a thorough review of BLS programs, with a view to recommending the elimination of some that are not serving useful purposes, the establishment of new ones to plug gaps, and the revision of some. I would hope that the Commissioner would direct particular attention to our present system of labor market data and would challenge the committee to reconsider the existing conceptual basis for the data. In this way, the new Commissioner might serve the dual purpose of renovating and modernizing the data program of the Bureau and demonstrating the willingness and the freedom of the Bureau to stimulate and consider new ideas without politically imposed restraints.

**EXHIBIT A—RESOLUTION BY THE INDUSTRIAL RELATIONS RESEARCH ASSOCIATION
EXECUTIVE BOARD, ADOPTED DECEMBER 29, 1972**

The Executive Board of the Industrial Relations Research Association, having received and considered a report from its committee appointed to investigate recent events concerning the U.S. Bureau of Labor Statistics, resolves as follows:

1. that public confidence in the professional integrity and credibility of the Bureau of Labor Statistics is essential, because the Bureau publishes data and materials which are used regularly in labor-management relations, business contracts and economic forecasts;
 2. that the credibility of the Bureau of Labor Statistics has been impaired by events of the last two years, including the termination of press conferences by Bureau of Labor Statistics personnel and the subsequent reassignment of key personnel in the Bureau;
 3. that the Board views with particular concern the acceptance of the requested resignation of the Commissioner of Labor Statistics three months prior to the expiration of his statutory term of office, because this termination under these circumstances represents a sharp break with the long-established tradition that this position has not been regarded as a political appointment;
 4. that it is most important, if further impairment of the credibility of the Bureau of Labor Statistics is to be avoided, that the new Commissioner be a person with the highest professional qualifications and objectivity;
 5. that it is desirable that the decision to discontinue press briefings by the Bureau of Labor Statistics technical personnel should be carefully reconsidered;
 6. that nothing in this resolution should be construed to indicate that this Association questions the integrity of the preparation of BLS figures.
- Signed by: Benjamin Aaron, President, 1972; Douglas Soutar, President, 1973; David Johnson, Secretary-Treasurer.

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

Mr. AUSTIN C. BRAY, Jr.,
*Assistant Counsel, Subcommittee on Census and Statistics, Committee on Post
Office and Civil Service, Washington, D.C.*

DEAR MR. BRAY: In reply to your letter of July 26 requesting the comments of the Bureau of the Census on the opinion of the Congressional Research Service in regard to the 1974 Agricultural Census, we did furnish material on this subject at the time we reviewed and edited the transcript of the June 28 hearings.

On the day of the hearing, when we agreed to have our attorneys draft a reply to the CRS opinion, we were not aware of what the opinion concerned since we had not previously seen a copy of it. Upon review, it was determined that this was a policy matter beyond the purview of Bureau of Census attorneys, and Department of Commerce policy requires us to refer such matters to the Office of

Management and Budget. Therefore, we included in the transcript of the hearings, which we returned to you, a copy of the OMB statement on the 1974 Agricultural Census and we believe that any further inquiry on this matter should be directed toward the Office of Management and Budget.

Please do not hesitate to let me know any time we can be of assistance to you.

Sincerely,

ROBERT L. HAGAN,
Deputy Director, Bureau of the Census.

STATEMENT OF IVAN MOORE, DIRECTOR, INDIANA FARM BUREAU COOPERATIVE ASSOCIATION, INC.

Indiana Farm Bureau Co-op would not like to see Congress approve the recommendation to postpone the 1974 Census of Agriculture until 1977.

This recommendation is of particular concern to us since we have sales of agricultural products of over \$300 million and we represent over 100,000 farmers. If Congress adopts this recommendation, we believe it will have *serious* consequences to farmers and the businesses who serve them.

The last few years have been the period of the most dynamic agricultural changes in history. The need for agricultural data as a supplement to and a benchmark for Statistical Reporting Service, U.S.D.A. data is *essential* for the successful operation of a farm supplier. We believe the three-year delay of having reliable data for planning will result in misapplication of resources which would cost *far more* than the expected \$28 million to conduct a 1974 Census of Agriculture. This would result directly in having fewer suppliers to serve farmers. Fewer suppliers will further reduce the number of farmers due to higher prices and less service. The end result would be higher food prices to consumers. It is in the nation's best interests to not let this happen.

I am sure the House Committee on Census and Statistics will respect and carefully consider the requests from the Economic Research Service and Statistical Reporting Service, U.S.D.A. and those of us in the Agribusiness world that a 1974 Ag Census should be conducted.

The Census of Agriculture is very useful and essential to us in our economic and market analysis of the farm market as we attempt to better serve our farmer owners. We are constantly doing site location studies as to whether we should remodelize or close present facilities or construct new facilities at different locations. The Ag Census is a vital key to providing reliable county information to make more intelligent decisions. A three-year delay in collecting the Ag Census could be quite detrimental to us in not being able to adequately keep abreast of the dynamic field of agriculture.

We invest tens of thousands of dollars in collecting farm market information which is used to make better market decisions. Data from the Statistical Reporting Service, U.S.D.A., is also extensively used. However, county data is essential to successful market planning. The Census of Agriculture is the only reliable source of county data. The U.S.D.A. make their county estimates based partly on census data. A three-year delay would mean we would not get the results until 1980. This is too long a period to wait for reliable county data. We urgently need a 1974 Ag Census.

We believe there are more disadvantages than advantages regarding the proposal of collecting agricultural census data in 1977, along with the economic census. Granted, some economics could be initiated in having both censuses in the same year. However, agriculture does not fit any mold which might be designed for both censuses. Agriculture would be short changed! Agriculture data is a far cry from the regular economic hard goods data and should not be watered down and subjected to the changes that would be incorporated if both censuses were done at the same time.

The advantages cited under the United Department of Commerce's Special Analysis F covering "Principal Federal Statistics Programs" are weak arguments. They all fall back to one criteria—to reduce the expenses of the 1974 budget. The statement was made under this proposal that it is more compelling to combine the two censuses because of the increasing difficulty of distinguishing between agricultural and non-agricultural businesses. This may be true in a few agricultural products, but it is not true for the majority of agricultural production in the U.S.; i.e., grain and livestock.

The proposal further states that we would have the advantage of reviewing the several aspects of the agricultural statistics program. There is presently enough information to come to an agreement on the different statistical needs without waiting three more years.

If the Ag Census is delayed until 1977, this would break the continuity of five-year data comparisons. One of the major advantages of the Ag Census other than getting a more precise measurement of the Ag market, is to determine the trend over the past 5, 10, 15, and 20 years.

We are still hopeful a 1974 Census of Agriculture will be conducted, as it is essential in our efforts to serve farmers at the lowest possible cost consistent with quality and services rendered.

STATEMENT OF CHARLES L. FRAZIER, DIRECTOR, WASHINGTON STAFF, NATIONAL FARMERS ORGANIZATION

This brief statement is to express the concern of my organization regarding the delay in plans for the 1974 Agricultural Census. Although it will be impossible for me to appear as a witness before your Subcommittee, I should like for this statement to become a part of the record.

The National Farmers Organization strongly urges adoption of H.R. Res. 518 and 554 which call for the complete Agricultural Census to be taken in 1974 as scheduled and as required under the law now in effect.

It is appropriate to note that this organization first questioned the rumored plans of the Department of Commerce to delay or otherwise modify the Agricultural Census in a communication with the Department dated November 7, 1972. It has been frustrating and a source of great disappointment to the leadership in the National Farmers Organization to discover that responsible Administrators apparently have planned for some time to reduce the scope and effectiveness of this source of vital agricultural statistics.

Any proposal to move responsibility for this work to the Department of Agriculture immediately gives rise to a variety of suppositions. Experienced observers surely can agree that a Department staffed with personnel responsible for crop estimates, other projections relating both to production, domestic use and potential exports, and the administration of programs bearing directly on the final outcome of many of those estimates, are under great pressures to publish statistics that will reflect most favorably on their handling of program responsibilities. Even though their personnel may be of the finest character and their technology may be quite modern, it simply is not to be expected that any agency may provide estimates and projections at one time of the year, and then publish statistics that disclose mistakes and shortcomings a few months later without some shading or modification to protect their public image.

I take this occasion to emphasize that thousands of individuals and organizations have grown accustomed to reliance on the agricultural statistics published by the Census Bureau as an independent yardstick or safeguard in using agricultural data from other sources. These data literally form the basic structure for a broad expanse of economic planning and business conducted in this country. As a larger proportion of our agricultural production now moves into the export market and the influences of inflation have been reflected in both prices and production plans, our experience only serves to emphasize the importance of having the most reliable and timely data that may be made available to both producers and users of agricultural products.

I am sure other witnesses and statements will bear out the variety of uses served by the product of the agricultural census. It is not necessary to repeat the list—in fact, it may not be possible to show in a brief hearing the total influences of this data in our agricultural economy. Suffice to say that it is of enough importance that we urge completion of a comprehensive Agricultural Census in 1974 in order that the long standing services may be continued for all who use it.

If changes are to be made, many of us would be seriously interested in more complete data on the ownership and operation of land and productive facilities in order that we might have current, up-to-date knowledge of the influences of

the large corporate structures in agriculture. We need more data of a reliable and objective nature rather than estimates based on sampling techniques, as has been suggested.

You are urged to reaffirm the decision of Congress to have conducted every five years an objective, unbiased and comprehensive Census of Agriculture.

STATEMENT OF RICHARD J. POMMREHN, AGRICULTURAL PUBLISHERS ASSOCIATION, CHICAGO, ILL., JUNE 27, 1973

Mr. Chairman, Members of the Subcommittee: The Agricultural Publishers Association, members of which publish 28 farm magazines having more than 3 million farm subscribers, declares its support for HJ Res. 580 calling for the 1974 U.S. Census of Agriculture to be taken as now required by law and not postponed until 1977 or some other year.

The United States is particularly fortunate in having one of the best, if not the best, systems of reporting agricultural statistics of any country in the world. The foundation of this system is the Census of Agriculture. The Census of Agriculture has been taken at five year intervals since 1920. Legislators recognized as early as 1909 that current reliable information was needed about agriculture and the changes taking place and specified that an Agricultural Census be taken at five year intervals.

In the 1970's, with change taking place at a pace that those early legislators could never have conceived of, it is more important than ever that a Census of Agriculture be taken at a regular interval of no less than five years.

The changes that have taken place and are taking place are many. They include, to mention only a few, increased sales of grain to foreign countries, greater productivity of farm land than has ever seemed possible, a rapidly decreasing number of farms with related increase in size of farms, greatly increased income, a move towards specialization, large and larger and much more farm equipment, dependence on chemicals for control of insects and weeds, use of fertilizer and improved varieties of seeds to help bring about greater productivity, etc.

The Census is not the only source of information on agriculture, it is true. But the Census is the only source that provides the broad range of information that is needed. And the Census is the only source that provides information at the county level. That kind of information is vitally important to industry in helping to determine and to supply the needs of farmers so that they can produce the food and fiber needed by this country and other countries of the world.

The U.S.D.A. has developed an excellent program of agricultural estimates for states, not counties, but as good as it is it still is dependent upon the Census of Agriculture. Estimates developed by the U.S.D.A. are adjusted every five years based on data obtained in the Census.

The proposal to delay the 1974 Census of Agriculture until 1977, which would mean actually taking the Census in 1978 and results probably reported in 1980, could prove to be disastrous. U.S.D.A. estimates of crop and livestock production, good as they are, would have no basis for verification for approximately eight years. An estimated surplus of crops or livestock could actually turn out to be a shortage when the facts, as reported by the Census, become known. And the reverse could also be true. Government policy for agriculture and government policy based on agriculture could turn out to be completely wrong. The farmer and the consumer could both wind up the loser.

The same kind of situation could prevail as far as private industry serving the farmer is concerned. Private industry must know, not on a state level, but on a small area or county level, about the status of agriculture. Some chemicals, for example, because of soil characteristics or crops grown may be appropriate or in a single county or a small group of counties within a particular state. Chemical companies must know about the needs of farmers within that county or area so that they can properly serve their needs.

The need for different varieties of seed corn varies according to climate. Seed corn companies must know about the needs of farmers within the various climate zones so they can properly serve farmers.

Feed companies need to know about livestock and poultry populations within counties or small groups of counties so that they will be in a position to supply the feeds needed by farmers in those areas.

The same applies for manufacturers of other types of products for farm use. Publishers of farm magazines must have information on changes in agriculture so that they can better serve the farmer so that he in turn can do a more efficient job of producing the food and fiber needed.

Publishers and other businesses continually study the farm market and have much information on it. But the Census must provide the small area detail that is needed and must also provide, as with the U.S.D.A., the bench marks to check their research against.

These and many other reasons make it imperative that a Census of Agriculture be taken at no less than five year intervals. No business could exist if an eight year interval were allowed to exist between the time its inventory was taken and its assets and liabilities listed. No government could effectively plan programs for the largest segment of its economy if it did not have detailed information on the way that segment was operating.

This time, of all times, is not the time to consider delaying a Census of Agriculture and the Agricultural Publishers Association supports to the fullest the reinstatement of the 1974 Census of Agriculture and urges that the impounded funds be released immediately so that planning can be resumed promptly and the Census carried out as previously scheduled.

Thank you.

STATEMENT OF D. H. HENRY, PRESIDENT, LAND O'LAKES, INC.,
MINNEAPOLIS, MINN.

Land O'Lakes, Inc., Minneapolis, Minnesota is a cooperative association processing and marketing farm products and supplying farm inputs directly or indirectly to 180,000 farmers in a six-state Upper Midwest area including Minnesota, Wisconsin, Iowa, Nebraska, North Dakota and South Dakota. We supply over 900 member cooperatives with farm supplies (feed, fertilizers, chemicals, seed, petroleum, general merchandise) and market the products from over 100 member cooperatives and a large number of farmer patrons.

In the process of supplying farm inputs to member cooperatives and marketing their products we render considerable non-product services to them. Regardless of whether this service takes the form of market surveys, feasibility studies, reorganization studies, or product and service planning, we find there are two essential ingredients: 1) good and reliable data and, 2) a sound research and implementation procedure. We need not reiterate here all the dangers and faulty conclusions that may be drawn from inaccurate and inadequate data.

Because of the considerable use we make of data from the Agricultural Census in our planning, research, and service efforts, we believe it would be a serious mistake to postpone the 1974 Census of Agriculture until 1977 as proposed by the Administration. If their proposal were followed, neither business, government, nor universities would have a reliable reference and data base from which to conduct research, develop plans and policies, and make sound decisions.

I personally find it rather alarming that during a time when our market intelligence and accountability of agricultural production are under question, we should be considering reducing our efforts in retrieving basic statistical information in the agricultural sector. Instead of delaying the retrieval of this information we should be planning and developing ways of up-grading our informational retrieval process in this important area. The lessons we have learned from developments in world agricultural production in 1972-73 should not go unheeded.

One of the major thrusts of agricultural policy in the 1970's has been in the area of rural development. The policies developed and implemented in this much-talked-about and long-neglected area must be based upon timely and reliable data on changes in the demographics, structure, and characteristics of agricultural, both quantitative and qualitative changes. In our own company we make considerable use of the census data in deciphering the rapidly changing agricultural scene and the resulting implications, to not only our business but that of the over 900 local cooperatives and their farmer membership that we serve. In some cases, such as petroleum, we find that the census provides an exclusive source of information on the farm petroleum market. There are countless other areas where it provides the basic reference data for all of our public information about the agricultural sector.

For these reasons, we believe it is imperative that a regular and timely mechanism for retrieving basic agricultural data be maintained. The Census of

Agriculture serves this function well. It would be an unjustifiable disservice to not only business, but government and universities if these efforts were curbed or delayed. Therefore, we strongly urge Congress to turn aside efforts that would delay or impair the collection of this basic and comprehensive data which is the envy of much of the world.

We appreciate the opportunity to express these views to your subcommittee and hope they will be useful in your evaluation of this important matter.

STATEMENT OF LYNN STAHLBAUM, WASHINGTON REPRESENTATIVE, CENTRAL AMERICA COOPERATIVE FEDERATION

My name is Lynn Stahlbaum, the Washington representative for Central America Cooperative Federation. This federation is comprised of three large dairy cooperatives—Associated Milk Producers, Inc. of San Antonio, Texas; Mid-America Dairymen, Inc. of Springfield, Missouri, and Dairymen, Inc. of Louisville, Kentucky. Their combined memberships of more than 70,000 dairy farmers produces over 20% of the Nation's milk supply.

