

Celebrating 75 Years of the National Accounts

Remarks by Secretary Locke and Acting Deputy Secretary Blank

On November 30, 2010, the Bureau of Economic Analysis (BEA) celebrated the 75th anniversary of the national economic accounts and gross domestic product. An event was held in conjunction with the annual BEA awards ceremony, which honored outstanding performances by BEA employees over the year. The joint celebration was highlighted by remarks delivered by Secretary of Commerce Gary Locke and Acting Deputy Secretary of Commerce Rebecca M. Blank. Their remarks, which are presented below, underscore the importance of the work of BEA's staff in continually updating and improving the national accounts, and BEA's related accounts, since their inception 75 years ago.

Honorable Gary Locke, Department of Commerce Secretary

Good afternoon. It gives me great pleasure to recognize not just those individuals who are being honored today, but also the great work being done by everyone at the Bureau of Economic Analysis.

The Bureau plays a vital role in developing a clear and accurate picture of America's economy—it's a duty you execute with a professionalism and commitment to excellence that is acknowledged literally around the world.

Today, national accounting is the standard by which all the world's nations evaluate and account for their economic activity—thanks to the U.S. Department of Commerce's pioneering vision 75 years ago.

I think it's appropriate that we're celebrating the 75th anniversary of the national accounts in conjunction with this employee awards ceremony—because the story of the national accounts and gross domestic product (GDP) is as much a story of human endeavor and creativity as it is about macroeconomic theory or mathematical equations.

The national accounts have been evolving since their inception—from the time of the Great Depression right up to today. Bureau of Economic Analysis employees continue to find ways to meet the changing needs of the

businesses and the American people who depend on your work.

In fact, the Bureau's associate director for the national accounts, Dr. Brent Moulton, was just named one of this year's recipients of the Presidential Rank Award, a deserving honor for a leader who has made extraordinary contributions to the national accounts program over the past 13 years. Please join me in congratulating Brent. Brent has been one of many hard-working employees at BEA as the Bureau plays its central role in meeting challenges ranging from responding to the needs of the Great Depression and mobilizing for World War II to managing the unrivaled expansion of the U.S. economy over the last number of decades.

Not only has your work product changed to keep pace with changing times, but so have the work methods. The Bureau has taken advantage of changing technology to produce more comprehensive data faster.

I know you've come a long way since the days when national income and product accounts data was produced by hauling trays full of punch cards to be run through a mainframe computer. Through the years you've taken advantage of faster and more accurate computing power to expand the amount of information avail-

able in your statistics. BEA is a big part of the reason why the United States remains a global leader in national accounting.

Your coworkers will be applauded today for an impressive menu of accomplishments, from regional customer service during the Recovery Act to developing new statistics for international transactions accounts under strict time constraints. Still others managed to substantially reduce computer processing times for GDP and other statistics.

With a record number of award winners this year, there's plenty of praise to go around. But at the end of the day, these efforts—shining examples of great work by this entire Bureau—prove beyond any doubt how important it is to have a reliable and dedicated Bureau of Economic Analysis.

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—Secretary Gary Locke

Here's to 75 great years of the U.S. national accounts—and to 75 more. Without your work, we would be lost, and so I thank you for your service.

Now it's my pleasure to call up our brand-new Acting Deputy Secretary Becky Blank to say a few words.

Honorable Rebecca M. Blank, Acting Deputy Secretary

Thank you Mr. Secretary for your remarks on this celebratory occasion. And thank you to Steve Landefeld and Kurt Bersani for putting this event together. Most of all, thank you to all 87 award-winning BEA employees who have done exemplary work this past year.

As some of you know, I'm wearing a couple of hats right now. I am both the Acting Deputy Secretary and the Under Secretary for Economic Affairs. But maybe most importantly, I am a user of economic data.

I cannot tell you how proud I am of the work BEA does every day to produce reliable economic statistics that are used around the world to understand and interpret what's happening in the U.S. economy.

The number of awards given out today are not—as a statistician would say—an outlier. BEA is routinely voted one of the best places to work in the federal government. Having worked closely with Steve, with Brian Moyer, and with the other leadership at BEA, I can tell you that it is also one of the best run agencies in government. It's not surprising that BEA employees are regularly recognized for their excellent work.

The work that BEA does today is simply a continuation of the work on the national income and product accounts that began 75 years ago in the Department of Commerce.

In 1934, in response to the crisis of the Great Depression and a pressing need to understand the size and scope of the economy, the Department of Commerce began to develop annual measures of national income, on the basis that "income must equal production." These early estimates provided a means to judge the size and scope of the depression.

Beginning in January 1935, the Department of Com-

merce began to publish these numbers in the SURVEY OF CURRENT BUSINESS, which is still published monthly by the Bureau of Economic Analysis with tables showing all the detailed data as it becomes available.

In 1942, in response to the pressing need to know the capacity of the United States to meet the demands of World War II mobilization, economists at the Department developed measures of production output, known as GNP—gross national product—to answer war planning questions from President Roosevelt. Statistics measuring the total amount and the composition of goods and services being produced were necessary in order to evaluate the risk of shortages in civilian goods and services and the bidding up of prices.

Sixty-five years later, the GDP numbers from BEA were used to understand the impacts of the Great Recession of 2008–09, allowing us to know as soon as possible how the financial collapse, the housing market collapse, and rising joblessness were echoing through the economy

and affecting other economic sectors and overall economic growth.

Over time, these measures in national income accounting have evolved, and today's measure of GDP and its components is far more comprehensive and complex

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than those original estimates.

What hasn't changed is the fact that these statistics provide a comprehensive and dynamic picture of the U.S. economy and are largely credited with providing the information and insight which has allowed the United States to design and implement the fiscal and monetary policy responsible for the unprecedented growth our nation has achieved over the last six decades.

With 75 years of experience with producing the national income and product accounts, the Bureau of Economic Analysis has remained the world leader in pioneering new methodologies and techniques in response to the needs of policy and business decisionmakers. This is because of your hard work and dedication.

Congratulations again to the many award winners that are being honored today and to everybody who is part of BEA's ongoing success.