

Y 4
.H 88
N 72/977-21

104B

9514
H 88
N 72
977-21

NOMINATION

GOVERNMENT

Storage

HEARING
BEFORE THE
COMMITTEE ON HUMAN RESOURCES
UNITED STATES SENATE
NINETY-FIFTH CONGRESS
FIRST SESSION
ON
JULIUS SHISKIN, OF MARYLAND, TO BE COMMISSIONER OF
LABOR STATISTICS, DEPARTMENT OF LABOR

OCTOBER 6, 1977

KSU LIBRARIES
E05E08 006TTV



Printed for the use of the Committee on Human Resources

U.S. GOVERNMENT PRINTING OFFICE

99-122 O

WASHINGTON : 1977

82
88 H.
15-770/ST W

COMMITTEE ON HUMAN RESOURCES

HARRISON A. WILLIAMS, Jr., New Jersey, *Chairman*

JENNINGS RANDOLPH, West Virginia

CLAIBORNE PELL, Rhode Island

EDWARD M. KENNEDY, Massachusetts

GAYLORD NELSON, Wisconsin

THOMAS F. EAGLETON, Missouri

ALAN CRANSTON, California

WILLIAM D. HATHAWAY, Maine

DONALD W. RIEGLE, Jr., Michigan

JACOB K. JAVITS, New York

RICHARD S. SCHWEIKER, Pennsylvania

ROBERT T. STAFFORD, Vermont

ORRIN G. HATCH, Utah

JOHN H. CHAFEE, Rhode Island

S. I. HAYAKAWA, California

STEPHEN J. PARADISE, *General Counsel and Staff Director*

MARJORIE M. WHITTAKER, *Chief Clerk*

DON A. ZIMMERMAN, *Minority Counsel*

NOMINATION

THURSDAY, OCTOBER 6, 1977

U.S. SENATE,
COMMITTEE ON HUMAN RESOURCES,
Washington, D.C.

The committee met, pursuant to call, in room 4232 of the Dirksen Senate Office Building, at 8:23 a.m., Senator Harrison A. Williams, Jr. (chairman) presiding.

Present: Senators Williams, Javits, and Hatch.

The CHAIRMAN. We will now turn to the nomination before us.

The first nominee to be heard today will be Mr. Julius Shiskin of Maryland to be Commissioner of Labor Statistics, and we note that Senator Proxmire is here to introduce Mr. Shiskin to the committee. Because of the limitations of our time, I am going to include in the record an opening statement dealing with this nomination, and it is a statement of glowing appreciation. We are gratified indeed for the years of service that Mr. Shiskin has had in this position.

OPENING STATEMENT OF SENATOR WILLIAMS

The CHAIRMAN. Today, the committee will hear testimony on the nomination of Julius Shiskin to be Commissioner of Labor Statistics for another 4-year term.

Mr. Shiskin has held this important post since 1973—a period that included the worst economic recession since the Great Depression.

It has been a time for great difficulty and sadness for millions of American workers.

And it has been a time of great challenge for the Bureau of Labor Statistics.

Under Commissioner Shiskin's direction, BLS has documented the forces that preyed on American workers.

During 1975, the worst year of the recession, for example, unemployment left upwards of 20 million persons jobless at one time or another throughout the year.

Steep rises in the cost of living that same year victimized all the rest of us, particularly those who had retired on pensions of shrinking purchasing power.

The Bureau of Labor Statistics compiled the facts on employment, unemployment, earnings, and cost of living.

And month after month, Commissioner Shiskin came before the Congress to report the news, whether good or bad.

Armed with BLS statistics, the Congress and the administration fashioned an economic recovery program that has lifted the Nation out of the depths.

Today, Commissioner Shiskin comes before this committee as a nominee for a second term, having won the confidence of the Congress and the President for his work.

The importance of this work cannot be understated. The data compiled by BLS is used to distribute some \$16 billion in Federal assistance to States and localities each year.

Under these circumstances, it is imperative that we have complete confidence in the accuracy, objectivity, availability, and practical utility of the data.

Commissioner Shiskin has been at the forefront in efforts to increase our confidence and strengthen the information that we use for these vital purposes.

We shall include in the record of this hearing your biography, a biographical sketch that lists your many scholarly contributions, and a statement of your personal financial situation.

We welcome you today, Dr. Shiskin, and look forward to your testimony.

We will now hear from Senator Javits?

Senator JAVITS. Thank you very much. Mr. Shiskin, is the biography which has been furnished to the committee and which will go into the record at this point, an accurate biography?

Mr. SHISKIN. I am sorry, sir?

Senator JAVITS. Have you examined the biography which is before the committee? If you would be kind enough to do that so that we may include it in the record with your statement that it is a proper statement as to your life up to this point.

Mr. SHISKIN. Fine.

[The following were received for the record:]

August 1, 1977

JULIUS SHISKIN

Biographical Sketch

- Birth: October 13, 1912, New York, N. Y.
- Civil Status: Married to the former Frances Levine, 1937; two daughters, Mrs. Laura Rubin, age 32, and Mrs. Carol Warlick, age 27; four grandchildren.
- Education: Attended elementary and high schools in New Jersey and secured B.S. and M.A. degrees from Rutgers University, New Jersey. Continued with further graduate work in economics at Columbia University during 1936 and 1937.
- Experience:
- (1) Instructor in Economics and Statistics, Rutgers University, New Brunswick, New Jersey, 1934-38;
 - (2) Staff Assistant, National Bureau of Economic Research, 1938-42;
 - (3) Head Economist, War Production Board, Planning Division, 1942-45;
 - (4) Bureau of the Census, 1945-69, Chief Economic Statistician and Assistant Director of the Bureau of the Census. As Assistant Director was responsible for the development and guidance of the planning and evaluation of Census Bureau programs in economic and demographic fields.
 - (5) Chief Statistician, Office of Management and Budget, and U.S. Representative to United Nations Statistical Commission, June 1969-73. As Chief Statistician and Chief, Statistical Policy Division, Office of Management and Budget, 1969-73, he has had the responsibility for monitoring and coordinating programs, policies and standards of Federal statistical agencies.