We are deeply concerned about the possibility of delaying the agricultural census to 1977 and urge that every effort be made to have it conducted in 1974 as basically scheduled.

In so requesting we could repeat many of the arguments being made by other agricultural groups on the need for current information, the gap which will occur if there is an eight year span between the last census and the next one, and the use of the agricultural data from the census to determine farming trends.

However, the need in dairying may be even more specific than the needs of some of the other groups, based on two factors. The first of these is the fact that about 70% of the Nation's milk is priced under Federal milk marketing orders. In recent years, as milk has been more readily transportable, the tendency has been to consolidate these into fewer and larger orders. Data as found in the agricultural census can be most helpful in so doing.

The second factor peculiar to dairying is the change-over from what we called manufactured grade milk to fluid grade milk. Presently 23% of the Nation's milk meets the inspection standards required for milk used in such products as butter, cheese and nonfat dry milk, but does not as yet comply with even more rigid standards required for milk which as we describe it in the dairy industry "goes into bottles".

There is, however, a rapid change in which more and more farmers are making the necessary changes to meet the fluid milk inspection standards. Many economists project that within a decade all milk will qualify for the fluid markets and the manufactured grade level will cease to exist.

Here, again, it is vital that we have up-to-date information to assist in making this change-over an orderly one.

We wholeheartedly join with those other agricultural groups who are urging the 1974 census and are pleased to submit to your committee these special reasons as to why dairying is interested in this information.

STATEMENT OF HON. ANTONIO B. WON PAT, A MEMBER OF CONGRESS FROM THE TERRITORY OF GUAM

Mr. Chairman, it is my understanding that the decision to delay the 1974 Agricultural Census to 1977 was made unilaterally by the Bureau of the Census and OMB without consulting agricultural statisticians or the Statistics Users Conference. Had they been consulted in advance, they would not have agreed to this delay. Department of Agriculture officials were dismayed when they learned about it, too late to lodge formal protests before the 1974 budget was submitted to Congress.

Agriculture as an industry has a need for more, and more accurate, data collected and disseminated by the Government, and this need is greater than for other industries because it is the only industry where atomistic competition prevails in most of the markets. Most people do not understand the extent to which the efficient functioning of the entire food and fiber industry is dependent on comprehensive, accurate and timely Government data.

The 1970 Agricultural Census was seriously incomplete or inaccurate in some sections of the United States and delays in excess of two years occurred, in some cases, in the releases of data, limiting its usefulness. These deficiencies should be overcome in future agricultural censuses. It is not enough to ask for a 1974 agricultural census. We need a 1974 agriculture census which is more accurate and more timely than that of 1970.

Changes in the structure of agriculture and in the technology of collecting and analysis of data should be reflected in adjustments between the Department of Agriculture and the Bureau of the Census in the collection of agricultural data. These adjustments should have as their goal, again, more timely and accurate agricultural data.

Surely this would not be achieved by delaying the 1974 Agricultural Census to 1977 and shifting its supervision to the administrator of the census of business.

It is my hope that the Congress will take prompt action on H. J. Res. 580 in order that the Census Bureau will be directed to get preliminary work underway immediately for the conduct of an agricultural census in 1974. And, I hope that in the committee report emphasis will be placed on the need for a more accurate census than in 1970, with the results more promptly reported.

STATEMENT OF HON. JOHN C. CULVER, A MEMBER OF CONGRESS FROM THE STATE OF IOWA

Mr. Chairman and Members of the Committee:

I am pleased to have this opportunity to discuss the need for a census of agriculture in 1974 as required by law. As you know, I am a cosponsor of H. J. Res. 580, which is identical to H. J. Res. 518, which requires the holding of 1974 Census of Agriculture.

In 1957, the 85th Congress passed Public Law 85-207 (Section 142 of Title 13, United States Code) to require a census of agriculture be taken every 5th year in those years ending in 4 and 9. The mandate from Congress was clear: the law states that the Census Bureau "shall" take the census of agriculture in 1974. With this statute in effect and no legislation introduced to change the law, it is unfortunate that this committee must take its valuable time to consider legislation to require the administration to conform to this law. However, this is the situation which exists as a result of the position taken by the Administration on this matter.

As you know, the President's FY 1974 Budget proposed the postponement of the 1974 census until 1977 and its combination with the 1977 economic census. While the Administration has proposed legislation to change the timing of the census, no bill to make the change, to my knowledge, has in fact been introduced. Instead, the Administration has proposed, as I understand it, to conduct a "survey" of agriculture to provide some state level statistical estimates of agricultural data, and argues that this "survey" will meet its obligations to conduct a "census" as required by law.

Under these circumstances, therefore, the issue becomes not whether agricultural data will be collected in 1974, but rather how much ought to be compiled. Should there be a survey or sample taken by the U.S. Department of Agriculture of a selected number of farmers, as proposed by the Administration, or a census by the Census Bureau of all farmers, as required by law? In my judgment, a complete census is needed in 1974.

There are several reasons for this conclusion:

First, the survey technique proposed by the Administration will result in only a sampling of the Nation's farmers. The survey would collect data concerning 185 thousand farmers throughout the country. The census, on the other hand, would compile data on all of the Nation's farmers which, in the last census, totaled 2.7 million farmers. Thus, while 185 thousand farmers may seem like a large sample, it is less than seven per cent of the total farmer population. Obviously, therefore, more information about agriculture would result from a complete census.

Second, while the Administration's survey can be expected to cost less to conduct, a cost comparison shows that a complete census is a better dollar value. The cost estimate for a survey is \$8 million (or \$43.24 per farm unit) while a census would cost \$20 million (or approximately \$8.00 per farm unit). In other

words, it would cost almost half as much to survey seven per cent of the farmers as it would to conduct a census of all of them. In my judgment prudent spending is as important to sound economic management as merely reducing the amount of spending.

Third, the information compiled from a survey of only seven per cent of the farmers would permit only broad statistical estimates providing a limited picture of agriculture in a geographical area no smaller than a state. A complete census, however, would provide sufficient data to study agriculture at the county level in each state. A review of the agricultural situation at the local level would seem to be preferable at this particular time.

Fourth, the users of the agricultural information which is collected have indicated that they need the more detailed data provided by a complete census. The census is the only place that complete data at the county level is available. Agricultural census users, a majority of whom are involved in agribusiness production and marketing, need to know of the nature of the agricultural activity in each local community to be able to meet the farmer's needs in those areas. As one such user stated: "We dare not invest millions in research without knowing what the needs are." These users of the statistics, who were not consulted by the Administration prior to its proposal, strongly support proceeding with the county level census next year. For many, a state survey would be of little value because their business is based upon a county, not state market. For others, a state survey would not be representative of the diversified agricultural markets which exist within the geographical boundaries of many farm states.

Fifth, a complete compilation of agricultural data will more fully effectuate the goals envisaged in the census requirement. This point deserves elaboration.

The purpose of a census is to provide data to study existing conditions and to compare the data with previous information. This enables users to make statistical projections of future conditions. Thus, the importance of a census is that it indicates changes and trends in the area of study.

In the last several years, there have been rapid and significant changes in agriculture and rural development. Many conditions have changed since the last agricultural census. New data is needed, now more than ever, for rational decision-making regarding not only farm and rural policy, but, in this time of inflation and rising food costs economic policy as well. Furthermore, complete census statistics are valuable indicators for use in planning and implementing the various federal and state programs affecting agriculture and rural America.

As a representative of a rural and farm district, I have been particularly concerned about one significant trend in agricultural and rural development. In recent years, there has been a dynamic change in the size, type and control of agricultural operation. Today, some are predicting the elimination of the small and medium size farm, which are often family operations, and their replacement by contract and corporate farming. There is said to be a major trend towards a vertically-integrated agriculture dominated by marketing corporations. If this is so, what is at stake is more than economic change. An entire rural life style is threatened.

One of the most important contributions of a complete agricultural census in 1974, therefore, will be to record the extent to which corporations dominate American agriculture today. According to some studies, family farms have steadily lost ground to large corporate-type farms. This trend has dire consequences not only to the concept of individual enterprise, but, among other things, to the consumer interest in stabilizing food costs. Corporate control of agriculture may mean higher food prices.

We need to know more about this disturbing trend. Even past censuses have not provided complete information of this aspect of agriculture. For example, in the 1969 Census, if no response was given to the question regarding the respondent's type of farm organization, the respondent was summarily classified as a small farmer. Any future census must include sufficient questions to enable users to examine the scope and impact of corporate economic concentration in the agricultural economy. Such specific information will not be provided by a state level survey of only seven per cent of the Nation's farmers.

What is urgently needed, therefore, is detailed and comprehensive statistical data concerning the agricultural and rural conditions which exist in America today. This data can only be provided by a complete agricultural census conducted by the Census Bureau, and not by a sample survey.

I urge this committee to report legislation which will reaffirm the previous congressional mandate and require the holding of the 1974 Census of Agriculture.

STATEMENT OF HON. JOHN BREAUX, A MEMBER OF CONGRESS FROM THE STATE OF LOUISIANA

Mr. Chairman, members of the subcommittee, when legislation is being considered in Congress which is beneficial to agriculture, it is safe to say that such legislation is beneficial to the nation. In recent weeks we have seen vivid evidence of how agriculture affects every person living in the United States. Considering the recent actions of the Nixon Administration to curtail benefits to rural America, I believe we in Congress must take positive steps to maintain the strength and productivity of domestic agriculture.

The legislation under consideration by this subcommittee provides us this opportunity; not because taking an agricultural census, in and by itself, benefits agriculture. Rather, it is the manner in which this census can be used which will prove of benefit to agriculture and, consequently, to the nation.

Government's activity in the field of agriculture demands that current and comprehensive census statistics exist in order that correct and proper decisions can be made regarding the implementation of agricultural programs. It is incomprehensible to believe that government—when the time comes to base a federal, state or local program on agricultural census information—must rely on outdated figures which do not reflect the accuracy of the situation.

Agriculture in America is moving swiftly through a period of transition. It is up to government to assist agriculture in making that transition and assist our farmers in whatever way possible.

The wording of the bill under consideration—H.J. Res. 580—argues well for the need—the immediate need—for such a census.

Here are just some of the points to consider:

1. Rapidly changing agricultural trends and changes within the industry itself make necessary a periodic census which will reflect accurately the conditions in rural America;
2. Agricultural census information is the basis for many federal, state and local programs;
3. Agriculture is the largest single industry in the United States, accounting for a gross income of more than \$66 billion in 1972, and involving more than 2.7 million individual units;
4. The 1972 exports of agricultural products were in excess of \$11 billion.

With these facts before us, it is obvious why a census is needed now, not four years from now. If Congress allows the Administration its request for a delay, it will be eight years between agricultural census counts. This is far too long a time.

I therefore respectfully urge that this legislation receive a favorable report from the Subcommittee.

Thank you.

STATEMENT OF HON. JOHN M. ZWACH, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF MINNESOTA

Mr. Chairman, on May 10, 1973 I introduced H.J. Res. 554, providing for a 1974 Census of Agriculture as required by legislation already on the books.

The holding of such a census every five years is required by Section 142 of Title 13 of the United States Code. The next scheduled census should be held in 1974 but no funds for its taking appear in the budget.

The Census of Agriculture provides the only complete agricultural data available at the county level for rural America. It provides information which is invaluable not only for farmers but also for government decision-making, businesses serving agriculture, and ultimately the average citizen who is affected by decisions relating to agriculture.

Both Congress and the Executive branch need the data collected by the census in acting on future agriculture policy. But in this fast-changing field, to rely on 1969 data for 1977 and 1978 decisions is asking for trouble.

There is a great need for up-to-date data so that policy-makers can be fully aware of both the economic and social conditions in America's farmland.

The law is most specific in this area. It says a census of agriculture shall be taken in years ending in a four and a nine. That law cannot be set aside by a simple refusal of the Department of Management and Budget to seek the required funds. If the law is to be changed, that power rests exclusively within the domain of the legislative branch.

To date the Senate has seen fit to include the Census of Agriculture in the Farm Bill, as well as passing separate legislation, the Agriculture Census bill on June 22. The House Agriculture Committee did not include the census as part of our proposed farm bill, although it may be added on the floor or in conference.

In order to further cement the foundation for a "continual" five year Census of Agriculture it is important that this subcommittee favorably report this bill to the full committee for its immediate consideration and recommendation. I hope it will begin here.

Thank you Mr. Chairman, and distinguished members of the subcommittee, for the opportunity to present this statement for your inspection and consideration. It was an honor and a pleasure.

STATEMENT OF PAUL S. WELLER, JR., DIRECTOR, PUBLIC AFFAIRS, NATIONAL COUNCIL OF FARMER COOPERATIVES

The National Council of Farmer Cooperatives is pleased to present this statement, on behalf of its member cooperatives, in support of a 1974 Census of Agriculture.

The National Council is a nationwide organization comprised of 104 farmer-owned and controlled cooperative business organizations, plus 32 state councils of farmer cooperatives. Each of these organizations is owned by its farmer members in the interest of more efficient agriculture production and marketing.

Three out of four U.S. farmers now belong to a cooperative. Total volume of cooperative business, including commodity marketing and farm supply operations, exceed \$19 billion annually. More than 6.4 million farmer cooperative memberships are registered among farmers in the United States.

Farmer cooperatives account for the purchasing and/or marketing of 69 percent of the nation's dairy products, 34 percent of the grain, 31 percent of the fruits and vegetables, 31 percent of the fertilizer, and 18 percent of the feed production. Farmer cooperatives are big business, and are vitally involved in the mainstream of American agriculture. They depend upon current and accurate agricultural data in the daily operation of their businesses, using it to make major economic decisions, to forecast crop and livestock production, to allocate expenditures, and to plan for future plant expansion.

The National Council was appalled to learn that necessary FY 1973 Census funds have been impounded, and that no funds have been requested for a 1974 Census of Agriculture. Such a nationwide Census of Agriculture is critical to the efficient and effective operation of farmer cooperatives, through collection and compilation of local agricultural data. There is no other source of county agricultural data available for Rural America's use.

So important is this data to farmer cooperatives and their members, that the Delegate Body of the National Council went on public record at its 1959 Annual Meeting with a policy resolution in support of a continuing Census of Agriculture. The policy resolution was reaffirmed in 1971 as follows:

"Five-Year Agricultural Census Enumeration.—The five-year agricultural census has provided a valuable and continuing source of data on American agriculture. We recommend that this census be continued on a five-year basis.

The National Council specifically opposes any change to a longer interval for the Census of Agriculture and recommends that data on farmer purchases and usage of feed, petroleum products, fertilizer, insecticides, and other farm supply items be collected on a county basis."

It is imperative that planning commence immediately for a 1974 Census of Agriculture, as required by Section 142, Title 13 of the U.S. Code; that FY 1973 funds for this purpose be released; and that necessary FY 1974 funds be appropriated to provide for an orderly Census of Agriculture to be commenced during the new fiscal year.

Proposals to delay the required 1974 Census of Agriculture, combining it with a 1977 Census of Manufacturing, would cause a costly hiatus in available county agricultural data. At best, U.S. agriculture would find itself with an eight-year vacuum, void of local data from 1969 through 1977. Indeed, it could conceivably be mid-1979 before usable data would be available for use by agriculture's using publics.

American agriculture is changing at such a rapid rate that even measurements taken at required five-year intervals do not always reflect actual conditions. America's regular Censuses of Agriculture have provided the crucial bench-

marks upon which private data collection agencies and related agri-businesses can construct up-to-date statistical information. Without these benchmarks, it would be virtually impossible to construct accurate statistical reports for efficient agricultural operations. The nation's largest single industry would be left without data so vitally needed to guide its daily decisions.

It has been brought to the attention of the National Council that FY 1973 impoundments have already reduced the highly skilled Census of Agriculture staff from 109 persons to a skeleton force of 78 staff members. Unless funds are released immediately, this force will be further reduced to 50 persons by July 1, 1973. Such a reduced staff cannot hope to fully plan and implement a 1974 Census of Agriculture.

It is the opinion of the National Council that the Agricultural Census Division, Bureau of the Census, U.S. Department of Commerce, is the best qualified agency to gather agricultural data necessary for a Census of Agriculture. It is also the opinion of the National Council that the historical duties of the Agricultural Census Division should not be turned over to other Government agencies for implementation. Such actions would, at best, be inefficient and costly, based upon past experience.

