

Our Statistical Void Keeps Us Guessing

By Philip Stoddard Brown Washington Economist and Business Writer
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Our Changing Economy

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WE IN THE United States have a vast amount of statistics about horses, athletes, stocks and bonds, foreign trade and agriculture. The daily and hourly reporting of figures about some aspects of American life is staggering.

It's the more important subjects about which we lack adequate statistics: inventories and forward commitments, such as unfilled factory orders and the backlog of construction work.

Estimates made last fall of steel inventories proved to be grossly inaccurate. They contributed to a mistaken appraisal of the backlog of demand and to the subsequent cycle of overtime operations and widespread layoffs.

The Government's figures of manufacturers' unfilled orders are an enigma. No one knows how much multiple counting is involved in adding the orders of subcontractors and suppliers to those of prime contractors and this is only one of the many uncertainties about the validity of this potentially most useful series.



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tional Security Agencies. This seems silly for there are ways of estimating such figures.

We have no comprehensive figures of current retail sales in this area. Employment figures in the private sector are incomplete, and inadequate for other reasons as well. We have no figures on Government contracts to local firms. Lots of statistics, to be sure, but few that are significant and helpful.

If it's desirable for those who bet on horses and wheat futures, and on stocks and bonds, to have adequate and truthful information, how much more desirable it is to have information that might lessen investment mistakes and unemployment.

As John Foster Dulles often said, and as Walter Lippmann has often argued, we invite miscalculation when we keep an adversary guessing about our intentions. Similarly in the economic sphere, we invite miscalculations when businessmen have to guess about inventories, order backlogs and about our own and our adversary's defense capabilities.

Masses of Statistics but Not What We Need

Try to get a figure of total unpaid obligations of the Federal Government (or of the Defense Department alone)—something equivalent to contracts outstanding, or commitments—and you end up with only a sheet full of telephone numbers and some figures that aren't comparable and can't be added.

We have all the facts we need to judge the outlook for peanuts and burley tobacco—and the performance of Yogi Berra and Nautilus (the one that runs on land)—but not about the business outlook and not about national security.

In the 1930s and early 1940s, there was great progress in statistical reporting, especially in the creation of a system of over-all accounts that provided estimates of total personal income and GNP. But in all the decade of the 1950s, very little was done about major deficiencies, including those cited above.

Pressroom tables in the Commerce Department overflow with statistical releases on animal glue, asphalt roofing, metal cans and closures for glass containers . . . In the recent census, lots of questions were asked about TV sets and electrical appliances, but none about some very important subjects.

Formerly the Reverse Was True

Until 25 or 30 years ago, the situation was reversed. Little was known about the statistical position of many commodities. Company finances were known only to "insiders." In the statistically shady world of commerce, traders conspired and cornered; trustees could conceal and connive. Government records, on the other hand, were usually open for inspection. Occasionally they were falsified to conceal graft, but they weren't often withheld. The words Restricted, Confidential, Secret and For Secretary's Eyes Only hadn't been authorized.

When Jefferson became President, he admonished Gallatin, his Secretary of the Treasury, to keep finances so simple "that every member of Congress and every man of any mind in the Union should be able to comprehend them." Today the Federal budget is not only most complex but information about large parts of it are denied to the public, whose budget it is.

Even a student of local business discovers that Federal civilian employment and payroll figures for Washington-area personnel exclude the Central Intelligence and Na-

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