As U.S. Representative to the UN Statistical Commission, he has been a leader in international efforts to improve the quality and comparability of basic statistics throughout the world. He has participated in many international conferences on GNP, social indicators, balance of payments, and price and employment data.
 - (6) Commissioner of Labor Statistics, U.S. Department of Labor, 1973--.

Principal Accom-
plishments:

At the Bureau of the Census, he made major contributions to:

- (1) Development of an electronic computer method of making seasonal adjustments of time series. This seasonal adjustment program has now been prepared for many different computers and is being used in many organizations in the U.S. and throughout the world. The papers describing it have been translated into many languages.
- (2) Development of a business-cycle statistics program which is now being issued monthly by the Bureau of the Census in the form of a publication, Business Conditions Digest.
- (3) Development of a new report, Long Term Economic Growth, which brings together statistical data helpful in studying economic growth over the period, 1890 to 1960. This is now a regular part of the publication program of the Department of Commerce.

At OMB, he made major contributions to:

- (1) Development of a coordinated budget for Federal statistics which is issued each year as Special Analysis F of the U.S. Budget. Through this function, he has been instrumental in the expansion and improvement of many of the key Federal statistics, particularly GNP, prices, wages and productivity.
- (2) Development of a major reorganization of Federal statistical activities, which provides for consolidating the 35-40 Federal statistical activities in six to eight major statistical centers.
- (3) Development of a program for speeding up the compilation and release of Federal statistics, particularly current economic indicators. As part of this program, a set of guidelines for balancing speed and accuracy in Federal statistics was developed.
- (4) Development of a new statistical report, Social Indicators, which identifies national social indicators and provides a focal point for the entire Federal social statistics program. This report was released to the public in February 1974.

Principal Accom-
plishments:
(continued)

At the Bureau of Labor Statistics, during his first term as Commissioner--1973-1977--he gave top priority to protecting and enhancing the integrity and credibility of the Bureau's data and in interpreting the economic significance of the behavior of the Bureau's major statistical indicators to the Secretary of Labor and other officials of the Administration, the Joint Economic Committee of Congress, the media, and the public generally. In addition he --

- (1) developed plans--and obtained start-up resources-- to initiate a continuing consumer expenditures survey: this survey will (a) replace the massive decennial revisions of the consumer price index with a more orderly and efficient process that will permit timely revisions in the market basket items and weights and (b) provide data useful in the analysis of current consumer spending patterns;
- (2) developed an array--U-1 through U-7--of unemployment rates by various definitions of unemployment: these measures are widely used in analysis of the experiences of different groups of unemployed workers;
- (3) initiated the regular publication of the employment-population ratio in the monthly press release on the Employment Situation;
- (4) supported the development of several new statistical series: measures of the incidence of occupational injury and illnesses; the international price measures; the Employment Cost Index; and measures of Federal Government productivity;
- (5) made significant management improvements, such as--
 - * improving employee utilization in the Bureau: With the aid of an outside management firm, both behavioral and operational changes were effected that promise further improvements to come;
 - * monitoring the career ladder promotions to assure that they were based on merit and not on length of service, so that incentives to do good work are strong; and
 - * assuming responsibility for implementing a statistical reorganization that involved integrating three statistical programs that were transferred from the then-Manpower Administration.

- Consultant:
- (1) Council of Economic Advisers, 1957-60;
 - (2) Organization for Economic Cooperation and Development, 1960;
 - (3) United Nations, 1962;
 - (4) International Monetary Fund, 1964.

Honors and
Distinctions:

Phi Beta Kappa

Department of Commerce Award for Meritorious Service, 1954 (Silver medal)

Rockefeller Public Service Award, 1956

Research Associate of the National Bureau of Economic Research, 1956

Fellow, American Statistical Association, 1961

Fellow, American Association for the Advancement of Science, 1962

Department of Commerce Award for Exceptional Service, 1963 (Gold medal)

Special Department of Commerce Award for Distinguished Achievement in the Federal Service, 1969

Elected Member of the International Statistical Institute, honorary international statistical society, 1969

National Association of Business Economists Annual Award in recognition of an outstanding professional contribution in the field of business economics, 1971

Honorary Fellow, Royal Statistical Society, United Kingdom, 1973

Who's Who; Who's Who in America; Who's Who Among Authors and Journalists; Who's Who in Government; Who's Who in the South and Southwest; Who's Who in the World; Who's Who in Labor; American Men & Women of Science; Contemporary Authors; Dictionary of International Biography; The Blue Book; Men of Achievement.

Fellow, National Association of Business Economists, 1977

Associations: Member of American Economic Association; National Economists Club; National Association of Business Economists; American Statistical Association; International Statistical Institute; International Association for Research in Income and Wealth.

Principal Publications:

Books:

"Electronic Computers and Business Indicators," Occasional Paper 57, New York, National Bureau of Economic Research, 1957 (reprinted from Journal of Business, October 1957).

"Signals of Recession and Recovery," Occasional Paper 77, New York, National Bureau of Economic Research, 1961.

"Indicators of Business Expansions and Contractions," Occasional Paper 103, National Bureau of Economic Research, New York, March 1967 (joint with Geoffrey H. Moore).

Other Writings, Editorships:

The Output of Manufacturing Industries, 1899-1937. Part author with Solomon Fabricant, National Bureau of Economic Research, 1940.

"A New Multiplicative Seasonal Index," Journal of the American Statistical Association, December 1942.

"The U.S. Census of Manufactures for 1947," 1950 Encyclopedia Britannica Book of the Year. Co-author with Maxwell R. Conklin.

"Seasonal Computations on Univac," The American Statistician, February 1955.

"An Application of Electronic Computers to Economic Time Series Analysis," Analysts Journal, May 1955.

"The Use of Electronic Computers for the Analysis of Seasonal Fluctuations," Proceedings of the International Statistical Institute, meetings on the Statistical Basis of Economic Forecasting, Rio de Janeiro, June 1955.

"Charting on Automatic Processing Systems," Computers and Automation, August 1955. Co-author with Harry Eisenpress and James L. McPherson.