Therefore, the National Council of Farmer Cooperatives respectfully requests that this committee, and the Congress assembled, direct the Bureau of the Census to do the following:

- (a) Release impounded FY 1973 funds for planning the 1974 Census of Agriculture;
- (b) Develop a schedule of appropriated funds needed to carry out its statutory mandate under Section 142, Title 13, of the U.S. Code to conduct a Census of Agriculture in 1974;
- (c) Properly inform the using public of what implications, if any, can be expected if future Censuses of Agriculture are combined with the Census of Manufacturing;
- (d) Develop advance data summaries, so that pertinent data can be made available to the using public within a reasonably short time after its collection.

It is the desire of the National Council of Farmer Cooperatives that this statement be entered in this Committee's official hearing record. Thank you.

STATEMENT OF RICHARD N. KENNEDY, MARKET RESEARCH, THE UPJOHN CO.

As a user of agricultural statistics, I am concerned about postponing a Census of Agriculture from 1974 until 1977. Due to the changes in agriculture, a postponement would leave those of us who work in agribusiness a period of at least eight years without county data and farm numbers by commodity.

An Economic Census of Agriculture in 1977 for farms with gross sales of \$5,000 or more could be very practical. This Census would treat the farm as a business enterprise. Starting in 1980, a census of rural America could be conducted in conjunction with the Census of Population. The data collected in the Census of Population could be economic and demographic and should satisfy the needs of government and industry.

Thank you for the opportunity to present testimony.

STATEMENT OF GLENN I. BERGER, DIRECTOR OF MARKETING AND INFORMATION, AMERICAN FEED MANUFACTURERS ASSOCIATION

I am Glenn I. Berger, Director of Marketing and Information, American Feed Manufacturers Association, 1701 North Fort Myer Drive, Arlington, Virginia.

My comments about the Agricultural Census reflect the thinking of our Marketing Research Committee and the members of our Association which represents over 70 percent of the formula livestock and poultry feeds sold by primary feed manufacturers in the United States. Our membership varies from small firms serving only a few counties within a given state to larger feed manufacturers which distribute nationwide. All have need for accurate, detailed agricultural data, particularly at the county level. The Agricultural Census has been the only source of such information on a national basis and now, at a time when our food and fiber industry is undergoing some of the most rapid and dynamic changes in

history, there is discussion to postpone getting such data. Agricultural Census data, by county, has become a periodic bench mark on which farmers and businessmen alike have become dependent for making decisions regarding inputs for production of meat, poultry, milk and eggs.

Because of the highly competitive nature of the many and various segments which make up our food and fiber production system, agriculture has need for more, not less, accurate data to be collected and disseminated by the government. Agriculture has become dependent upon federal county statistics on which to gauge and plan its activities because such data are not available from other sources.

The Census provides the only complete data for Agriculture at the county level and it enables data users to keep up-to-date with the many changes. In addition, it provides the basis for federal agricultural programs as well as many economic decisions in private industry and on the farm. Agriculture has gone through some dramatic changes since the 1969 Census was taken and the next five to ten years will see even more rapid changes. Information on this activity is required if we are to maintain an efficient and viable agricultural production system. Census data has helped the nation's largest industry to function effectively, providing food and fiber to American and foreign consumers alike. Because of the importance of county agricultural data, we cannot afford to have an eight to ten years void in this series of data which would result if the 1974 Census were to be postponed until 1977. In fact, higher priorities should be assigned to the Agricultural Census since some of the 1969 data is still being published in 1973. If the Agricultural Census cannot be completed any sooner than this when taken alone, even more delay would seem likely if it were combined with the Economic Census in 1977 because of the additional work load on manpower and facilities. Because of the tremendous volume of data that would be gathered and processed at one time if the two were combined, we doubt that there would be a great savings in cost by postponing the 1974 Agricultural Census until 1977.

We commend Dr. Don Paarlberg, Director of Agricultural Economics, U.S. Department of Agriculture, for the work on development of a new classification system that would identify farm establishments engaged in the production of crops, livestock and miscellaneous farm products, and the relationship of this production to other farm business activity. However, we do not think the 1974 Census should be delayed solely to accommodate new classifications, even though it is important that the classifications be updated to reflect the changes in agriculture. Also, the sample surveys proposed would be helpful, but that still does not fill the need for data at the county level, which is so vital to so many associated with agricultural production.

In summary, agriculture needs accurate and detailed information on the county level at intervals of not greater than five years. Thus the five year census should be taken in 1974 as scheduled—not delayed another three to five years.

Thank you for the opportunity of submitting these comments.

STATEMENT OF HON. ROBERT A. ROE, A MEMBER OF CONGRESS FROM THE STATE OF NEW JERSEY

I, Robert A. Roe, Member of Congress, State of New Jersey, am privileged and honored to have this opportunity to submit this statement in support of the resolution that I have sponsored (H.J. Res. 580) that authorizes and directs the Secretary of Commerce to prepare an estimate of the funds necessary to carry out the statutory mandate for conducting a census of agriculture in 1974 and to submit such an estimate to the Congress.

Agriculture is the largest single industry in the country, accounting for a gross income of over \$66 billion in 1973 and agricultural exports of \$11 billion last year contributed greatly to a reduction in our serious balance-of-trade deficit. The tremendous size and vital importance of this industry which utilizes an important segment of both our human resources and industrial complex mandates that information be provided more frequently than ever before. The postponement of the census in question as proposed by the Administration can only have deleterious effects on our agricultural economy because there will be no factual base for the hundreds of thousands of on-going decisions that must be made by our agricultural operators until the results of the proposed 1977 census be known.

Because of the ineffectiveness of the President's *Executive Order No. 11723 Further Providing for the Stabilization of the Economy* dated June 13, 1973, it is now imperative that the 1974 Census of Agriculture be held on schedule. In fact it would be desirable to have the output of the census available as quickly as possible because of the enormous influence this information may hold for United States Agricultural exports and on farmers and ranchers in the establishment of their planting and breeding programs for the future.

The points made in House Joint Resolution 580 for denying the President's request to postpone the census until 1977 are strong and valid. However, it is my belief that the counterproductive results during the past few weeks of the President's "freeze" have given new urgency to the need for current factual information on the present status of American Agriculture.

The President's efforts to de-fuse inflation by partial controls on wholesale and retail prices and wages left untouched farm prices at the producers' level. Weekend television reports, a couple of weeks ago, showed thousands of baby chicks being killed because the cost of feed necessary to bring the birds to market maturity greatly exceeded the price at which they can be legally sold. If our nation's farmers have no alternative but the slaughter of chicks and dairy, beef and swine herds because they cannot obtain the grain to feed them or cannot afford to feed the animals, the inevitable result will be a food crisis caused by the reduced supplies. This problem will be further compounded by the high cost at which these products eventually become available. This signifies that our agricultural producers are quickly assessing future market prospects and making decisions based on figures presently available.

Wage and price controls to be effective must be total, all-encompassing, and weigh equally on all phases of the production and distributive process. At recent hearings, one of my colleagues on the House Agricultural Committee described the Administration policy as "economic myopia." An example of this is the reported decision of the Cost of Living Council not to act on agricultural products until shortages appear; apparently unaware that if chicks are killed, eight weeks later there will be a shortage of broilers in the supermarket, and the same holds true for eggs, butter and beef.

The loopholes resulting from the current "freeze" can result in food shortages and also greatly reduce the availability of food and agricultural raw materials for export. Agricultural exports over the past year have been one of the few bright spots in our export program and have had a very beneficial effect on our total balance of trade and our balance of payments. Obviously our nation has a vital stake in agricultural exports.

However, it now appears the Russian grain deals may have had an adverse effect upon our economy. Sales prices were artificially low; there was an inflationary effect upon bread prices and domestic shortages of grains plus high prices have been our legacy. To counter this effect, I introduced H.R. 8939 which called for a temporary 120-day embargo on the exportation of certain livestock feed grains. Fortunately the Administration has recently moved in this regard by placing an embargo on soybean exports. Had there been an accurate inventory of our agricultural resources and had a national agricultural development plan been in effect, we could have met or limited the Russian grain requirements without the adverse effects upon our own agricultural economy.

In this same vein, I have recently introduced H.R. 8253, Interstate Recycling Expansion Act of 1973, which provides for the protection of domestic industrial resources by directing the Secretary of Commerce to regulate the exportation of raw materials, both natural and recycled, which will cause domestic shortages and may deprive United States industry of its vital raw materials and/or where the effect of such exportation is inflationary.

Mr. Chairman, the Census and Statistics Subcommittee, by initiating hearings on the proposed postponement of the 1974 Census of Agriculture is performing a vital service for the nation's agriculturists, industrialists and consumers alike by focusing attention on the critical need for current statistical information on the status of our nation's agriculture on a frequent and regular basis. I most strongly urge the Committee to favorably recommend to the House the resolution it now has before it. Thank you.

STATEMENT OF FRANK FRAZIER, PRESIDENT, AMERICAN AGRIBUSINESS ASSOCIATES

Mr. Chairman and members of the committee, I am Frank Frazier, president of the consulting firm, American Agribusiness Associates, 1800 K Street, N.W.,

Washington, D.C. I speak as an individual, deeply concerned over the need to modernize obsolete agricultural data collection systems to avoid a crisis of catastrophic proportions in the not too distant future, if we continue on our present course.

To explain why our present agricultural data systems are in deep trouble, I would first like to take a look at some of the unfortunate consequences they have precipitated on users, then briefly analyze some of the procedures that brought about these consequences, and finally suggest a corrective course of action . . . a plan to get data promptly (the same year it is collected). I would also like to discuss the relationship of this plan to H.J. Resolution 580.

The resolution emphasizes the importance of the census of agriculture to provide "the benchmark for interim forecasting of animal and crop production and land use." It also stresses the need for accuracy and warns of the adverse effect of decisions based on faulty information.

Farmers and businessmen who base decisions on this data put trust in its accuracy, as they face the high risks which are typical of today's modern, efficient food and fiber industry. And they pay a dear penalty when this trust is misplaced. One example that comes to mind, which validates this view, hit the headlines from coast to coast just a few short years ago. Remember when the census data revealed cattle numbers had been understated by several million head? This news came at a time cattle markets were already depressed, and it apparently had the effect of depressing prices even further. Losses mounted into the millions before cattlemen could adjust their decisions to the new, more bearish outlook.

In this case the Bureau of Census reports, which triggered the change of numbers at USDA, were made available only *two years after* the data was gathered for the Census of Agriculture. If you assume a continuation of the two years lag time, and add to that the three additional years between 1974 and 1977, you begin to get a picture of the magnitude of the problem agriculture faces. A three year extension of the data gap, I believe, is out right irresponsibility. Don't those responsible realize how dependent farmers and other businessmen are on this data for decision making?

Recognizing the importance of accurate data to private decision makers, it is of equal, or even greater importance, to the public policy makers.

You may recall the story in *The Washington Post*, September 6, 1972, appearing under the headline, "Farm Income Overstated \$1 Billion: U.S. Aide Says." The error, which apparently goes back for at least 17 years through administrations of both parties, was attributed to structural changes that emerged with the modernization of agriculture. Because of these, the USDA official quoted in the story advised he is "working toward a complete new system for the 1974 farm census."

As you see, our agricultural data systems are in deep trouble today. But let's consider for a moment what might happen down the road under the concept of target prices and market prices embodied in the new farm bill recently passed by both the House and the Senate. Just a one percent error in wheat prices on the high side could cost the taxpayer \$20 million. If it were on the low side, then the farmer would suffer a \$20 million drop in income. But the impact of a one percent error in corn prices would be even greater . . . if too high it would cost the taxpayer \$60 million, if too low it would cost the farmer the same amount. These are just two of the many crops covered by this legislation on which statistical errors could skyrocket the cost of farm programs. Can we afford not to modernize obsolete data systems?

With this question in mind, I must confess I find it extremely difficult to understand why the Department of Commerce proposed the 1974 Census of Agriculture be delayed until 1977, and that funds appropriated in 1973 for planning the 1974 census not be used.

So, when I saw an announcement in the *Federal Register* of plans for a meeting on February 23, of the Census Advisory Committee on Agricultural Statistics, I decided to attend as an observer. Only then did I learn the shocking truth.

That publication of reports on the 1969 census of agriculture had been greatly delayed. The average time lag was about two years, and some were yet to be published.

That the decision to delay the 1974 Census until 1977, was made without consultation with farm leaders who are members of the Census Advisory Committee on Agricultural Statistics . . . a committee the Department of Commerce had appointed.

That even if a 1974 Census of Agriculture is rescheduled at this late hour, it would likely be a rerun of the 1969 format without the up-dating essential to reflect many of the structural changes that have taken place so rapidly in agriculture over the past five years . . . structural changes which at least in part, officials publicly acknowledged, have caused farm income estimates to be overstated by a billion dollars.

This record clearly proves, I believe, that agriculture has a low priority at the Census Bureau. Yet considering the importance of accurate data to both private and public planning, and the key role of the Census of Agriculture in undergirding this accuracy, surely the highest priority should be given to designing a modern system for collecting agricultural data.

The basic structure for such a system is set forth in the attached Exhibit A, entitled *New Agricultural Data System Needed*.

The Subcommittee on Census and Statistics of the House Post Office and Civil Service Committee is to be commended for its recognition of the importance of resolving difficulties now being experienced with the plans for the 1974 Census of Agriculture.

But these difficulties will not be erased simply with favorable action on H.J. Res. 580. A crash effort to belatedly conduct the 1974 Census of Agriculture, while perhaps helpful in some respects, does little to move data systems away from the obsolete concepts of the horse and buggy era, toward those more in tune with today's advanced food and fiber industry.

Therefore, instead of being an answer to the present data dilemma, H.J. Res. 580 should be considered as a stepping stone toward long over-due systems that will better serve the needs of modern agriculture.

[The attachment referred to follows:]

NEW AGRICULTURAL DATA SYSTEM NEEDED

INTRODUCTION

High risks and low margins so essential for survival in today's modern, efficient food and fiber industry, spell headaches, nightmares, and even disaster for the uninformed.

This situation is creating growing demands for new and better statistical data, as well as improved data collection systems. But it is also giving birth to a new type of decision maker . . . one who has the sophistication to analyse and use the data wisely.

These new decision makers, through use of new technology and organization structures within production and processing systems, are creating a rapidly changing economic environment . . . one in which capital requirements have an increasingly dominant role.

This rapid evolution in data requirements is taking place in all phases of the food and fiber industry. Accuracy, speed, frequency and greater timeliness of official statistics are growing importance for risk takers whose profit margins are so narrow there is little room for error.

What is the true significance of these dramatic changes in the nation's on-farm and off-farm activities? Were they in the public interest? Agribusiness economists, government administrators, and Congress, as well as farmers and others need to know.

In the final analysis, judgments will be based on data from some source and these data should be both accurate and adequate or the nation's food and fiber industry will be in jeopardy.

Before taking a detailed look at new data needs and systems, consideration must first be given to the adequacy of all agricultural statistics and the capabilities of data collection systems from which they flow.

The Subcommittee on Census and Statistics of the House Post Office and Civil Service Committee is to be commended for its recognition of the importance of resolving difficulties now being experienced with the plans for the 1974 Census of Agriculture.

But these difficulties will not be erased simply with favorable action on H.J. Res. 580. A crash effort to belatedly conduct the 1974 Census of Agriculture, while perhaps helpful in some respects, does little to move data systems away from the obsolete concepts of the horse and buggy era, toward those more in tune with today's advanced food and fiber industry.

Therefore, instead of being an answer to the present data dilemma, H.J. Res. 580 should be considered as a stepping stone toward long over-due systems that will better serve the needs of modern agriculture.

[The attachment referred to follows:]

STATUS OF AGRICULTURAL STATISTICS

Agriculture is fortunate in having a very comprehensive statistical program that, for the most part, has provided pertinent and timely data. But the program needs to be remodeled and updated. The overall resources for statistical purposes (funds, technical staff, and knowledge of survey techniques) are generally adequate and many parts of the program are well suited to the needs for information. But, owing to changes in the structure of agriculture and in other parts of the economy, a new model is needed so the statistics will be more in tune with reality and hence more useful. In other words, some old concepts of agriculture have persisted too long in the statistical system. This report gives a brief review of the situation and offers recommendations for redirection.