"Problems in the Seasonal Adjustment of Economic Indicators--A Progress Report," Proceedings of the Business and Economics Section of the American Statistical Association, 1957.

"Decomposition of Economic Time Series," Science, Vol. 128, No. 3338, December 19, 1958.

"Seasonal Adjustments by Electronic Computer Methods," Technical Paper No. 12, New York, National Bureau of Economic Research, 1958. Co-author with Harry Eisenpress. (Reprinted from Journal of the American Statistical Association, December 1957, pp. 415-449.)

"Time Series Analysis," Univac Review, Fall 1959, Volume 2, No. 3, pp. 4-7.

"How Accurate?," The American Statistician, October 1960, pp. 15-17.

"Tests and Revisions of U.S. Census Methods of Seasonal Adjustment," Technical Paper 5, Bureau of the Census, U.S. Department of Commerce, October 1960. (Reprinted from Seasonal Adjustment on Electronic Computers, Organization for Economic Cooperation and Development, Paris, 1960.)

"Statistics for Short-Term Business Forecasting," Business Cycle Indicators, Chapter 18; published for the National Bureau of Economic Research by Princeton University Press, 1961.

"Business Cycle Indicators: The Known and the Unknown," presented at the 34th session of the International Statistical Institute at Ottawa, Canada, on August 24, 1963, and published in the Review of the ISI, Vol. 31, No. 3. This paper was brought up to date in 1968 and the new version is included in a textbook, The Management of Forecasting, edited by Dean John J. Clark, College of Business Administration, St. John's University.

"Signals and Noise," letter printed in Fortune Magazine, February 1964 issue.

"The Current Expansion in Historical Perspective," Presented at the 12th Annual Conference on the Economic Outlook sponsored by the University of Michigan (November 19, 1964); reprinted in Business Cycle Developments, Department of Commerce, January 1965.

"The X-11 Variant of the Census Method II Seasonal Adjustment Program," Technical Paper 15, Bureau of the Census, U.S. Department of Commerce, November 1965.

"Long Term Economic Growth, A New Census Report," paper presented at 1966 meetings of the American Statistical Association and published in the October 1966 issue of Business Cycle Developments.

"Reverse Trend Adjusted Index of Leading Indicators," Review of Economics and Statistics, February 1967.

"Seasonal Adjustment," International Encyclopedia of the Social Sciences, 1968..

"Leading Indicators Warnings on the Economic Horizon," Rutgers Alumni Magazine, Vol. XLVIII, No. 4, March 1969, pp. 12-16 (joint with Geoffrey H. Moore).

"Leading Indicator Indexes: Construction and Performance," presented at the 37th session of the International Statistical Institute at London, England, on September 5, 1969 and published in the Review of the ISI, Vol. 43, No. 1 (joint with Geoffrey H. Moore).

"The 1961-69 Expansion: The Record," Business Conditions Digest, January 1970.

"Strengthening Federal Statistics," The American Statistician, February 1970. Revised and updated version published by the Institut National de la Statistique et des Etudes Economiques, Paris, France, November 1970.

"Economic Policy Indicators and Cyclical Turning Points," Business Economics, Journal of National Association of Business Economists, September 1970.

"Modernizing Business Cycle Concepts," The American Statistician, October 1971.

"Recent Developments in Federal Statistics," The American Statistician, December 1971.

"Early Warning Signals for the Economy," Statistics: A Guide to the Unknown, April 1972. Tanur, Judith M., et al. (Eds.) San Francisco: Holden-Day (joint with Geoffrey H. Moore).

"Systematic Aspects of Stock Price Fluctuations," Modern Developments in Investment Management, A Book of Readings, Edited by James Lorie and Richard Bresley, Praeger Publishers, New York, 1972.

"Judging the Leading Indicator," The Washington Post, April 9, 1972.

"Measuring Current Economic Fluctuations," presented at the 20th session of the Conference of European Statisticians at Geneva, Switzerland, June 1972.

"The Federal Statistical System of the United States," Statistisk Tidskrift, 1972:4, Kungl. Boktr. Stockholm (Swedish Journal) (joint with Marie D. Wann).

"Why the Leading Economic Indicators Lead," The New York Times, November 19, 1972. Shorter version in The Evening Star and The Washington Daily News, November 20, 1972 under the title, "The Rationale Behind the Indicators," (joint with Geoffrey H. Moore).

"Objectives and Priorities in Statistical Programs," presented at the United Nations Interregional Seminar on Statistical Organization, held in Ottawa, Canada, October 3-12, 1973, published in Statistical Reporter, October 1973, No. 74-4.

"Indicator Forecasting," Methods and Techniques of Business Forecasting, Edited by Butler, Kavesh, and Platt, Prentice-Hall, 1974, pp. 32-76 (joint with Leonard H. Lempert).

"Updating the Consumer Price Index--An Overview," Monthly Labor Review, July 1974, Vol. 97, No. 7.

"The Changing Business Cycle," The New York Times, Sunday, December 1, 1974.

"Recent Trends in Wages and Industrial Relations and Problems of Measurement," Business Economics, January 1975. (Adaptation of a speech given to the Industrial Relations Research Association, Honolulu, Hawaii, September 12, 1974.)

"Unemployment: Measurement Problems and Recent Trends," BLS Report 445, 1975. (Adaptation of a paper presented before the Denver Chapter of the National Association of Business Economists on May 29, 1975.)

"Problems in Measuring Unemployment," Monthly Labor Review, August 1975, Vol. 98, No. 8 (joint with Robert L. Stein).

"The 1972-73 Consumer Expenditure Survey--Some First-Year Results," Business Economics, September 1975 (joint with Eva E. Jacobs).

"The Consumer Price Index: How Will the 1977 Revision Affect It?" BLS Report 449, 1975. (Paper presented before The Economic Club of Detroit, October 20, 1975).

"Shiskin on the Unemployment Numbers," The New York Times, Sunday, January 18, 1976.