Within the field of agriculture, a distinction is needed among: (1) commodity statistics (e.g., statistics on production, marketing, and prices of various commodities), (2) statistics for the food and fiber industry (e.g., statistics on various agricultural inputs, production efficiency, agricultural income, structural changes in agriculture), and (3) statistics pertaining to people or households. This distinction is important because there is a difference among these categories in the nature of survey problems in their state of development and in terms of the organizations responsible. During the last 10 to 15 years, substantial improvements in the statistical methods for the commodity statistics program have occurred and some adjustments in the content of the program have also been accomplished. Less well developed is the category of industry statistics. In fact it is in urgent need of attention. The concepts for this category have been rather static for decades. According to a report of the American Agricultural Economics Association Committee on economic statistics, "... the systems producing our data have never had more sophisticated statistical capabilities," but serious trouble has developed because the conceptual foundation of the system has become obsolete.¹ The third category, statistics pertaining to rural and farm people, is underdeveloped and a big void exists.

A statistical situation, unique to agriculture, developed many years ago because there was a close correspondence between farms as business enterprises and farm households. Thus, it was possible to use data for a statistical universe of farm enterprises as a source of information about the economic status of farm households. Now, however, the correspondence between agricultural enterprises and households has diminished, and it is no longer practical, or advisable, to continue such statistical concepts, except perhaps for family farms. Statistics based on farm enterprises as reporting units no longer accurately reflect the economic status of households. Several other aspects of the present statistical system in relation to the needs for data could be discussed, but the key point is that the time has come for formulating new precepts, and two statistical systems: (1) one based on rural households (with family farm households as a subset) as reporting units for statistical purposes, and (2) one based on business enterprises in the food and fiber industry as reporting units, with family farm enterprises as a subset. This probably can be accomplished within the total financial base for agricultural statistics.

AGRICULTURAL DATA SOURCES

Considering the contributions of all producers of statistics—private business, local and State Governments, Universities and the Federal Government, the statistical measurements related to agriculture are probably more extensive than for any other sector of the United States economy. The major suppliers of these statistics are:

¹ Committee on Economic Statistics of the American Agricultural Economics Association, "Our Obsolete Agricultural Data Systems: New Directions and Opportunities," Statistical Reporter, October 1972.

1. The Census of Agriculture of the Bureau of the Census, U.S. Department of Commerce.

2. The program of current agricultural statistics are conducted by the U.S. Department of Agriculture.

3. The program of agricultural statistics supported by a number of state governments.

Statistics produced by the Land Grant and other Universities are excluded from this category because they cannot be clearly identified and quantified. However, a considerable body of survey data is collected from agricultural establishments and rural households by academic institutions. In addition, there is an undetermined amount of resources expended by local governments and large business and marketing firms as they seek statistical measurements especially useful to their particular problems or operations. Expenditures are not believed to compare in size to the 3 groups noted above.

More detailed statements relative to resources used by each of the three principal producers of agricultural statistics follow:

A. *The U. S. Census of Agriculture.*—At 5-year intervals starting in 1920, the Bureau of the Census has conducted a canvass of American farmers. (Earlier censuses starting in 1840 were conducted at 10-year intervals.) Until the last census (1969), this census has always been carried out by means of a farm-by-farm visitation by thousands of enumerators employed for this purpose. The period of employment was short (a few weeks) and training was very limited. The content of the historic Censuses of Agriculture is well known—crop acreage and production, livestock numbers by species, and information on several other characteristics of the individual farm operator and his farming operation. For many decades, census data provided invaluable information about agriculture and “benchmarks” for all other agricultural statistics programs.

All phases of the agricultural censuses have been carried out under close cooperative working relationships between the Department of Agriculture and the Bureau of the Census. The attitude displayed by the Census Bureau in attempting to provide accurate and appropriate statistics for government and public use has always been commendable. Nevertheless, the data compilations have had important shortcomings. Furthermore, the long period between data collection and publication made the results less useful than desirable. The census generally was not available as a tool for revising important, current statistical series until 1–2 years or longer after the census reference date. This often resulted in criticism from data users on the grounds that they had been denied the opportunity to make better production and marketing decisions at an earlier date.

The Census of Agriculture has always been buffeted by more demands for data related to the agricultural economy than it was ever able to accommodate. The fact that choices had to be made among data demands naturally created dissatisfaction. The Department of Agriculture always participated in these decisions and was subject to the same criticism. Another deficiency has been the inability to achieve complete coverage of all units (farms) in the Nation. This “census” has been accepted by many data users as a *complete* count of farms which has never been a correct assumption.

The marked change in the structure of agriculture in recent decades has torn deeply into the validity of historic concepts and procedures. In 1969, the census abandoned the enumerator canvass procedure and collected the information by mailing questionnaires to lists of persons who were presumed to be operating farms. From a long-term viewpoint, this change was appropriate, but the new techniques also created problems that detracted from the usefulness and timeliness of the census results.

Current information indicates that the total cost of the 1969 Census of Agriculture was about 28 million dollars distributed over a 5-year period. The Agricultural Census of 1964 is reported to have cost about 25.0 million dollars.

B. *The Current Statistics Programs in the United States Department of Agriculture.*—The principal program of current agriculture statistics (commodity, price and labor statistics) is carried out by the Statistical Reporting Service. Current statistics are usually defined as those pertaining to the current year's crops or livestock population, prices farmers are currently paying for goods or services purchased, and prices received for commodities sold. Stocks of commodities on hand and the number of people working on farms and the hours worked on specified dates are also statistics of a current nature.

Typically, the procedures employed by the Statistical Reporting Service have involved the use of questionnaires tailored to a commodity or activity and mailed to relatively small samples of farm operators, or other agricultural establishments. These samples are drawn from incomplete lists of the units in the Universe being measured. The Statistical Reporting Service enumerates a nationwide sample of small areas (segments) each June and December as well as making field observations for yields of major crops during the growing season. In addition, a significant amount of enumerator-type follow-up, either by telephone or in person, is employed in most of the major mailed surveys. Such follow-up activity in data collection is mostly aimed at obtaining a high level of response from so-called "large" farm operators or establishments.

Data from practically all of these samples are collected very rapidly with the elapsed time between the mail out and issuance of a report, generally being 30 calendar days or less. The program of current statistical reports is established at the beginning of each calendar year with the day and hour of issuance published for the benefit of data users. These issuance dates are rigidly adhered to and some 550 statistical reports are distributed at weekly, monthly, quarterly, annual or other periodic dates in the course of each year. Much of the data, particularly the crop production forecasts are highly perishable and new forecasts are issued as the crop season develops. Revised estimates based on data obtained after commodities have been marketed or processed also are issued.

The Economic Research Service carries out an extensive program of current statistics involving the following:

Agricultural Production and Efficiency; Land Values and Farm Finance; Consumption and Utilization of Agricultural Products; Agricultural Marketing Costs and Charge; Farm Population and Employment; Rural Economic Indicators.

Data in Economic Research Service statistical reports are compiled primarily from statistical output of other Agencies, such as Statistical Reporting Service, and from special surveys.

The Agricultural Research Service issues periodic reports on household food consumption and about once every 10 years sponsors a national survey of food consumption.

Other Department Agencies are engaged in data collection, and in some cases, reports are issued containing statistics having current significance.

The Market News Service of the Agricultural Marketing Service operates an extensive system to collect data and quote market price actions in a wide variety of market places on a daily basis. Livestock, fruit, vegetable, and other commodity markets are monitored and information designed to assist the farm operator in making his marketing decisions are issued through the various news media.

The Forest Service conducts the National Forest Survey and maintains a running inventory of rates of growth, volume cut, and future trends with respect to forest products.

The Soil Conservation Service (in association with other Department Agencies) compiles a great deal of statistical information related to land resources and conservation needs. Resources expended for this activity are not clearly identified but the subject is one that appears eligible for close evaluation as it might relate to a total system for agricultural statistics.

Additionally, major program agencies such as Agricultural Stabilization and Conservation Service, Commodity Exchange Authority, Agricultural Marketing Service, Animal and Plant Health Inspection Service, Food and Nutrition Service, Foreign Agricultural Service and others carry out statistical and reporting activities for the purpose of administering their programs. Some of these administrative series are useful in the programs of current statistics, but their chief use is as check or support data for the Statistical Reporting Service sampling systems.

Much of the data in compilations of administrative statistics are potentially relevant to current activities on farm enterprises. In addition, some of the Agencies have access to sophisticated electronic record-keeping equipment that could result in data availability on a current basis. These administrative statistical systems ought to be studied with the view to making them more useful as inputs to the total program of statistics on agriculture. Furthermore, there are administrative statistics related to the food and fiber sector in some other Government Agencies (e.g., Internal Revenue Service, Environmental Protection Agency), that should be examined in relation to the proposed total system.

As the structure of agriculture has changed, the demands for more accurate current statistics for decision-making purposes have increased dramatically. The Statistical Reporting Service has altered its methods and coverage to meet these demands. Starting in 1960, the Statistical Reporting Service has gradually replaced a good share of its historic survey and estimating procedures with sophisticated probability sampling techniques. Additionally, in a planned cooperative effort with data users, the program of statistical reports has been closely culled. Numerous historical statistical series, reports and procedures have been abandoned and the resources rechanneled to the more important commodities, using the newer, more expensive statistical techniques. (About 150 statistical reports have been eliminated since 1967).

Federal resources applied to statistics programs in the Department of Agriculture have been rising and appropriations for the last 5 fiscal years are shown in Table 1.

TABLE 1.—APPROPRIATED FUNDS FOR STATISTICS PROGRAMS, USDA

[In millions of dollars]

Fiscal years	SRS	ERS	AMS ¹	ARS ²	Total
1973.....	22.8	5.0	7.5	0.5	35.8
1972.....	20.5	4.8	7.5	.5	33.3
1971.....	19.0	5.0	7.5	.5	32.0
1970.....	16.9	3.6	7.5	.5	28.5
1969.....	14.8	3.5	7.5	.5	26.3

¹ Market News Service.² Food Consumption Statistics.

In addition, the Statistical Reporting Service has cooperative agreements with the State Governments in 48 States, which are discussed on page 10.

A serious limitation for the Statistical Reporting Service program is the Census law prohibiting access to individual data. This fact prevents a much wider use of sophisticated probability list sampling techniques by Statistical Reporting Service that have a potential for improving the program in terms of content, timeliness and accuracy within the boundaries of reasonable costs. It is believed that these goals could be accomplished with the same or less cost than is now required in the total system of agricultural statistics, operated by the Department of Agriculture and the Department of Commerce.

C. *Current Agricultural Statistics Program of State Governments.*—The Statistical Reporting Service has cooperative arrangements with 48 State Governments to produce current statistical information to accommodate particular needs of the States. The policy of the Department of Agriculture provides for agricultural statistics by States and for the Nation, but not for sub-areas of the State. Except for county data from the 5-year Census of Agriculture, this latter is considered to be a financial responsibility of the State. The agricultural data needs and interests within the respective States are highly variable, both with respect to subject matter and scope.

It was long ago realized that at the State level a combination of available State and Federal funds into a single effort would yield needed statistical information at less cost and with greater usefulness for both parties. This cooperative arrangement is now in effect in 48 of the 50 States. The level of financial input is highly variable by States, being correlated to considerable extent with the relative importance of the State's agriculture. Nevertheless, the total financial contribution to current agricultural statistics by the States is substantial as shown in Table 2.

TABLE 2.—FUNDS APPROPRIATED FOR AGRICULTURAL STATISTICS, BY THE STATES

Fiscal year:	State funds (millions)
1973.....	\$4.9
1972.....	3.2
1971.....	3.5
1970.....	3.5
1969.....	3.1
1968.....	2.9

In addition, a number of States conduct an annual State Farm Census to meet their particular needs. The enumerative cost of these State Farm Censuses is not included in the preceding table.

RELATIONSHIPS AMONG DATA SUPPLIERS, COLLECTORS, AND USERS

The interest in and need for more relevant, accurate and timely information on agriculture pervades the agricultural economy. The preceding discussions should also underline the fact that the data collection "traffic" on the decreasing number of units in the population of food and fiber enterprises has greatly increased the load on respondents. Respondent burden has become a problem of serious concern for data collectors. On the other hand, the Nation is continually being confronted with new major problem areas such as environmental protection which give urgent rise to new or changing data needs. For example, data required for decisions related to use of pesticides or livestock waste disposal. Therefore, statistical systems must be highly efficient and dynamic or fall into disarray.

Three observations should be emphasized: *The first* is that the demand in recent years for better agricultural statistics and the efforts to increase the financial support for such, have come from non-Government elements of agriculture. It is not a case where the Federal bureaucracy has imposed the newer programs on data users—users have forced the issue primarily through their Congressmen. *Second*, the same elements in the food and fiber sector that have supported the current statistical programs in the Department of Agriculture have also strongly supported the Census of Agriculture. Their efforts to obtain added resources may not have been equally successful but their interest in improved census data is no less intense. Clearly, the two Agencies have identical publics. *Third*, the successful efforts by the food and fiber sector to get increased resources for improved statistics has not been made at the expense of other statistical systems of the Federal Government. In that sense, the current systems of agricultural statistics do *not* compete with other Federal statistics efforts. The thrust and philosophy has been to acquire a greater share of the total resources allocated to Agriculture for acquisition of better measurements about that industry.

A new combined system for agricultural statistics would improve relationships between respondents and data collectors and, most important, provide agriculture with information that is more useful and more timely.

There are four major parts of a well-developed data system which should be recognized because they have organizational significance: (1) Comprehension of informational needs for making decisions, for general public use, and for economic and social research and development. This is a matter of formulating the broad specification of the purposes of data systems in total and in part. (2) Formulation of the data specifications (definitions of parameters to be estimated), timing and frequency of estimates, and levels of accuracy needed. (3) Development of detailed specifications of data to be collected, the survey methods to be used, and the actual collection of data and preparation of estimates. (4) Analysis and interpretation of results, additional or special tabulation to acquire more information about related problems.

Obviously, there needs to be a substantial intellectual and cooperative input in all four parts and the old adage, "a chain is no stronger than its weakest link" is apropos. Presently, parts (1) and (2) are the weakest links in the chain. Full communication between data collectors and users is essential to achieving (1) relevancy in data specifications and tabulations, (2) support for the resources needed for the survey work, and (3) a dynamic system with capability of adjustment to changing needs.

EXCHANGE OF INFORMATION

The Census of Agriculture operates under a law that prohibits access by other than Census staff to any source data collected from persons or firms as part of the census process. This law is rigidly adhered to by the Bureau of the Census. The Department of Agriculture also operates its program of current statistics under very strict security procedures to assure confidentiality of the source data, and to prevent any advance knowledge of a sensitive crop production forecast prior to the date and hour of the scheduled release for public use. These processes are promulgated under Department Regulations rather than under precise laws as in the case of Census.

There is no intent here to make a case against confidentiality of source data. It is essential to protect the individuals concerned and the integrity of the system. However, personnel of both the Bureau of the Census and the Department of Agriculture are accustomed to handling confidential data and are subject to severe penalties for any abuse. A common set of regulations permitting exchange of certain types of information would provide adequate protection of confidentiality and at the same time offer definite advantages. In fact, the present constraints create one of the greatest impediments to improving the entire system of agricultural statistics. Present laws and regulations on the confidentiality of individual source data have precluded the possibility of Statistical Reporting Service and the Bureau of the Census making a joint effort to share information on individual farm operations. The Census of Agriculture files contain data that would be of utmost importance to the Statistical Reporting Service in the design of its sample surveys, but such is not available. Minimum information needed is the name and address of an agricultural enterprise, a measurement that denotes its relative size and an indicator of the type of agricultural enterprise.

On the other hand, the Statistical Reporting Service has not totally prohibited the Census of Agriculture from access to selected information in its files. For each 5-year census, the Statistical Reporting Service has provided the Census Bureau with names and addresses, particularly of large agricultural operations. The Agency has also assigned professional personnel, on a reimbursable basis, to assist the Census with data collection and data analysis. Nevertheless, the existence of this "one-way" street rather than an equal exchange of important data between the two agencies has probably reduced the amount of meaningful assistance the Statistical Reporting Service might have provided to the Census of Agriculture and vice-versa.

RELATIONSHIPS BETWEEN THE CURRENT STATISTICS PROGRAM AND THE CENSUS OF AGRICULTURE

(a) Commodity statistics: Nearly all of the commodity statistics originate in the Department of Agriculture and, except for marketings, originate in Statistical Reporting Service. The dependence of the commodity statistics program on the Census of Agriculture has gradually diminished so the Census of Agriculture as a support, in terms of providing benchmarks, is no longer one of the major needs for a Census of Agriculture—especially if a complete list of agricultural enterprises were available as discussed below.

(b) Agricultural industry statistics: The Census of Agriculture, taken every 5 years, is the major source. Some current statistics, though inadequate, originate as by-products or secondary data from various current commodity statistics programs of the Department of Agriculture. Also, various special surveys provide data for economic studies of agriculture.

(c) Technical relationship between sample surveys and censuses: Experts in survey methods make very little logical distinction between a sample survey and a census. They view a census as a survey wherein one attempts to get data from all units rather than some specified fraction (sample) thereof. All surveys, whether they are censuses or samples, are subject to the impact of a multitude of factors causing inexact results. It is possible for some of these factors to influence a census to a greater degree than a sample, so a census is not necessarily more accurate than a sample. The idea of taking a census to check the results from samples has changed drastically owing to experience and better understanding of the magnitude of errors attributable to various causes. In fact, sampling is now often employed to evaluate the accuracy of a census.

(d) Sampling frames: For purposes of this report, a "sampling frame" refers to a list of units that are included in a statistical universe that is to be surveyed. An accurate complete list of agricultural establishments, including a small amount of information about each, is of vital importance. To date, neither Statistical Reporting Service nor the Bureau of the Census has established a satisfactory list and means of keeping it current for statistical purposes.

In the absence of a complete list, Statistical Reporting Service has been using a combination of sampling incomplete lists and of area sampling in what has become known as multi-frame surveys. If a virtually complete list existed, including some data on the characteristics of the units on the list, a very important new capability would be provided. It provides a means of doing more efficient sampling than is now possible; that is, smaller samples could achieve the same results. It would provide a readily available and effective means of sampling for surveys having a wide variety of purposes. It could also enable annual

surveys in lieu of the census every 5 years. But, this immediately raises the question, "What about county or other small area data?"

The list itself, as envisaged, could provide a small amount of information on the number and kind of establishments by counties. For selected items where county data might be essential, a well designed 25 percent sample selected from the list would probably provide data by counties every 5 years that are about as accurate as the data now available. For intervening years, 5 to 10 percent samples, under a suitable plan for rotation of samples and the content of questionnaires, would provide timely statistics much more in accord with present needs and at favorable costs.

Both in terms of survey methods and survey objectives, the Census of Agriculture and the current agriculture statistics program should no longer be two separate programs. Rather, a single unified program is needed—a program that can provide improved timeliness and a statistical output better suited to informational needs, especially with reference to the category referred to above as industry statistics.

STATISTICS FOR HOUSEHOLDS IN RURAL AREAS

The Census of Agriculture and, to a much lesser extent the decennial censuses of population and housing, have been the primary sources of information about farm people. The Census of Agriculture and farm surveys are no longer considered to be satisfactory vehicles for obtaining economic and social data pertaining to farm households; and there has been a dearth of data about rural farm and nonfarm people from household type of surveys. For rural welfare and economic development programs, important needs for data have been emerging—data that should be obtained from household surveys rather than surveys of agricultural enterprises.

ADVANTAGE OF COMBINING RESOURCES FOR AGRICULTURAL STATISTICS

A. Financial

The foregoing discussions clearly demonstrate that the financial base for the total program of statistics in the Department of Agriculture is substantial (see Table 1 above). The total does not include funds for statistical purposes appropriated by the State for the State-Federal cooperative program.

The \$28.0 million required by the 1969 Census of Agriculture averages \$5.6 million annually over a 5-year period. Combined with the Department of Agriculture's \$55.8 million, the identifiable funds being devoted to agricultural statistics by the Federal Government in FY 1973 amounts to nearly \$41.4 million.

The major accomplishments to be expected under a combined statistical system include:

First, improved data for the current commodity statistics program as well as the basic census-type information for local area needs.

Second, a stabilized professional and clerical staff. The 5-year Census of Agriculture has had some managerial problems due to the need for rapid staffing and contraction.

Third, a new program of current statistics for the food and fiber industry.

Fourth, the urgently needed Directory of Agriculture maintained on an annual basis.

Fifth, collection of meaningful data from rural households on an annual basis. This is the biggest single data gap in the existing statistical systems.

Sixth, economies from the combination and re-direction of available resources. The new improved statistical program might well be operated with the funds now being expended.

The new combined system for the food and fiber industry statistics would require about \$3.5 million of the annualized sum of \$5.6 million of census funds. The remaining \$2.1 million (a total of \$10.5 million over a 5-year period) could be used for other statistical purposes, particularly to start acquisition of meaningful information regarding the rural population of the Nation. Some pertinent changes in legislation pertaining to both the Census of Agriculture and agricultural statistics will be required.

TABLE 3.—SUGGESTED FINANCIAL STRUCTURE FOR A COMBINED SYSTEM OF AGRICULTURAL STATISTICS
(Excludes funds now employed for statistics by Market News Service of Agricultural Marketing Service, the Agricultural Research Service and State Governments)

[In millions of dollars]

Source of funds by agency (annual)	Suggested activity			
	Amount	Directory maintenance	Current statistics	
			Food and fiber industry ¹	Commodity statistics
Census of agriculture.....	3.50	1.50	2.00	-----
ERS.....	5.00	.50	.75	3.75
SRS.....	22.80	2.50	2.50	17.80
Total.....	31.30	4.50	5.25	21.55

¹ Annual survey based on the directory in lieu of the 5-year census of agriculture.

It seems appropriate to make some observations concerning the State-Federal cooperative program (\$4.0 million) and the Market News Service program (\$7.5 million). In a new combined statistical system a modest input of Federal funds into selected major agriculture-producing States could result in data that would provide significant support for the Agricultural Directory and also yield more useful local area information. There is a trend in some States to place less reliance on personal property taxation which, in turn, lessens the need for the annual State Farm Census where one has been part of the basis for the tax system. This results in the disappearance of statistical data that have been important to meet data needs for counties and other sub-areas of a State. A re-evaluation of this situation by State and Federal officials might result in a new type State Farm Census or other statistical system that would provide the local data and accrue to the benefit of both State and Federal programs. The subject would seem to warrant discussion with State officials, since relatively small financial inputs might well result in significant statistical gains.

In the case of the Market News Service, the opportunity will be provided to carefully evaluate the current procedure with the objective of making the collected data more useful to data users for marketing decisions and as input into current statistical systems, particularly with respect to prices for commodities.

B. Confidentiality:

The laws and regulations governing the confidential nature of reported data must be maintained. Under no circumstances should the proposed Directory of Agriculture be made available for use as a mailing list by any or all survey planners, either Government or private.

Under a combined system, access to confidential data among Statisticians who have a legitimate need for it would be facilitated rather than impeded. In contrast to the present situation, this should lend some economy because, in many cases, more efficient sampling would be possible and there would be a single effort rather than separate efforts to develop and maintain a Directory. Also, the greater ability to relate data on an individual basis from more than one survey could reduce the amount of data that needs to be collected and could enhance the opportunity for fuller analytical use of the data.

C. Coordination of data systems:

Statistical definitions of the agricultural sector of the U.S. economy must be consistent with those used in other sectors and fit into the system of national accounts. The present organizational structure of the Federal Government is adequate for coordinating major data systems with one another. But, needed statistical reform in agriculture calls for consolidation of the Census of Agriculture with the current statistics program to facilitate remodeling the agricultural data system and to achieve greater economy. Under present organization, if annual sample surveys in lieu of a Census of Agriculture were adopted, two

agencies would have field forces and facilities for collecting current agricultural statistics—a situation that would be wasteful.

Administrative data systems ought to be examined for possible modifications that would make the output of such systems more useful for analytical purposes or perhaps supplement statistical data systems. Some gains should be expected from better coordination of administrative data systems for various government programs with the statistical systems.

RECOMMENDATIONS

The main recommendation of this report is to remodel the agricultural data system. An opportunity is available to establish a new, total system for agricultural statistics within existing resources rather than to continue to add appendages to existing systems. With this in mind, the following recommendations are offered for consideration:

1. Agriculture's prerogative to administer and care for its needs should include the total agricultural data system. Therefore, the entire agricultural statistics program should be in the U.S. Department of Agriculture. The location of the agricultural statistics should not place it in competition with other statistical programs. That is, it should be in competition for resources within the agricultural sector of the economy rather than within the scope of resources for all statistics.

2. The analysis indicates that the Census of Agriculture in its present form can be superseded and the resources (\$5.6 million per year) reallocated as follows:

- a. About \$2.0 million be pooled with about \$3.25 million of Department of Agriculture funds for annual sample surveys of the food and fiber industry. These annual surveys would replace the 5-year Census of Agriculture, and parts of the current statistics program of the Department of Agriculture. Once every 5 years, statistics by counties would be made available by increasing the size of the sample.

- b. About \$1.5 million be allocated for the development and maintenance of a Directory of Agriculture in accordance with an updated definition of agriculture as a food and fiber industry. This will be combined with about \$3.0 million from the Department of Agriculture program.

- c. The remaining \$2.1 million should be considered for development of rural area statistics because of the growing importance of rural area programs.

3. The Department of Agriculture should restructure its statistical program to achieve the following:

- a. The current statistics of the Department of Agriculture, the new program of statistics indicated in 2(a) above, and the task of list development and maintenance, 2(b), should be together organizationally and become part of a unified program of agricultural statistics based on updated concepts.

- b. Probability sampling should be extended to all eligible parts of the statistical program as rapidly as possible.

- c. Under the proposed total system, there would be opportunity to re-evaluate other statistical programs of the Department of Agriculture as follows:

- (1) The Economic Research Service will be able to take advantage of the modified data systems. Furthermore, the proposed system should provide improved access to types of administrative statistics both in and outside the Department of Agriculture that are essential to meaningful economic analysis in a changing world.

- (2) The statistical program of the Market News Service of the Agricultural Marketing Service should be re-examined with the view to making the output more useful for current marketing decisions and for analytical purposes, particularly in the area of price statistics.

- (3) Also, the Agricultural Research Service household surveys on food consumption and nutrition should be re-examined in relation to household surveys of other Federal Agencies.

4. The annual expenditures by State governments in the cooperative State-Federal statistical program are substantial. It is recommended that these programs be re-evaluated by both parties since small financial inputs from the proposed combined system of Federal agricultural statistics may well result in upgrading the statistics at three levels—local, State and National.

5. The Department of Agriculture should set up a task force to develop a master plan or model of a new data system for agriculture and for rural areas, keeping in mind needs for consistency with other systems. This will require substantial intellectual endeavor by knowledgeable persons from all parts of the agricultural economy interested in agricultural statistics.

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 support of H. J. Resolution 554 (by Rep. Zwach of Minnesota) and H. J. Resolution 580 (by Rep. Evans of Colorado, et al) relating to the taking of the 1974 Census of Agriculture.

Since we first learned of the proposed postponement of the 1974 Census of Agriculture FSUC has undertaken to provide its members, as well as others concerned with agriculture statistics, with detailed information about development relating to the proposed postponement as they have occurred. This was done through three Special Reports, issued on February 8, May 16, and June 26, 1973. Copies of these Special reports are attached to this statement.

On May 16, 1974, as an enclosure to our second Special Report, a questionnaire was mailed to representatives of 187 member organizations of FSUC to determine their views on the proposed postponement of the 1974 Census of Agriculture. As of June 21, 1973, 39 returns had been received from representatives of 36 member organizations. The questionnaire was also sent to 94 persons in organizations not affiliated with FSUC who are believed to have an interest in agriculture statistics. Twelve responses were received from this group. The combined results show that 42 favor taking a census of agriculture in 1974, seven favor taking the census in 1977 and two expressed no opinion. Respondents also indicated their uses of census of agriculture data; their reasons for favoring a 1974 or 1977 census; and their views regarding the collection of interim data through sample surveys. The Report on the survey results is attached to our third Special Report of June 26, 1973. The individual responses contained in this Report indicate clearly the vital and important uses which are made of census of agriculture data and the reasons why statistics users support the taking of a 1974 Census of Agriculture.

The most distressing aspect of the decision to postpone the 1974 Census of Agriculture is the manner in which it was made. It seems to have been ill-conceived and ill-timed and with apparently little thought given to possible alternatives for achieving the desired objective. It is obvious too that those who made this decision did not anticipate the widespread adverse reaction which has resulted since the proposal was announced in the 1974 Budget request of the Department of Commerce.

As we understand it, the decision to postpone the 1974 Census of Agriculture was a unilateral decision made by the Department of Commerce. The decision was made in the face of a clear legal mandate that says that the Census Bureau "shall" take the Census of Agriculture in 1974.

The proposal was made in anticipation that the Congress would approve legislation to change the timing of the census of agriculture. A draft bill that would postpone the 1974 Census of Agriculture until 1977 was sent by the Secretary of Commerce to the House of Representatives on April 19, 1973, and to the Senate on April 30, 1973. As of this date, not one member of the House or the Senate has introduced the proposed bill in either House or Congress. This indicates to us that the anticipation of legislative action regarding the postponement was overly optimistic and that the proper course would have been to propose such legislation a year or two earlier so that time would have permitted due consideration of the advantages or disadvantages of the proposal.

In making this decision, the Department of Commerce did not consult in advance with appropriate Committees of the Congress, other government agencies, statistics users, or the Census Bureau's Advisory Committee on Agriculture Statistics. The 1974 Census of Agriculture is a major statistical program, mandated by law, and the decision to postpone it until 1977 is of such importance that it could have a serious impact on the many users of these data. This proposal represents another instance of a Federal agency decision regarding a major statistical program where those with the most interest in such a program are informed of the decision "after the fact." It would seem to us that certain guidelines or criteria should be established to permit extensive consultation with

appropriate groups and organizations *prior* to making major changes in statistical programs of such magnitude as the census of agriculture, and particularly when they are required by law.

After learning of the proposal to postpone the 1974 Census of Agriculture, the Census Advisory Committee on Agriculture Statistics, at a meeting held on February 23, 1973, recommended that the 1974 Census of Agriculture be carried out in accordance with the present law.

Another indication that the proposal was not well thought out is the fact that no plans were contained in the budget proposal for providing interim data that would serve the urgent and immediate needs for statistical information on the agriculture sector of our economy. Representatives in the Department of Commerce and the Office of Management and Budget have belatedly recognized these needs. In his statement to the Subcommittee on Census and Statistics on June 28, 1973, Robert L. Hagen, Deputy Director of the Bureau of the Census said, "It is certainly true that there are immediate needs for statistical information on the agricultural sector of our economy. Recent events such as price changes, increased exports and disastrous weather have contributed to the urgency of these needs." As we view it, these "recent events" have occurred in the five months which have passed since the issuance of the Budget on January 29, 1973, and Mr. Hagen's testimony of June 28, 1973. This would indicate to us the highly volatile nature of the agriculture sector of the economy and emphasize the continuing need for comprehensive current data. We suspect that the unanticipated outcry of members of the Congress and the statistics user community may have had some influence in bringing about this belated recognition of the urgent and immediate needs for agriculture data.

On July 24, 1973, the Department of Commerce, with the approval of the Office of Management and Budget, submitted a supplemental appropriation request to the Senate Appropriations Subcommittee on State, Justice, Commerce, the Judiciary calling for a sample survey estimated to cost between \$7 and \$8 million over three fiscal years. Such a survey would provide only national and State data. Had this proposition been carefully considered, it appears that it would have been appropriate to propose such sample survey and appropriation request in the original budget when it was submitted.

It is our view that an adequate case has not been made for the advantages cited for postponing the 1974 Census of Agriculture. The advantages outlined by the Department of Commerce appear minor in comparison to the disadvantages of delaying new benchmark measures for three years. One of the principal reasons for postponing the Census, according to the Department of Commerce, was that it was in line with the "objective of reducing government expenditures." The \$1.3 million appropriated in fiscal 1973, but impounded by the Office of Management and Budget, amounts to a savings of 0.4 percent in the total budget for principal statistical programs in 1973. If funds had been requested in the fiscal 1974 budget for the census of agriculture—and assuming they would follow the pattern of the appropriations requested annually for the 1969 census—the savings (an estimated \$3.1 million), in the total Federal statistical budget for 1974 would amount to about 0.9 percent.

It is unfortunate that the impoundment of the 1973 funds and the delaying tactics of the administration have placed limits on the ability of the Bureau of the Census to make some desirable and planned improvements in the 1974 Census over that conducted in 1969. Although time is running out, if immediate action is taken, and funds appropriated, the Bureau of the Census can and should proceed with its plans to take an adequate and useful census of agriculture in 1974. Although it may not be in a position to make substantial changes in the planning for a 1974 census, we understand that the Census Bureau has sufficient lead time to make some modifications in line with recommendations for improvement in the census.