"Employment and unemployment: the doughnut or the hole?" Monthly Labor Review, Vol. 99, No. 2, February 1976. (Adaptation of a speech to the Metropolitan Economic Association in New York City, December 11, 1975.)

"Labor Force and Unemployment," presented at the 25th annual Conference on the Economic Outlook sponsored by the University of Michigan (November 18, 1976); reprinted as BLS Report 486, 1976.

Information Requested of Prospective Nominees

A. NAME AND POSITION:

1. Name: Julius Shiskin
2. Government position for which you are under consideration.

Commissioner of Labor Statistics

3. Address:

4978 Sentinel Drive, #505
Bethesda, Maryland 20016

B. PERSONAL DATA:

1. Have your Federal or state tax returns been the subject of any audit or investigation or inquiry at any time? If so, explain.

No.

2. Are you currently under federal, state, or local investigation for a possible violation of a criminal statute? If so, please give full details.

No.

3. Have you ever been disciplined or cited for a breach of ethics or unprofessional conduct by, or been the subject of a complaint to, any court, administrative agency, professional association, disciplinary committee, or other professional group? If so, please give full details.

No.

4. Have you ever been involved in civil litigation, or administrative or legislative proceedings of any kind, either as plaintiff, defendant, respondent, witness or party in interest, which may be sufficiently controversial or so intimately related to the area of work for which you are being considered, that your involvement may be appropriate for consideration by the committee of the Senate to which your nomination will be submitted? If so, please give full details.

No. (Unless it should be noted that as Commissioner of Labor Statistics I, along with the Secretary of Labor and other Government officials, have been sued by two States to prevent implementation of statistical procedures for allocating CETA and other revenue sharing funds.)

- 2 -

5. What is the condition of your health?

Good.

Have you had a physical examination recently?

Yes, periodically.

6. Without details, is there or has there been anything in your personal life which you feel, if known, may be of embarrassment to the Administration in the event you should be nominated?

No.

What about any near relative?

No.

C. FINANCIAL DATA:

1. List the names of all corporations, companies, firms, or other business enterprises, partnerships, nonprofit organizations, and educational or other institutions--

(a) with which you are now connected as an employee, officer, owner, director, trustee, partner, advisor, attorney, or consultant. (Attorneys and consultants need list only their major clients, but should include all of those whom you represent on a regular basis or which might give rise to an appearance of bias on your part in connection with your proposed appointment.) Any listed relationship or affiliation that you wish to continue during the term of your appointment should be noted with an asterisk.

None.

(b) in which you have any continuing financial interests, through a pension or retirement plan, stock bonus, shared income, severance pay agreement, or otherwise as a result of any current or prior employment or business or professional association. As to each financial arrangement, provide all details necessary for a thorough understanding of the way in which the arrangement operates,

- 3 -

(b) Cont.

including information concerning any renewal right you may have if the arrangement is allowed to lapse and whether lump sum or severance benefits are available in lieu of continuation of the interest.

None.

- (c) in which you have any financial interest through the ownership of stocks, stock options, bonds, partnership interests, or other securities. Any interests held indirectly through trusts or other arrangements should be included. Any listed interests that you wish to retain during your period of government service should be noted with an asterisk.

List attached as Attachment 1.

2. Provide a complete, current financial net worth statement that itemizes in detail all assets (including, but not limited to, bank accounts, real estate, securities, trusts, investments, and other financial holdings) and liabilities (including, but not limited to, debts, mortgages, loans and other financial obligations). Assets representing personal or household goods, and liabilities for current and ordinary household and living expenses must be included but need not be separately itemized.

Statement attached as Attachment 1.

3. List sources and amounts of all items of value received during calendar year 1976 and the portion of 1977 selected by you ending no earlier than 60 days prior to the date of your reply (including but not limited to, salaries, wages, fees, dividends, capital gains or losses, interests, rents, royalties, patents, honoraria, and gifts other than those of nominal value). In lieu of such a listing for 1976, you may submit a copy of your federal income tax returns for 1976, although the submission of income tax material is not required under this item.

List attached as Attachment 2.

- 4 -

4. Please provide for review by this office (but not for passing on to Senate Committee staff or to the public) copies of your federal income tax returns for 1974, 1975, and 1976.

Copies attached as Attachment 3.

D. FUTURE EMPLOYMENT RELATIONSHIPS:

1. Will you sever all connections with your present employer, business firm, association or organization if you are nominated by the President and confirmed by the Senate?

Not applicable.

2. Do you have any plans after completing government service to resume employment, affiliation or practice with your previous employer, business firm, association or organization?

Not applicable.

3. Has anybody made a commitment to employ your services in any capacity after you leave government service?

No.

4. If confirmed, do you expect to serve your full term of office?

Yes.

E. POTENTIAL CONFLICTS OF INTEREST:

1. Describe any business relationship, dealing or financial transaction which you have had during the last five years, whether for yourself, on behalf of a client, or acting as an agent, that could in any way constitute or result in a possible conflict of interest in the position to which you have been nominated.

None.

- 5 -

2. Describe any activity during the past five years in which you have engaged for the purpose of directly or indirectly influencing the passage, defeat or modification of any legislation or affecting the administration and execution of law or public policy.

None.

3. Explain how you will resolve any potential conflict of interest, including any that may be disclosed by your responses to the above items. (Please provide a copy of any trust or other agreements).

Not applicable.

F. LETTER OF COMMITMENT

It is the view of the President that all officials of government with a substantial policy role in it should agree contractually to certain arrangements beyond the scope of present law and regulations. Please examine the attached letter of commitment. Will you be willing to sign it prior to your formal nomination? This question can be answered by executing and returning the enclosed letter to the President.

Letter attached.

July 28, 1977

Dear Mr. President:

Sharing your determination to assure the American people of the integrity of your Administration and appreciating the confidence you have shown in me by proposing to nominate me to be Commissioner of Labor Statistics, in addition to complying with applicable federal laws and regulations relating to conflicts of interest, if I am nominated, confirmed, and take office, I agree that:

(1) I have already filed, or will file within thirty days of taking office with those persons you specify, the following information which may be made available to the public as you may direct:

(a) a complete current net worth statement itemizing all assets and liabilities of myself, my spouse, my minor children, and other members of my immediate household; and

(b) a sources of income statement for the year 1976 and for the period of time ending no earlier than sixty days before the above date listing all sources and amounts of all items of value received by me, my spouse, my minor children, and other members of my immediate household including, but not limited to, salaries, wages, fees, honoraria or other compensation, dividends, interest, rents, royalties, proceeds from the sale or exchange of property, and gifts.