It is evident to us that timely data at the county level is essential and that such data can only be obtained through a census rather than a sample survey. We strongly urge that the 1974 Census of Agriculture be taken as authorized by law and that the resulting data be published as soon as practical following the taking of the Census. It is imperative that the impounded funds for fiscal 1973 be released and that adequate funds be appropriated in fiscal 1974 to take the census as planned.

[The attachments follow:]

SPECIAL REPORT TO FSUC MEMBERS ON 1974 CENSUS OF AGRICULTURE—COMMERCE DEPARTMENT PROPOSES POSTPONEMENT UNTIL 1977

A census of agriculture is required by Title 13, United States Code, Section 142, to be taken every 5th year covering those years ending in 4 and 9. In fiscal 1973, funds totaling \$1,360,000 were appropriated to initiate planning for the 1974 Census of Agriculture. However, the current 1974 budget request proposes postponement of this census until 1977 and further proposes that it be combined with the 1977 economic censuses. The 1973 appropriation will be used to plan the transition. Legislation must be submitted to change the timing of the census of agriculture.

Special Analysis F covering "Principal Federal Statistics Programs," contained in the *Budget of the United States Government, 1974*, makes the following statement regarding the proposal:

"1977 Census of Agriculture—As the distinction between agricultural and nonagricultural business have become more difficult to make, both because of enterprise diversification and the increasingly industrial nature of agricultural production, the rationale for integration between the census of agriculture and the other economic censuses has become more compelling. Although the degree of integration desirable has not yet been determined, the advantages of a common year for the censuses of manufacturing, business services, trade and agriculture seem clearly desirable in order to have a common benchmark year useful in production indexes and in the construction of the national accounts. Postponement of the census of agriculture until 1977 will have the added advantage of allowing for a careful review of several aspects of the agricultural statistics program, including the definition of a farm and the methodology for providing current estimates of farm income and production. No additional appropriation is requested for 1974, but unobligated funds available from 1973 will enable the Census Bureau to begin work on the transition to the new system and scheduling. The Department of Agriculture, within allocations provided for the Economic Research Service and Statistical Reporting Service, will participate in the review process."

FSUC ACTION

On January 25, 1973, prior to the issuance of the Budget on January 29, 1973, the Executive Director of FSUC wrote identical letters to each of the following: Gale W. McGee, Chairman, Senate Appropriations Subcommittee on Agriculture, Environmental and Consumer Protection; John O. Pastore, Chairman, Senate Appropriations Subcommittee on State, Justice, Commerce, the Judiciary; Jamie L. Whitten, Chairman, House Appropriations Subcommittee on Agriculture, Environmental and Consumer Protection; John J. Rooney, Chairman, House Appropriations Subcommittee on State, Justice, Commerce and the Judiciary; W. R. Poage, Chairman, House Committee on Agriculture; Herman E. Talmadge, Chairman, Senate Committee on Agriculture and Forestry; Charles H. Wilson, Chairman, House Subcommittee on Census and Statistics; Earl L. Butz, Secretary of Agriculture; and Frederick Dent, Secretary of Commerce. The text of these letters read:

"An increasing number of members of the Federal Statistics Users' Conference have been expressing their deep concern to me about rumors they have heard that there will be a serious curtailment of the 1974 Census of Agriculture that is conducted by the Bureau of the Census.

"As of now, I do not have any facts to substantiate these rumors. Undoubtedly, when the President's Budget is released next week we will know more about the situation. If serious curtailments are made in the Census of Agriculture, then we believe the situation deserves an intensive review to determine the effect it would have on the various programs designed to aid the agricultural community and on the wide range of users of agricultural data for research, planning and business decision-making.

"The FSUC membership will, of course, be apprised of the 1974 budget proposals for agricultural statistical programs and will be asked for their views regarding the impact of any curtailments and their needs for such data. We will be pleased to make these views available to you."

As of this date, we have received the following responses to our letters:

Don Paarlberg, Director, Agricultural Economics, responded on behalf of Secretary Butz, saying: "We can see some advantages in having all economic census data relating to the same year. However, we do have certain urgent data needs that would normally be met in a 1974 agricultural census program. One of the primary concerns in our statistical work is the need for improvement in our farm income series. An important aspect of this problem concerns the need for a revision in the economic classification of farms. There have been dynamic changes in the size, type, and control of agricultural operations that cannot adequately be described using the present classification system. We have a small task force that is giving consideration to this subject. We are also considering alternative arrangements for obtaining additional data that would be necessary. If funds are not available for a 1974 Census of Agriculture, we would hope resources may be made available for expansion of our enumerative survey program to satisfy the most urgent data needs described."

Joseph R. Wright, Jr., Acting Director, Bureau of the Census, responded on behalf of Secretary Dent, saying: "In the preparation of the 1974 Budget the President directed all agencies to review all their current and proposed programs with the objective of reducing government expenditure. Following this review, the Department of Commerce recommended that the 1974 Census of Agriculture be postponed and taken along with the other economic censuses covering the year 1977. It is my understanding that a request for legislation encompassing this recommended change in scheduling for the census of agriculture is being submitted to the Congress."

"Although there are many valid needs for information to be collected in the 1974 Census of Agriculture, there would be some gains in the analysis and planning of the country's economic programs if data from a census of agriculture are available for the same year as those from the other economic censuses which will next be taken for the year 1977. Moreover, there are a number of areas in which savings can be made by taking these censuses at the same time."

"We greatly appreciate the continuing interest and concern of the Federal Statistics Users' Conference in the statistical programs for which this agency has responsibility. We will welcome the views of the FSUC membership regarding the impact of the postponement of the 1974 Census of Agriculture and their needs for such data."

Jamie L. Whitten, Chairman, House Appropriations Subcommittee on Agriculture, wrote as follows: "Your letter of January 25th has been received; and I can certainly understand your concern. It is going to be virtually impossible to get anything through above and beyond the Budget; and if we do, unless we can get this business of impounding funds stopped there is little hope of having the money used."

"I will be glad to have the views of your membership at such time as they are presented, and appreciate your suggestion."

With regard to the proposed postponement, Senator Talmadge said: "I personally feel this would be detrimental for a number of reasons and have already indicated my concern to the Department of Agriculture and to other interested parties. I will do what I can to see that it is not postponed."

The Chief Clerk of the House Committee on Agriculture acknowledged our letter on behalf of Chairman Poage saying that the Chairman was "interested in this matter" and would appreciate having FSUC's views.

FSUC VIEWS

In my letters of January 25th I said that FSUC members would be apprised of the 1974 budget proposals relating to the postponement of the 1974 Census of Agriculture and would be asked for their specific views regarding the impact of any curtailments and their needs for such data. With such a limited amount of information available at this time, I am hesitant to send a ballot to the membership asking for their approval or disapproval of the postponement of the 1974 Census of Agriculture. However, it would be helpful to FSUC if you could send me a letter, as soon as possible, expressing your views on the basis of the facts at hand, and also your recommendations for the mailing of a ballot. Certainly, we want to know how such a postponement would affect your planning needs and demands for current data. I would also appreciate your comments on any other actions you think FSUC should take at this time.

FSUC's Conference on the Economic Report and the Budget, it will be held on March 6, 1973. The first session, beginning at 9:30 a.m., will deal with "The Federal Statistical Budget, 1974." Speakers will include Julius Shiskin, Chief Statistician, OMB, and Robert L. Hagan, Deputy Director, Bureau of the Census. Members will have an opportunity at this session to obtain more details about the proposed postponement and plans for the 1977 Census of Agriculture.

The FSUC Board of Trustees will be meeting in the afternoon and evening of March 6th to review the budget for statistical programs for 1974. It will give serious consideration to this proposed postponement.

MEETING OF CENSUS ADVISORY COMMITTEE ON AGRICULTURE STATISTICS

A meeting of the Census Bureau's Advisory Committee on Agriculture Statistics will be held at the Census Bureau on February 23, 1973, beginning at 10:00 a.m. FSUC has a representative on that Committee and the Executive Director of FSUC will also attend.

Under the provisions of the new Federal Advisory Committee Act, passed on October 6, 1972, "each advisory committee meeting shall be open to the public." The Act also says that "Interested persons shall be permitted to attend, appear before, or file statements with any advisory committee, subject to such reasonable rules or regulations as the Director may prescribe." A notice of the meeting will be published in the Federal Register.

Those of you who wish to attend this meeting, or to file statements, should write to: Mr. J. Thomas Breen, Chief, Agriculture Division, Bureau of the Census, 2067 F. O. B. No. 3, Suitland, Maryland 20233. Time, of course, is a pertinent factor.

The agenda for the meeting will include discussions of: (1) Recommendations for postponement of the 1974 Census of Agriculture to be taken next as part of the 1977 Economic Censuses, (2) Interim needs and requirements for planning a 1977 Census of Agriculture, and (3) Department of Agriculture's recommendations for change in classification of establishments associated with agriculture and desired data collection and tabulations. This relates to Farm Definition.

OBSERVATIONS AND CONCLUSIONS

I regret that we do not have detailed information regarding the pros and cons of the Commerce Department's recommended postponement of the 1974 Census of Agriculture. The fact is, no information could be obtained prior to the release of the *Budget of the United States Government* on January 29, 1973. Although further information will be forthcoming, I feel it is imperative that FSUC members be informed as soon as possible of the facts as we know them. Hence, this Special Report to Members.

As I understand it, the decision to postpone the 1974 Census of Agriculture was a unilateral decision made by the Department of Commerce. Statistics users were not consulted in advance to determine their views or their needs. I do not know to what extent, if any, other government agencies were consulted prior to the decision. The Bureau of the Census has an Advisory Committee on Agriculture Statistics. That Committee was not consulted in advance of this decision. The fact that the recommendation is contained in the 1974 budget request of the Department of Commerce indicates that it is supported by the Office of Management and Budget.

Cost was obviously a major factor in this decision as is indicated in the letter quoted on page two from Joseph Wright, Acting Director, Bureau of the Census. He said the President "directed all agencies to review all their current and proposed programs with the objective of reducing government expenditures." As a result of its review, the Commerce Department recommended that the 1974 Census be postponed. The 1974 Census of Agriculture is estimated to cost \$28 million, spread out over a five-year period. It is possible that there is also some concern in government circles about the cost of the 1974 Census of Agriculture relative to the total cost of the other economic censuses. The estimated cost of the 1972 economic censuses amounts to \$32.1 million, spread out over a five-year period. The 1974 request of \$12.7 million for the 1972 economic censuses represents the fourth of a five-stage request for these censuses. Total funds appropriated for these censuses in fiscal years 1971, 1972, and 1973 amounted to \$16.3 million.

What are some of the unanswered questions? Although the decision has been made for integration of the census of agriculture with the other economic cen-

suses, *Special Analysis F* says "the degree of integration desirable has not yet been determined." Personally, it would seem to me that this should have been a factor to be considered in making a decision to postpone the census.

The Agriculture Department says it has "certain urgent data needs that would normally be met in a 1974 agricultural census program," and that it is "considering alternative arrangements for obtaining additional data that would be necessary." Statistics users need to know more about the Department's needs and alternative arrangements under consideration. To what extent will the needs of the Agriculture Department satisfy the needs of other users? If data are collected in this interim period, will they provide information at the county level as well as at the National and State levels? Users should have an opportunity to provide some input regarding any alternative arrangements for providing interim data if the 1974 Census is postponed.

The Commerce Department said there are a number of areas in which savings can be made by taking the agriculture census and the economic censuses at the same time. What are these areas and what will the savings amount to? If the agriculture census is conducted in 1977, is there a possibility that there will be a serious curtailment of the coverage of that census as compared to what it would have been if taken in 1974? If these censuses are combined, the peak periods for budgets, in the five-stage request, would be fiscal years 1978 and 1979—much higher than they would be if the agriculture census were conducted in 1974. At that time, will the Office of Management and Budget and the Congress go along with this level of expenditures? If curtailments are recommended, which censuses will be affected?

In serving the FSUC membership, one of my responsibilities is that of reporting member views to the various agencies of the Federal government, including the Congress, as those views are determined through the various means available to us. My responsibilities also include the close observation of the various activities and operations of the Federal statistical agencies. Where appropriate, I pass along my observations and comments for the guidance of our members, and ask for their views. In this respect, I have the following opinions with which you may agree or disagree. I would greatly appreciate having your comments and/or recommendations.

The 1974 Census of Agriculture is a major statistical program and the decision to postpone it until 1977 is of such importance that it could have a serious impact on the many users of these data. Undoubtedly, the decision was not made in a vacuum; there was some consultation. However, it represents another instance of a Federal agency decision regarding a major statistical program where other governmental agencies and statistics users are informed of the decision "after the fact." This type of action puts all interested persons and organizations at an extreme disadvantage with few, if any, opportunities for review and possible reversal of the decision. I am becoming increasingly concerned about this type of action. In my opinion, this is an inadequate procedure for making decisions of this magnitude. It would seem that some guidelines or criteria should be established to permit extensive consultation with government agencies and other interested persons and organizations prior to making major changes in these vital statistical programs. The rationale for changes should be explained and certainly a broad cross-section of views should be obtained. If a logical and reasonable rationale for making changes in major statistical programs is explained, understood, and generally agreed to, in advance, by a wide range of interested parties, this would strengthen the position of the recommending agency in obtaining approval. If differences of opinion occur, perhaps reasonable compromises or alternatives might be agreed upon. In any case, there would undoubtedly be a better informed public, and the grey area of doubt would, in most cases, be eliminated.

I feel very strongly about the need for broader consultation with interested parties *prior* to decision-making regarding major changes in Federal statistical programs. This subject will be included on the agenda for the meeting of the Board of Trustees at its meeting on March 6th.

Since its inception, in 1956, FSUC, as most of you know, has been faced with, and responded to, many crises affecting the Federal statistical system. If there ever was a time when the voice of FSUC needed to be heard, it is now! We must be as strong and as forceful as we can in expressing our views. The Department of Commerce obviously feels that there is merit to the postponement of the 1974 Census of Agriculture until 1977, otherwise it would not have made this recommendation in the 1974 budget proposal. The only information we have regarding

this decision is contained in *Special Analysis F* prepared by the Office of Management and Budget and in the letter from the Acting Director of the Bureau of the Census. In summary, they tell us this:

As the distinctions between agricultural and nonagricultural business have become more difficult to make, both because of enterprise diversifications and the increasingly industrial nature of agricultural production, the rationale for integration between the censuses of agriculture and the other economic censuses has become more compelling.

The advantages of a common year for the censuses of manufacturing, business services, trade and agriculture seem clearly desirable in order to have a common benchmark year useful in production indexes and in the construction of the national accounts.

Postponement of the census of agriculture until 1977 will have the added advantage of allowing for a careful review of several aspects of the agricultural statistics program, including the definition of a farm and the methodology for proving current estimates of farm income and production.

There are a number of areas in which savings can be made by taking the census of agriculture at the same time as other economic censuses.

At this time, we have not seen any clear-cut statements as to the disadvantages of postponing the 1974 Census of Agriculture until 1977. I expect members of FSUC to provide me with their views on the advantages and/or disadvantages of postponement, as they see them.

* * * * *

JOHN H. AIKEN, *Executive Director.*

INTRODUCTION

The Federal Statistics Users' Conference is a nonprofit, educational and research organization whose members have a common interest in encouraging the development of adequate, timely and reliable information, of optimum usefulness at minimum cost, from the Federal statistical programs. FSUC represents a wide range of users broadly classified in five membership categories: business firms, labor unions, nonprofit research organizations (including professional associations), State and Local governments, and trade associations. In addition, there is an Associate Member category composed primarily of universities.

On May 16, 1973 a questionnaire was mailed to representatives of 187 member organizations to determine their views on the proposed postponement of the 1974 Census of Agriculture. As of June 21, 1973, 39 returns had been received from 36 member organizations. The questionnaire was also sent to 93 persons with organizations not affiliated with FSUC that are believed to have an interest in agriculture statistics. Twelve responses were received from this group.

* * * * *

The results of the FSUC Survey are reported on the following pages.

SUMMARY OF RESPONSES TO FSUC SURVEY REGARDING POSTPONEMENT OF 1974 CENSUS OF AGRICULTURE

I. GENERAL SUMMARY

Useable responses

Members of FSUC.....	39
Nonmembers of FSUC.....	12
Total	51

Respondents with a direct interest in agriculture

(These respondents indicated that they and/or others in their organizations use Census of Agriculture data:)

Members of FSUC.....	32
Nonmembers of FSUC.....	12
Total	44

Respondents with no direct interest in agriculture—7

(These respondents are users of Federal statistics, but indicated that neither they nor others in their organization use Census of Agriculture data. They did, however, express their views on the postponement of the 1974 Census :)

VIEWS REGARDING A CENSUS OF AGRICULTURE IN 1974 OR 1977

	Favor taking a census of agriculture—		No opinion
	In 1974	In 1977	
Direct-interest users:			
Members of FSUC.....	26	4	2
Nonmembers of FSUC.....	12	0	0
Total.....	38	4	2
No direct-interest users.....	4	3	0
Grand total.....	42	7	2

II. PRINCIPAL PURPOSES FOR WHICH CENSUS OF AGRICULTURE DATA ARE USED (AS REPORTED BY RESPONDENTS TO FSUC SURVEY)

Farm publications depend on the Census for short and long-range planning of their own business futures. Editors of farm publications use census data as the basis for some of their editorial planning. Census data is reproduced by most farm publications and distributed as needed to other companies interested in all phases of agriculture—chemical companies, implement companies, seed companies, etc.

Occasional research reports, including capital, labor, and productivity estimates.

Occasional need for geographic importance of some commodity or land use. As benchmark data for evaluating changes occurring in the characteristics of farm production activities.

Select media coverage of species of livestock—radio, TV and outdoor markets.

The Census of Agriculture has limited usefulness at the present, but with the large increases in agricultural exports we are anticipating a very much enlarged usage of these data.

Benchmarks for long-range corporate planning, small area market analysis, direct mail distribution list benchmarks, and product planning.

Provides data underlying long-range economic projections. Basis for establishing market potential by county.

Marketing purposes; to forecast the economy and to interpret economic conditions.

Data are used in following trends in the agricultural sector of the economy.

County economic base data.

Input data on various State research projects.

Economic analyses of places and areas in which agriculture is a significant factor in the economic support.

Census data used primarily for monitoring local trends in agricultural activity. Regular baseline information is important since agriculture constitutes a significant part of basic economic activity in this state. In addition, farmers constitute an important segment of the customer base of this business.

Economic evaluation of rural markets for banking services.

For benchmark purposes for county data. Reviewing manpower series by county.

Market research studies on materials used in farming and on crops produced by States and counties served by our company.

To develop pesticide present and future usage patterns and to gather statistics for specialized use situations.

County figures of livestock and poultry numbers are used for planning facility locations. Also fertilizer use is important on county basis.

Production trends in wheat production yields, geographical changes, etc.

In realistically working with our membership as to programs for the future in designing self-help programs to better agriculture income.

For planning future. Plantings of blueberries. How can a grower make intelligent decisions for the future unless he has some idea of what is happening with competitive fruit crops?

Definition and location of different classes of farm product producers.

Livestock numbers; number of farmers by livestock species, and many other areas.

Preparation of editorial for magazine. Determine areas where appropriate material should appear. Marketing and advertising.

We use the information as a base upon which we project consumption, usage, acreage, and other statistics in those areas we survey.

Bench mark data for projections of petroleum products.

This office uses the data to compile profiles of the agricultural industry in Pennsylvania for various purposes. The Pennsylvania Crop Reporting Service uses the data for comparison of their own data.

Evaluation of the agricultural sector of our economy with emphasis on implications for the Insurance Industry.

To determine crop production and rural income.

We use it to gather information for advertisers, to figure out our circulation pattern and countless other valuable items from it.

Use of time series data to analyze changes in the rural economy and rural social structure; to study rural development patterns and environmental issues.

Rural and conservation zoning in the region and land-use development guidelines.

III. REASONS GIVEN FOR SUPPORTING A CENSUS OF AGRICULTURE TO BE TAKEN IN 1974

The rapidity of change in agriculture makes it mandatory that an agriculture census be taken in 1974, not 1977 or 1978. Neither private industry, the government, nor farmers can afford to be without the information collected in a census until 1980 or later when it would probably become available from a 1977 census.

The five-year "benchmark" censuses are a basic and desirable feature of our U.S. statistical system.

Census data typically are not published until two or three years after the census year; therefore it means that there would be a time lapse of seven-eight more years (rather than four to five) before data about agriculture would be current.

Even five years is a long gap—10 is unacceptable—particularly when data is nearly two years old when compiled.

Due to the present high price of food and the affect upon the economy, we need the data now to analyze the current and/or long-term problems involved.

The Census Bureau has, so far, failed to make a case for advantages of postponing. Why postpone unless the advantages are great. The advantages mentioned so far appear minor in comparison to the disadvantages of delaying new benchmark measures for three years.

In general, support the move toward coordinating the agricultural census with the economic census but the time lag of eight years resulting from postponement of the Agriculture Census to 1977 in making the transition results in a serious gap in the flow of important data regarding the agriculture sector.

In a dynamic sector of the economy, up-to-date, reliable statistics are needed in formulating policies. Agriculture, as we all know, is in need of such statistics to meet the change in policies needed.

Interim figures are needed.

Changes in the agricultural sector of the economy are occurring fast enough that data at longer than five year intervals are unsatisfactory and there are no other suitable sources of data outside of the agricultural Census.

Currently we don't receive census data until three to four years after the census. Thus the county information is many times obsolete when we receive it now. Eight years is too long a period without an update, especially in a changing market.

Particular importance at this time in view of the recent "food crisis." Consistent data for comparison purposes.

I believe that regular periodic reporting is needed to measure changes.

The Census of 1969 was a disaster. No one I know who has worked with that data trusts any of it. We do not need a rerun. If Census can do no better than this, its time to find someone who can do a competent job *and on time*.

We feel that with the rapid change in the agricultural industry and particularly now the whole change of rural America that we need this information even more than ever before and more often.

Five year interval data are needed for time-series analysis at the county level; the 1977 plan, as proposed, involves the change of concepts and methods as well as base time—the combined long interval *and* change in basic definitions would destroy all time series relevance. Let the 1977 changes be made after basic 1974 data are available also—to evaluate the impact of the changes better.

We need much additional statistical data to help us delineate prime agricultural preservation areas and conservation zones in our region—and we need it now.

IV. REASONS GIVEN FOR SUPPORTING A CENSUS OF AGRICULTURE TO BE TAKEN IN 1977

If dollars saved are spent wisely in area of gathering more complete and accurate data.

I favor 1977 for two separate and distinct reasons. First, it would be very helpful in doing research to have all economic censuses with the same base years, thus having comparable data from one census to another. Secondly, with additional lead time, the Bureau of the Census could make the substantial change needed in the Census of Agriculture. The presentation of the information in the 1969 Census is voluminous, redundant, and very difficult to use. Whether this is caused by the methods used for surveying, tabulating, or presentation is unknown but certainly major revisions are needed in the project to make the final publication something which has the clarity and usability of the typical Bureau of the Census product.

I understand that postponing the Census would save several million dollars in direct cost. I do not know the extent to which it is used in agriculture planning.

We believe it highly desirable to have the Census of Business and Agriculture as of the same period, and believe it too costly to take the Census of Agriculture in both 1974 and 1977.

V. VIEWS OF RESPONDENTS REGARDING COLLECTION OF INTERIM DATA THROUGH SAMPLE SURVEYS IF A CENSUS OF AGRICULTURE IS NOT CONDUCTED IN 1974

I would not favor sample surveys. However, any sample surveys that might be made should follow the census questionnaires. Samples should be large enough to provide data on a county level.

Beef-up Department's sample surveys.

Possibly use facilities of farm organizations, i.e., American Farm Bureau Federation, or USDA for temporary surveys or estimates.

Extensive sample surveys would be needed to obtain the same information gathered for the 1969 Census.

Suggest a monthly "Gallup" technique that would show both accumulative and trend data.

While sample surveys are a fair alternative, we need the basic information for the Census of Agriculture as a benchmark for these surveys.

Suggest that the Census Bureau take maximum advantage of the extra three years for a major overhaul of the agriculture census to make it much more a business census and much less a social census. I doubt if even a major effort on sample surveys can fill the bill. We will just have to wait three years for our bench marks. I would rather see the time and effort put into special studies such as a major study of farmers expenditures rather than trying to cover the census gap.

Either the Department of Commerce or the USDA should be directed to obtain selected key data at a minimum in 1974 to bridge the information gap during the transition.

I would, if at all possible, provide the Statistical Reporting Service, U.S. Department of Agriculture, with more funds to collect the interim data.

Sounds good, but will we benefit? How would this help USDA, SRS?

Sample survey in the field of agriculture would be excessively expensive relative to results.

Our agricultural people would like the crop reporting service to gather the data.

No specific suggestions, the interim data would not be of much value to me unless on a county basis which might be impossible if secured from a relatively small sample.

Make as complete as funds will allow.

Suggest regional sample on an annual basis.

Data should at least be provided as to the numbers of farms, acres in farms, irrigated acres, and farm workers; value of production by major commodity groupings; and production volume for selected larger crops and livestock. Information on the value of land and buildings and on equipment used would also be helpful. If at all possible, samples should be large enough to provide reliable data at the *county* level.

I do not believe sample surveys would satisfy small area data needs.

Sample surveys do not serve our purpose.

If a total census cannot be done, suggest census in "key" agricultural states.

At best, sample surveys have their limitations.

Should be thorough and be made immediately available.

There is no alternative to the 1974 Survey which can provide the needed information.

Sample surveys would not be sufficient to replace the detailed data obtained from a Census.

If no 1974 Census is conducted, the Department should project changes for the counties based on State changes. A State report is needed yearly.

USDA *must* run sample surveys to establish the anchor posts for the many time series which formerly depended on Census for accurate correction every five years.

The reliability of sample surveys would be too inconclusive to be of much value.

I don't like to think of alternatives, but a sample should still be large enough to provide county level data, and that almost necessitates a census.

More accessible open records by assessment offices would help, especially if in map form.

VI. OTHER COMMENTS

In 1977, as part of the Economic Census, I would favor a census of commercial agriculture. This would be a census of farms with gross sales of \$5,000 or more. This should then be continued every five years as a part of the Economic Census. My reason for this is as follows: It is about time the government and people in general realize that commercial agriculture is a business and should be treated as such. Let's take a census of commercial agriculture like any other business. The demographics of people are not required but basically the input, output and cost of doing business as a farmer. So the small farmer is not overlooked, all of agriculture as well as rural America could be included in the Census of Population beginning in 1980. At this time, the information or data required for these people could be obtained. The Census is the only source we have for data by county. These figures are used to determine where a market exists and how large it is. The Census can also be used as a benchmark for figures released by the USDA annually. In industry we use the Census of Agriculture as well as the USDA reports. Both agencies do a fine job but I certainly hope they will update to keep pace with the present situation in agriculture.

SPECIAL REPORT TO FSUC MEMBERS ON PROPOSED POSTPONEMENT OF 1974 CENSUS OF AGRICULTURE

On February 8th and May 16th we sent Special Reports to FSUC Members concerning the Commerce Department's proposal to postpone the 1974 Census of Agriculture until 1977 and to combine it with the 1977 economic censuses. This third Special Report is to report on developments that have taken place since the issuances of the earlier reports.

HOUSE SUBCOMMITTEE HEARINGS ON JUNE 27 AND 28

The Subcommittee on Census and Statistics of the House Post Office and Civil Service Committee has scheduled hearings on the proposed postponement of the 1974 Census of Agriculture for June 27 and 28, 1973. The hearings will be held in Room 210, Cannon House Office Building, beginning at 9:30 a.m.

The bills to be considered are H.J. Res. 554 by Representative John M. Zwach (R-Minn.) and H.J. Res. 580 by Representative Frank E. Evans (D-Colo.). These resolutions are identical to Senate Joint Resolution 95 introduced in the Senate

by Senator Hubert H. Humphrey (D-Minn.) in April. The full text of that Resolution was reported in FSUC's Special Report to Members dated May 16, 1973. These resolutions authorize and direct the Secretary of Commerce to prepare an estimate of the funds needed to carry out the statutory mandate for conducting a Census of Agriculture in 1974 and to submit such estimates to the Congress not more than 30 days after the date of enactment of the joint resolution. They also ask that "Funds heretofore or hereafter appropriated for planning for the 1974 Census of Agriculture shall be utilized for such purpose." Further, the Secretary of Commerce is to take whatever action is deemed necessary to publish data from the 1974 Census promptly and "in all events in a shorter period than data was made available to the public following the 1964 and 1969 Census of Agriculture."

H.J. Res. 580 by Mr. Evans was originally introduced on April 18, 1973. The resolution was reintroduced on May 29, 1973 with 16 cosponsors.

Among the witnesses appearing before the Committee will be Congressmen Frank Evans and Frank E. Denholm; representatives of the Bureau of the Census and the Department of Agriculture, the National Farmers Union, the National Grange, American Agribusiness Associates, the Committee on Economic Statistics of the American Agricultural Economic Association, Doane Agriculture Service, and the Governor's Office of the State of Texas.

Those wishing to submit written statements or comments to the Subcommittee should address them to: Honorable Richard C. White, Chairman, Subcommittee on Census and Statistics, 207 Cannon House Office Building, Washington, D.C. 20515.

SENATE COMMITTEE HEARINGS ON HUMPHREY RESOLUTION

On May 23, 1973 the Senate Committee on Post Office and Civil Service held hearings on S.J. Resolution 95 introduced by Senator Hubert H. Humphrey (D-Minn.). The witnesses included Senator Humphrey; Robert L. Hagan, Deputy Director of the Bureau of the Census; Donald Paarlberg, Director of Agricultural Economics, U.S. Department of Agriculture; Dr. James T. Bonnen, Chairman, American Agricultural Economic Association Statistics Committee; Ms. Susan Sechler, Assistant Project Director, Agribusiness Accountability Project; and Frank Frazier, President, American Agribusiness Associates, Inc.

Senator Humphrey referred to four documents that he requested be made a part of the hearing record. These included: minutes of the meeting of the Census Bureau's Advisory Committee on Agriculture Statistics; results of a survey conducted by the Miller Agricultural Research Services to determine the attitudes and reactions of those surveyed regarding the postponement of the 1974 Census; and the two FSUC Special Reports to Members dated February 8, 1973 and May 16, 1973.

Senator Humphrey said that even a cursory review of these documents will reveal two important facts: "(1) Nobody, other than the Bureau of the Census and the OMB, was in any way involved or consulted regarding the Administration's delay of next year's agriculture census prior to the impoundment of the funds Congress appropriated for the planning of it. (2) The proposal to delay the census itself has little or no support outside of the Bureau and OMB."

He added, "In fact, although the Administration has finally gotten around to submitting draft legislation to change the existing law which requires a census of agriculture next year, no Senator or Congressman, to the best of my knowledge, has agreed to introduce that legislation to date!"

Senator Humphrey made the following comments regarding a proposal by the Department of Agriculture for a program of sample surveys:

"On May 16, 1973, Mr. Don Paarlberg, Director of the Agricultural Economics for USDA, submitted a new plan to Senator Herman E. Talmadge, Chairman of our Senate Committee on Agriculture and Forestry.

"Dr. Paarlberg's plan would involve collecting much of the data now provided in the regular agricultural census on only a sample basis each year.

"This plan was submitted to Chairman Talmadge in response to a request made by him on February 5, 1973. To the best of my knowledge, neither Senator Talmadge nor other members of our Committee on Agriculture have had an opportunity as yet to comment on Dr. Paarlberg's proposal. While I have not had an opportunity to examine carefully Dr. Paarlberg's proposal, I have looked it over briefly and would like to raise the following questions with respect to it which you and members of the Committee might wish to explore in greater detail when Dr. Paarlberg appears before you later today.

"(1) Does this proposal represent an alternative to conducting an agricultural census at 5 year intervals, and, if so, is the Administration prepared to support such a proposal in lieu of its proposal to delay the census until 1977?"

"(2) Has this or similar proposals been reviewed and commented on by the Bureau's Advisory Committee on Agriculture Census or the Federal Statistics Users' Conference? If so, what are their views?"

"(3) How would this proposal, which would rely mainly—if not exclusively—on sample data, affect the collection of county data which is so important to users of both agricultural data and social data?"

"(4) Does not the \$29.3 million estimated as necessary to carry out Dr. Paarlberg's proposal amount to more than would be required to carry out the regular Census of Agriculture next year? The \$26 million cited as the cost of the 1969 Census of Agriculture included, I believe, the cost of four other special censuses, plus 11 special surveys. Moreover, the \$26 million included the costs for publishing the data, a cost which does not appear to be included in the cost estimate for Dr. Paarlberg's proposal.