(2) While in office, in addition to complying with 18 U.S.C. 208, I will similarly refrain from participating in any particular matter, as that term is used in 208, in which any party as hereinafter specified had a direct and substantial interest:

(a) any party with which I am associated for financial gain within the year prior to taking office as officer, employee, director, trustee, partner, or owner of more than 1% of value of the outstanding equity ownership; or

(b) with which I am negotiating or have an arrangement whether as a consultant, employee, partner, or any other position to be held for financial gain.

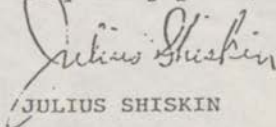
(3) In addition to complying with the restrictions which will be imposed on me by federal law after termination of my government service, including those contained in 18 U.S.C. 207, I will not for two years following such termination, engage in any activity from which 207(b) will bar me during the first year after such termination. Also for two years following termination of government service I will not, for compensation or financial gain, on behalf of any party other than the United States, make any formal or informal appearance before, or contact with, any officer or employee of the Executive Branch with respect to any particular matter as defined in 207 which was within my official responsibility as defined in 18 U.S.C. 202(b) during the twelve months preceding termination of my government service.

(4) For one year following termination of my government service I will not, for compensation or financial gain, on behalf of any party other than the United States, make any formal or informal appearance before, or contact with, any officer or employee of the U.S. Department of Labor.

(5) I will, while in government service and for two years after leaving government service, file periodically in accordance with regulations promulgated by you statements of sources of income more particularly described in subparagraph 1(b) above.

(6) In accepting the position for which you propose to nominate me, it is my intention to serve for the entire term for which you appoint me and, if my term is indefinite, it is my intention to serve for your entire first term or as long as you wish me to serve.

Very truly yours,



JULIUS SHISKIN

The President
The White House
Washington, D.C. 20500

THE WHITE HOUSE

WASHINGTON

August 29, 1977

Dear Mr. Shiskin:

I acknowledge receipt of your response to the Outline of Information Requested of Prospective Nominees. I congratulate you on your pending reappointment as Commissioner of the Bureau of Labor Statistics. I also acknowledge receipt of your letter of commitment to the President.

Your submission indicates that you own a portfolio of securities, consisting of common stocks and bonds, as well as interest in a number of different municipal funds. You have indicated that you wish to retain your interest in these securities while you serve as Commissioner of the Bureau of Labor Statistics. Because of the nature of your position, I see no reason why you cannot retain your interest in these securities and mutual funds. However, pursuant to 18 U.S.C. 208(a), you must disqualify yourself to act on any particular matter which would affect the interests of the companies in which you own such securities. It is my understanding that such disqualification will seldom, if ever, be necessary.

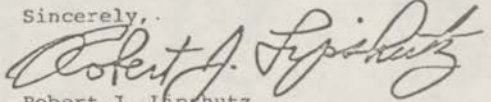
You have indicated that your wife is not employed. And, I assume that you do not have a membership in or affiliation with any entity or organization which would create a real or apparent conflict of interest with the performance of your duties as Commissioner of the Bureau of Labor Statistics. If you have any affiliation which might give rise to such an appearance, I would appreciate it if you would communicate that fact to me.

Based on our review of the materials you have submitted, and assuming you take the actions you indicate you will take and those that are assumed or requested in this letter, it appears that you will have complied with the Guidelines on Conflicts of Interest.

- 2 -

I wish you every success as you continue your duties as
Commissioner of the Bureau of Labor Statistics.

Sincerely,

A handwritten signature in cursive script, reading "Robert J. Lipshutz". The signature is written in dark ink and is positioned to the right of the typed name.

Robert J. Lipshutz
Counsel to the President

Mr. Julius Shiskin
Commissioner
Bureau of Labor Statistics
Department of Labor
Washington, D.C.

JULIUS SHISKIN
COMMISSIONER OF LABOR STATISTICS

Julius Shiskin has been Commissioner of Labor Statistics since August 1, 1973. In this role, he directs the operations of the Bureau of Labor Statistics (BLS) of the Department of Labor. As the Federal Government's chief fact-finding agency in the field of labor economics, BLS studies cover employment and unemployment, wages, prices, industrial relations, productivity, and many other important areas.

Prior to becoming Commissioner, Mr. Shiskin was Chief Statistician of the Office of Management and Budget and U.S. Representative to the United Nations Statistical Commission. He joined OMB--then the Bureau of the Budget--in June 1969.

Mr. Shiskin was Assistant Director of the Census Bureau for Program Planning and Evaluation from August 1968 until June 1969. He joined the Census Bureau in 1945 and has been a Federal employee since 1942.

The New York City native was reared in West New York, N.J., and attended elementary and high schools there. He received his B.S. and M.A. degrees from Rutgers University, New Jersey, and did graduate work at Columbia University in 1936-7. He is a member of Phi Beta Kappa.

Mr. Shiskin was an instructor in economics and statistics at Rutgers University from 1934 to 1938. He was a staff assistant with the National Bureau of Economic Research from 1938 to 1942 and served as a head economist of the War Production Board when he joined the government in 1942.

During his years at the Census Bureau, from 1945 to 1969, Mr. Shiskin was primarily responsible for the development of an electronic computer method of making seasonal adjustments of time series and a business cycle measurement program. He also spent a substantial part of his time on the economic censuses.

At OMB, Mr. Shiskin made major contributions to the development of a coordinated budget for Federal statistics issued each year and to a program for speedier compilation and release of Federal statistics.

Mr. Shiskin has been a consultant to the United Nations, the Council of Economic Advisers, the Organization for Economic Cooperation and Development, and the International Monetary Fund.

In 1956, Mr. Shiskin received the prestigious Rockefeller Public Service Award, made by the Woodrow Wilson School of Princeton University with funds provided by the Rockefeller Foundation. He has also received the Department of Commerce Award for Exceptional Service and the National Association of Business Economists Annual Award.

He was named a fellow of the American Statistical Association in 1961 and was elected to the International Statistical Institute in 1969. He was named an honorary fellow of the Royal Statistical Society, United Kingdom, 1973. He was named a fellow of the National Association of Business Economists in 1977. He is listed in "Who's Who in America."

- 3 -

Mr. Shiskin, born October 13, 1912, is the author of two books and many articles in the field of statistics. He is married to the former Frances Levine of Weehawken, N.J. They have two daughters, Mrs. Laura Rubin of Rockville, Md., and Mrs. Carol Warlick of Reston, Va., and four grandchildren. The Shiskins live in Bethesda, Maryland.

#

September 1977

Senator JAVITS. Mr. Chairman, we have before us one of our most distinguished Members. He has a big advantage over me: I appear before his committee a lot more often than he appears before ours. And he has always been most gracious, both in introducing me and the hearing which I have had. I would like to testify to the fact that one of the great joys I have found in the Senate of the United States is serving with Bill Proxmire of Wisconsin.

The CHAIRMAN. We appreciate very much your being here, Senator Proxmire.

**STATEMENT OF HON. WILLIAM PROXMIRE, A U.S. SENATOR FROM
THE STATE OF WISCONSIN**

Senator PROXMIRE. Thank you very much, Mr. Chairman and Senator Javits and Senator Hatch. This is the first time I have ever done anything like this. I have introduced people from my State, but I have never had an opportunity to speak on behalf of somebody from outside the State at a hearing of this kind. And I am just delighted to do it.

Since April 2d of 1971, the Joint Economic Committee has held 80 hearings, 1 a month, on unemployment and unemployment statistics. And I have chaired about 70 of those 80 hearings. And since February of 1974, 3½ years ago, every month the witness has been Julius Shiskin. Now, as we all know, the unemployment figures are the most controversial, vital, closely watched economic statistics we have. It has tremendous political potency and has big force in the confidence people have and the expectation they have about our economy. So it is very important that this statistic has strong credibility.

I have questioned and badgered and argued with and contended with Mr. Shiskin month after month after month for 3½ years, and I have never failed to marvel at his ability, his reach, his grasp, his understanding. He is the Federal Government's top statistical official, and he is, in my judgment, the Nation's outstanding economic statistician. He has, as you know—you can tell from the biography—a fine education. He has remarkable experience as a top economist in Government. In 1938, almost 40 years ago, he was the top economist in the War Production Board. He has not only had vast experience for many years, but he has served with great distinction. He won the 1956 Rockefeller award for distinguished service, the Department of Commerce award, the National Association of Business Economists' award. It's true he was appointed to his position by the Republican administration—but there is a tradition in this particular job; Ewin Clague served for a number of years under different administrations—he served 5½ years in this position under President Truman, 8 full years under President Eisenhower, almost 3 years under President Kennedy, and for 3 years under Lyndon Johnson. It is an office that especially requires nonpartisan expertise. And Mr. Shiskin certainly has that, as much or more than any other official in our Government that I know anything about.

I think also that it is most desirable that when we can do it we should appoint distinguished public servants from the ranks, people who have developed over the years a great ability; they know their job; they have a record of performance we can judge.

And I think that Julius Shishkin is a superb example of this.

So I congratulate President Carter on this appointment and urge the committee's approval.

The CHAIRMAN. That is one of the finest statements of introduction and illumination of a nominee that we have had in this committee. Thank you very much, Senator Proxmire.

Do you have any rebuttal to that statement?

[Laughter.]

Senator JAVITS. My only reason for interrupting is that I am the ranking member of the Joint Economic Committee of which Senator Proxmire is now the vice chairman, as we change House and Senate. He has been chairman, and, of course, he already testified to his view. And I would like to testify as the ranking member exactly to the same effect: Mr. Shishkin is an admirable public servant. I had the privilege of recommending him for this appointment to the President, and so had many other Senators; and I am delighted that he has continued in this capacity. I shall have some questions in substance, but I just wish to state for the record that I recommended him and I think very highly of him. I guess I have had almost as much personal experience with hearing him and cross-examining him as the Senator from Wisconsin.

Thank you, Mr. Chairman.

The CHAIRMAN. I am including in the record, following Senator Proxmire's introduction, a letter to the committee from Senator Humphrey, that so strongly endorses Mr. Shishkin's renomination.

[The letter referred to follows:]

HUBERT H. HUMPHREY
MINNESOTA

COPY

United States Senate

WASHINGTON, D.C. 20510

June 9, 1977

The President
The White House
Washington, D.C.

Dear Mr. President:

You will soon have brought before you the question of appointing a Commissioner of Labor Statistics in the Department of Labor. The term of appointment is for four years. The incumbent, as you know, is Dr. Julius Shiskin, who has held the position for the past four years.

While I know that there are several nominees now under consideration for this appointment, I wish to strongly recommend that you reappoint Dr. Shiskin to another four year term.

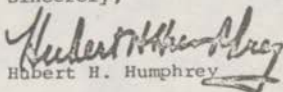
It is of the utmost importance to the nation that the Bureau of Labor Statistics and the Commissioner who heads it be above reproach with respect to their integrity and credibility. The Bureau, under Dr. Shiskin's leadership these past four years, has met the test admirably.

Dr. Shiskin is an extremely competent and professional public servant. He has won the trust and confidence of those of us here in the Congress as well as others throughout the nation who rely so heavily upon his counsel and the credibility of the statistics produced by the Bureau.

Dr. Shiskin's reappointment as Commissioner would be good for the country as well as for your Administration.

With best wishes.

Sincerely,


Hubert H. Humphrey

The CHAIRMAN. We would be pleased to hear any statement you would care to make.

Dr. SHISKIN. Well, I just would like to say that I think both Senator Proxmire and Senator Javits have greatly exaggerated my abilities and talents, but I shall try to live up to their exaggerations if I am confirmed.