"(5) Finally, would not Dr. Paarlberg's proposal require that the USDA receive personal information previously held in strict confidence limited by law to the Census Bureau? Can we reasonably expect farmers or the Congress to permit a change in this careful policy of confidentiality?"

"I hope you will ask these general questions of Dr. Paarlberg regarding his proposal.

"Also, we should not lose sight of the fact that his proposal has *not* been endorsed as an acceptable alternative by the Administration. It is a proposal that he has submitted to the Chairman of our Senate Agriculture Committee in response to the Chairman's request.

"I believe an immediate resolution of this entire matter is required. With every passing day, it will become increasingly difficult to proceed with any type of census of agriculture next year—whether one of a traditional nature or on some new basis."

Robert Hagan, Deputy Director of the Bureau of the Census, recommended that the Humphrey Resolution not be passed. He reiterated the position of the Census Bureau that a Census of Agriculture in 1977 "would provide substantial benefits to users of the data from both censuses," saying "It will permit more integrated coverage with respect to the kinds of goods and services farmers are buying and selling in increasing variety and quantity. It will improve the compilation of farm income statistics and the national economic accounts by providing benchmark statistics in the same year for all sectors of the economy."

Mr. Hagan said that the Census Bureau is "aware that recent events in the agriculture sector, such as price changes, increased exports, and disastrous weather, have resulted in recommendations that the Census of Agriculture should be taken without delay in accordance with existing law. Some of the rapid changes in the agriculture sector have occurred since our proposal was developed last fall."

Having recognized some of the arguments resulting in recommendations for conducting the 1974 Census of Agriculture, Mr. Hagan said that the needs for interim data do not require a full census in 1974 and that the most important needs for agricultural statistics could be met by a 1974 survey of agriculture activities. In this regard, he said, "If the necessary approvals were to be provided, the Census Bureau is able to conduct such a survey. Survey forms could be mailed in January 1975 to collect information for calendar year 1974. We would obtain information on the classification of farm operations, farm and non-farm income, farm expenditures, associated non-farm activities, and other related subjects. A sample survey would be preferable to a full census. In addition to providing a substantial saving in cost, it should be possible to obtain and process the data in a shorter period of time. The conduct of a 1974 survey of agriculture would be consistent with our proposal that there are important advantages in taking the Census of Agriculture concurrently with the Economic Censuses in 1977."

Don Paarlberg, Director of Agricultural Economics of USDA said there would be some advantages to shifting the timing of the next agricultural census to 1977, but also recognized that the proposed postponement from 1974 to 1977 would create a gap in our statistical programs. However, it was his belief that a full

1974 agricultural census would not "meet our interim needs for data either." He said, "We believe this because a full 1974 census would be substantially a rerun of the 1969 census. It would fail to account for major changes in recent years in the size, type, and control of agricultural operations that cannot adequately be described with use of the present classification system which has remained essentially the same since 1959. Increasing size of individual firms, increased specialization in products produced and functions performed, and increased control over production by firms that are engaged in many other forms of economic activity have made it difficult to describe the production sector of agriculture using the current classification system."

Dr. Paarlberg said, "The new classification system being studied by the Department would identify farm establishments engaged in the production of crops, livestock, and miscellaneous farm products and the relationship of this production to any other business activity that the farm may be engaged in. The classification categories would be farms with operators dependent on farming for their incomes, farms with operators that are engaged in farming only part-time, and nonfarm firms that are engaged in agricultural production. Data would be cross-classified by size of organization, type of agricultural production, and tenure of operation. Special attention would be given to operating and linkage data on integrated firms engaged in agricultural production."

It was Dr. Paarlberg's view that it would be preferable to do a sample survey designed to provide the kinds of data needed for a revision in the economic classification of farms rather than a 1974 census of agriculture. He added, "Since the time consideration was begun to shift the next agricultural census to 1977, we have explored several alternate plans for interim 1974 agricultural sample surveys which would meet our most important needs for data. These plans generally provide for revision in economic classification of farms as described above. At the request of the Chairman of the Senate Committee on Agriculture and Forestry, we have developed a particular plan for a series of annual sample surveys that might be undertaken in lieu of the 1974 census of agriculture. The plan provided to Senator Talmadge was in response to the Chairman's request and does not constitute an Administration proposal. We believe that such sample surveys would have several advantages over a 1974 repeat of the 1969 agricultural census program. In fiscal year 1975, there would be substantial savings in costs. It should also be possible to publish results from a sample operation on a more timely basis."

Dr. James T. Bonnen of Michigan State University was to testify as Chairman of the American Agricultural Economic Association Statistics Committee. Because of weather conditions he was unable to attend the Committee hearings as planned. His prepared statement was included in the record. In his statement he emphasized that there is an urgent need for a Census of Agriculture, or its equivalent, because of the very fundamental and rapid changes taking place in the food and fiber industry. However, it is his feeling that a rerun of the 1969 Census is inappropriate for various reasons. He questioned the priorities placed by the Census Bureau on agricultural data needs. He said that the publication of reports from the 1969 Census "have been inexcusably late." He also said that "According to information provided at the last Census Advisory Committee meeting some of the more useful cross tabulated data may never be published."

Dr. Bonnen believes that a census of agriculture should reflect more accurately the reality of the industry, saying, "the entire manner in which we treat the farm unit needs to be updated along with many other concepts which the Census attempts to measure. We need most urgently to revise the farm income measures both in Census and Department of Agriculture data. It will help little to measure again the failing concepts of the 1969 Census."

With regard to the revision and updating of concepts, Dr. Bonnen made the following statement: "The AAEA Committee on Economic Statistics has been examining the general adequacy and problems of statistics for agriculture and for rural society. We have come to the conclusion that these data systems along with most of our economic and social statistics are increasingly inadequate for both private sector decision-making as well as public. This is not because of any measurement failures by statisticians but because the social and economic entities which we now measure are becoming conceptually obsolete. In short, we are measuring the wrong things because the economic and social structures of the real world are changing in fundamental ways and so rapidly that earlier concepts, or ideas, of how the economy functions or people behave are no longer true. Our statistical systems are increasingly designed around obsolete concepts and are in urgent need of review and renewal. In agriculture the entire idea of

the farm as a basic unit of observation needs review. The categories by which we measure labor inputs in agriculture, and many of the classification systems we use for other inputs or for output also need review and conceptual revision. The entire question of how farm income should be measured and for what purpose is in most urgent need of review. Consequently, a review and revision of the concepts measured by the Census of Agriculture is needed. Failing to take that Census is most certainly not what is needed."

Having emphasized that an improved census of agriculture is needed, Dr. Bonnen said, "If an improved Census is not taken in 1974 or soon thereafter, some alternatives for providing this data must be found or chaos will soon ensue in the form of rapidly deteriorating data and nonavailability of data for both public and private decision making."

Frank Frazier, President of the consulting firm American Agribusiness Associates, said that it was his belief that "the present agricultural data systems are in deep trouble." He further believes that "agriculture has a low priority at the Census Bureau." Mr. Frazier emphasized that "the highest priority should be given to designing a modern system for collecting agricultural data that is in tune with today's need."

Regarding the Humphrey resolution, he said, "a crash effort at this late hour, as mandated by S.J. Resolution 95, could hardly be expected to result in an agricultural census in 1974 that would measure up to standards of completeness and quality required by public and private users. . . ."

Mr. Frazier recommended that the Census of Agriculture should be transferred to the Department of Agriculture. He cited the following advantages: "It would eliminate duplication, as well as facilitate complete coordination between *current* estimates of USDA and *longer term* census estimates of the Department of Commerce. This would result in greater efficiency, accompanied by a substantial saving in both time and money. Reports, instead of being about two years late, could be expected on schedule. For its most important reports, USDA sets and meets deadlines right to the minute, even though these deadlines are announced a year in advance."

The Senate Committee on Post Office and Civil Service favorably reported S.J. Res. 95 on June 20, 1973 and the Senate passed the Resolution by a voice vote on June 22, 1973.

USDA PLAN FOR EXPANSION OF SAMPLE SURVEYS

In response to a letter from Senator Herman E. Talmadge, Chairman of the Committee on Agriculture and Forestry, the Department of Agriculture developed a plan that would provide on a sample basis each year some of the data now provided by the agricultural census. In transmitting the plan to Senator Talmadge, Don Paarlberg, Director of Agricultural Economic of USDA, said the report "is neither a proposal for legislation nor a recommendation of the administration, but describes a data collection system responsive to your request."

According to USDA, "The plan that has been developed involves three levels of sample surveys and a system of core data plus rotating questions for other economic information. An initial survey in 1975, relating to 1974 operations, would meet the most immediate data requirements if the 1974 Census of Agriculture is not taken. Smaller samples would be covered for annual surveys to be made in 1976, 1977, and 1979, and a large scale sample survey designed to provide county estimates would be made in 1978."

Three Levels of Surveys.—More specifically, the USDA says, "The plan involves three levels of sample surveys, to obtain each year some of the data now provided by the quinquennial Census of Agriculture. A system of core data plus rotating questions for other economic information would be used.

"(1) An initial sample survey of 25,000 farms would be designed to meet the critical economic data requirements of the Department. Data would be collected by personal interview of farm operators during January-February 1975, and would relate to 1974 operations. This initial survey would be twice the sample size of subsequent annual surveys because there are immediate data requirements which have to be served if the Census of Agriculture covering 1974 is not taken.

"(2) A smaller sample of 12,500 farms would be covered in the annual surveys to be made in 1976, 1977 and 1979. Data for these surveys would also be collected by personal interview.

"(3) A large scale sample survey of 525,000 farms, using a mailed questionnaire and personal enumeration of a sample of nonrespondents, would be conducted in 1978. This survey would provide much of the data previously supplied by the Census of Agriculture, including county estimates.

"The establishment of a comprehensive Farm Directory (list of farm operators identified by size and type of operations) is considered a prerequisite for the large scale survey, whereas the smaller annual surveys could be undertaken with a partial Farm Directory expected to total about 250,000 establishments having sales of \$40,000 or more.

"The 5-year survey cycle for the period from Fiscal Year 1975 through 1979 would require some preparatory work in Fiscal Year 1974 and extend through Fiscal Year 1980 to complete summarization. . . .

"Publication of results for the initial and annual surveys would be completed during the same year data are collected. Results from the large scale survey would be published within two years after completion of data collection."

The proposal submitted by USDA contains three tables which summarize the sample sizes, timing, resource requirements and the expected sampling errors for data at the National, regional and State levels and for major items by economic class.

USDA says each element of the plan would require additional resources to those presently available in the Department of Agriculture. The estimated cost of the sample survey program is \$29.3 million.

SENATE APPROVES AMENDMENT TO AGRICULTURAL ACT CALLING FOR CONDUCT OF 1974 CENSUS OF AGRICULTURE

On June 8th, the Senate approved S. 1888 that would extend and amend the Agricultural Act of 1970. Among the amendments approved was one by Senator James B. Pearson (R-Kan.) that would make it mandatory for the Secretary of Commerce to conduct a census of agriculture in 1974 as required by section 142 of title 13 in the United States Code. This amendment is more specific than S.J. Res. 95 introduced by Senator Humphrey, although both are intended to achieve the same purpose. Senator Humphrey cosponsored the amendment by Senator Pearson.

Senator Gale McGee, Chairman of the Senate Post Office and Civil Service Committee, said, "I do not view this amendment and that resolution as conflicting in the least. Indeed, one may complement the other, for the resolution can have the salutary effect, if enacted, of spurring earlier action on the needed budget estimates for conduct of the census. If proper planning, which already has been drastically delayed by a lack of application to the letter of the law, is to take place, then there should be no undue delay in making the funds available. In truth, however, there are funds available today to go ahead with planning a proper census of agriculture. Since article 142 of title 13 is the law and no move has been made in this body or the House of Representatives to alter that law, I am of the opinion the Department of Commerce should delay no longer."

Senator McGee emphasized that the 1974 Census of Agriculture needs to be an improvement over the 1964 and 1969 performance by the Bureau. He said the Agriculture and rural America deserve an all together higher priority than has been given them to date by the census planners at the Department of Commerce and the budget planners at the Office of Management and Budget. He added that a census of agriculture is needed to get at the county data.

On June 21, 1973 the House Committee on Agriculture ordered reported favorably to the House H.R. 8860, to extend and amend the Agricultural Act of 1970. That version of the bill did not include the Pearson amendment that passed the Senate.

RESULTS OF FSUC SURVEY REGARDING POSTPONEMENT OF 1974 CENSUS OF AGRICULTURE

On May 16, 1973, a questionnaire was mailed to representatives of 187 member organizations of FSUC to determine their views on the proposed postponement of the 1974 Census of Agriculture. As of June 21, 1973, 39 returns had been received from 36 member organizations. The questionnaire was also sent to 93 persons with organizations not affiliated with FSUC that are believed to have an in agriculture statistics. Twelve responses were received from this group.

The results show that 42 favor taking a census of agriculture in 1974, seven favor taking the census in 1977 and two expressed no opinion.

Respondents also indicated their uses of census of agriculture data; their reasons for favoring a 1974 or a 1977 census; and their views regarding the collection of interim data through sample surveys.

93d CONGRESS
1st Session

H. J. RES. 580

IN THE HOUSE OF REPRESENTATIVES

MAY 29, 1973

Mr. EVANS of Colorado (for himself, Mr. BREAUX, Mr. BRECKINRIDGE, Mr. CULVER, Mr. DENHOLM, Mr. FOLEY, Mr. HAWKINS, Mr. HECHLER of West Virginia, Mr. LEGGETT, Mr. OBEY, Mr. PODELL, Mr. ROE, Mr. ROY, Mr. SCHERLE, Mr. STEIGER of Wisconsin, Mr. THONE, and Mr. WON PAT) introduced the following joint resolution; which was referred to the Committee on Post Office and Civil Service

JOINT RESOLUTION

Relating to the taking of the 1974 Census of Agriculture.

Whereas the President has not requested any funds in the budget for fiscal year 1974 for taking the 1974 Census of Agriculture, required by section 142, title 13, United States Code, to be taken every five years, and has proposed that the taking of such census be postponed until 1977; and

Whereas the President has proposed that funds appropriated for fiscal year 1973 for the purpose of planning the 1974 Census of Agriculture be used instead to plan a transition from 1974 census to a 1977 census; and

Whereas the information from the census of agriculture provides the only complete agricultural data available at the county level for rural America; and

- Whereas the agricultural industry and rural America are changing at such a rapid rate that data compiled even at five-year intervals do not fully reflect actual conditions that exist many months later when the data are published; and
- Whereas many Federal, State, and local programs are provided on the basis of agricultural census information; and
- Whereas many major corporations and trade associations use the data from such census to determine plantsites, allocate research funds, and forecast production needs; and
- Whereas the census of agriculture provides the benchmark for interim forecasting of animal and crop production and land use; and
- Whereas farmers, ranchers, farm organizations, and businesses serving agriculture base their economic decision on such interim forecasts; and
- Whereas statistical errors in such interim forecasts can be corrected only through comparison with census benchmark data; and
- Whereas decisions based on faulty crop forecasts adversely affect the agricultural sector; and
- Whereas the agriculture industry is the largest single industry in the Nation, accounting for a gross income of over \$66,000,000,000 in 1972; and
- Whereas the exports of such industry exceeded \$11,000,000,000 in 1972, contributing materially to a reduction in this country's balance-of-trade deficit; and
- Whereas this gigantic industry is made up of more than two million seven hundred thousand individual units, each making its own independent decisions affecting the whole; and

Whereas more information is needed, and is needed on a more frequent basis than now provided rather than on a less frequent basis: Now, therefore, be it

1 *Resolved by the Senate and House of Representatives*
2 *of the United States of America in Congress assembled,*
3 That the Secretary of Commerce is authorized and directed
4 to prepare an estimate of the funds needed to carry out the
5 statutory mandate for conducting a census of agriculture in
6 1974 and to submit such estimate to the Congress not more
7 than thirty days after the date of enactment of this joint
8 resolution. Funds heretofore or hereafter appropriated for
9 planning for the 1974 Census of Agriculture shall be utilized
10 for such purpose.

11 SEC. 2. The Secretary of Commerce shall take such
12 action as he deems necessary to insure that the data acquired
13 from the 1974 Census of Agriculture be made available to
14 the public through appropriate publication as soon as prac-
15 ticable following the taking of the census, and in all events
16 in a shorter period than data were made available to the
17 public following the 1964 and 1969 Censuses of Agriculture.