I do have a brief statement.

The CHAIRMAN. We would be pleased to have it.

Dr. SHISKIN. And I would like to put the full statement in the record, but I would like to read a few paragraphs.

The CHAIRMAN. Fine.

STATEMENT OF JULIUS SHISKIN, OF MARYLAND, TO BE COMMISSIONER OF LABOR STATISTICS, DEPARTMENT OF LABOR

Dr. SHISKIN. I am honored to appear before this committee as it considers my nomination by President Carter for reappointment as Commissioner of Labor Statistics. I am very pleased that Secretary Marshall recommended my reappointment to the President and that the President has nominated me.

I consider the role of Commissioner of Labor Statistics to be very important, not only in the Federal statistical community, but in the whole Federal Government. The Bureau's data, especially for unemployment and prices, are highly visible and important for policy-making. Consequently, the Commissioner's presentation and analysis of these data may affect, to some extent, the credibility of the Federal statistical system and the Government itself.

The one accomplishment in my 4 years as Commissioner, in which I take the greatest pride, has been the preservation and enhancement of the integrity and credibility of the Bureau's data and reports. In addition, resources have been directed toward several major areas of data improvement: First, the local area unemployment estimates, a multiyear program to bring these data up to the standards of accuracy required by legislation is under way; and, secondly, the major price series, especially planning for a more efficient and timely mechanism to revise the Consumer Price Index and taking steps to modernize the Wholesale Price Index.

During these years the Bureau has also cooperated with studies made or under way by outside groups to improve basic BLS data, such as the Wholesale Price Index review by the National Bureau of Economic Research and the Productivity Measurement Review Committee of the National Academy of Science. And, of course, we will fully cooperate with the soon-to-be-functioning National Commission on Employment and Unemployment Statistics.

With respect to objectives, let me just cite two. Over the next 4 years we will continue to work with executive and legislative policymakers, to anticipate their needs for statistics, so that policy development and program administration will benefit from sound statistical support. We will continue to support the Department of Labor programs to expand job opportunities, particularly for minority groups; to improve the health and safety of workers; and in many other areas by providing adequate data upon which to base decisions.

I have frequently testified before numerous congressional committees, and I have met with many individual Congressmen and their staffs over the past 4 years. If confirmed, I would continue these close working relations.

In closing, I should like to say that I am very proud that President Carter has nominated me for reappointment to a second term. I shall be doubly proud if the Senate confirms this nomination.

[The prepared statement of Dr. Shiskin follows:]

STATEMENT BY JULIUS SHISKIN

Before the

Committee on Human Resources
UNITED STATES SENATE

October 6, 1977

I am honored to appear before this Committee as it considers my nomination by President Carter for reappointment as Commissioner of Labor Statistics.

For more than 90 years the Bureau of Labor Statistics has been one of the Federal Government's most important fact-finding agencies. Its role over the years has been a dual one. On the one hand, it is a general-purpose statistical agency compiling and disseminating basic data on the economy. And at the same time it is the research arm of the Department of Labor, preparing studies for publication and factual background papers for the guidance of the Secretary. Both roles demand a commitment to the highest professional standards.

I am very pleased that Secretary Marshall recommended my reappointment to the President and that the President has nominated me. I consider the role of Commissioner of Labor Statistics to be very important not only in the Federal statistical community but in the whole Federal Government. The Bureau's data, especially for unemployment and prices, are highly visible and important for policymaking. Consequently, the Commissioner's presentation and analyses of these data may affect, to some extent, the credibility of the Federal statistical system and the Government itself. For this reason, it is of vital importance to select an objective, professional person to head the BLS, and to maintain a top-quality professional staff.

In preparing this statement for the Committee, I thought back over my four years as Commissioner and reflected on the controversial issues which confronted the Bureau during those years. There have been some. But, none related to doubts about the integrity and objectivity of the Bureau's indicators or its staff. The concerns rather have been that our concepts, definitions, and methodologies may not be measuring up to the needs of the times. In some ways, these past four years have been ones that do indeed invite such public concern, because the economy has been unsteady: the unemployment rate rose to over 9 percent at one point and inflation peaked at a double-digit level. Such times generally bring forth challenges to the Bureau's measures that are rarely voiced when the economy is functioning well. In addition to conceptual and technical issues, public discussion over the past four years has also focussed on equity in the use of BLS series--the unemployment rates, the Consumer Price Index and the Wholesale Price Index--for allocation and escalation purposes. Public discussions of these issues are highly desirable, and I would continue to welcome them, if confirmed.

The one accomplishment of my four years as Commissioner in which I take the greatest pride has been in the preservation and enhancement of the integrity and credibility of the Bureau's data and reports. In addition, Bureau resources have been directed towards several major areas of data improvement: (1) the local area unemployment estimates--a multi-year program to bring these data up to the standards of accuracy required by legislation is under way; and (2) the major price series, especially planning for a more efficient and timely mechanism to revise the Consumer Price Index--the Continuing Consumer Expenditure Survey--and taking steps to modernize the Wholesale Price Index.

The Bureau has also cooperated with studies made, or under way, by outside groups to improve basic BLS data, such as the Wholesale Price Index review by the National Bureau of Economic Research and the Productivity Measurement Review Committee of the National Academy of Sciences. And, of course, it will cooperate fully with the soon-to-be functioning National Commission on Employment and Unemployment Statistics.

My objectives for the next four years would be for BLS to:

Continue to work with executive and legislative policymakers to anticipate their needs for statistics so that policy development and program administration will benefit from sound statistical support;

Continue to support the Department of Labor programs to expand job opportunities, particularly for minority groups, to improve the health and safety of workers, and in many other areas by providing adequate data upon which to base decisions;

Devote more attention to developing greater integration and coordination among all the Bureau's substantive programs and to expand the analytical potential of the Bureau's series;

Intensify reviews of the Bureau's concepts and methodologies, particularly in the wage area, which has never had an outside review of all its surveys;

Continue to support the Administration's plans for reviewing the organization of the Federal Statistical System and to continue to watch carefully over internal management of BLS activities.

I have frequently testified before numerous Congressional committees and I have met with many individual Congressmen and their staffs over the past four years. If confirmed, I would continue these close working relations.

In closing, I should like to say that I am very proud that President Carter has nominated me for reappointment to a second term. I shall be doubly proud if the Senate confirms this nomination.

The CHAIRMAN. Thank you very much, Dr. Shiskin.

I would like, for my part, just to deal with one aspect of your work in this position, which has a new facet, I would imagine. You have actively promoted the establishment of the National Commission on Employment and Unemployment Statistics, and, of course, that Commission has been established.

I would like to have your view on the nature of the working relationship that you are establishing with the new Commission.

Dr. SHISKIN. Yes, sir. Let me for a moment explain first the exact status of that Commission, as I understand it. The Chairman of the Commission, Sar Levitan, has been nominated by the President and confirmed by this committee and the Senate—so he is on board, in a sense. However, the eight other members of the Commission have only been designated and their papers are now in the White House for review and clearance. So the Commission is not actually functioning.

Nevertheless, I have met at least once a month with the Chairman, Sar Levitan, and we have discussed the prospective work of the Commission. He has also met with numerous members of my staff; he has appointed a small staff of his own—and they have met with our staff. As a result of all these discussions, they have asked us to prepare issue papers which set out the problems without taking sides. We have prepared 17 such papers already. There are a handful more that are underway.

These papers deal with basic issues, such as the definition of “unemployment,” that is, who should be counted as unemployed; the problem of making more accurate estimates of local area unemployment for allocation purposes under CETA and other bills; how to handle discouraged workers; how to handle full- and part-time workers; consideration of the age cutoff—should we raise the cutoff, as was done under the Gordon Commission; and so on.

I have a list of these papers and I would be happy to put it into the record.

In summary, though, let me say that we are working very closely with the Chairman of the Commission and with some designated members, although that has to be more tenuous, of course, until they are officially appointed and confirmed, and with the staff. I think our working relations are excellent; in fact, Sar Levitan has made public statements over the last few months, which were printed in the New York Times and elsewhere, urging my reappointment as Commissioner of Labor Statistics; and I similarly have recommended his appointment to the Commission to Secretary Marshall; so our relations are as good as possible, I think.

The CHAIRMAN. Thank you very much. We will include in the record the list of issues that you have discussed and worked out, with the Chairman of the Commission.

[The list of issues referred to follows:]

October 5, 1977

LIST OF BLS ISSUE PAPERS
(for National Commission on Employment and Unemployment Statistics)

- A. Definition and measurement of the U.S. labor force, employment and unemployment
1. The measurement of employment and unemployment
 2. Analysis and presentation of national labor force statistics
 3. Discouraged workers
 - * 4. The measurement of labor market related economic hardship
 5. The definition of full and part time
 6. Persons working part time involuntarily for economic reasons
 7. The minimum age cutoff for labor force statistics
 - * 8. Consideration of an upperage cutoff for labor force statistics
 9. The impact of students on labor force statistics
 10. The treatment of the Armed Forces in labor force data
 11. International comparisons of labor force, employment, and unemployment data
 12. Historical continuity of labor force data--the need for comparability in time series
- B. Methodological issues in labor force, employment, and unemployment data
- ** 1. The methodology for developing State and area labor force estimates
 - * 2. The accuracy and uniformity of seasonal adjustments
 3. Longitudinal data: an overview
 - ** 4. The development of job vacancy statistics

All papers have been transmitted to the Commission except those asterisked, with explanation of asterisks as follows: * - almost finished; ** - incomplete.

LIST OF BLS ISSUE PAPERS--2

- C. Current establishment and administrative data on employment and unemployment
1. The current employment statistics program (based on employer payroll data by industry)
 2. Employer quarterly reports on employment and wages by industry
 3. The labor turnover program
 4. The ES 203 program (characteristics of the insured unemployed)
- D. Occupational information and training
1. Education and training enrollments and completions
 2. Current and projected occupational information, national and local

October 5, 1977

The CHAIRMAN. I just have one further question about the Current Population Survey on which the monthly unemployment rate is based. Should the size of the survey sample be increased?

Dr. SHISKIN. We think so. The main reason to increase it, though there are several other reasons, is that our State and local area unemployment estimates aren't sufficiently accurate, we think, for the important purposes to which they are put, namely, allocating huge amounts of funds under the CETA and other programs. This year, for example, we estimate about \$16 billion was allocated, partly or wholly on the basis of the unemployment rates. Now, we think that the data that we are now getting in that area are not sufficiently accurate for that purpose. And we have developed a multiyear program to improve them.

I have discussed this numerous times with various congressional committees and privately with several Representatives. I couldn't really say very much about our program because the proposal hadn't been cleared with the Secretary. But it has been cleared with the Secretary now, and the Secretary has written to Congressman Flood in response to a letter in which Secretary Marshall indicates strong support for a substantial expansion of the Current Population Survey. Roughly, we will more than double the sample, if this program materializes. That will have the side effect of some improvement in many of our other estimates; for example, we will get better data for Hispanic Americans; we will get better data for black teenagers; and so on.

Let me just add, though, that in connection with this whole program, we must do more than improve the CPS, and we are working with the State employment security agencies to improve the reports they are providing on unemployment in small areas. So we have a multiyear program underway. It will cost a substantial amount of money compared to our present budget, but a very small amount compared to the money that is being allocated on the basis of it. Secretary Marshall has approved this program and submitted it to the OMB for their consideration.

The CHAIRMAN. Thank you. Senator Javits?

Senator JAVITS. Mr. Shiskin, on September 7, 1977, there appeared a piece in the New York Times, written by a very distinguished labor reporter, A. H. Raskin. He said:

The regional office of the federal Bureau of Labor Statistics has decided to stop publishing its monthly unemployment estimate for New York City, because it is not considered sufficiently accurate for researchers. However, the same number is still being supplied to federal agencies to determine how many hundreds of millions of dollars the city should get in emergency unemployment aid.

The region in question is the 20 counties of the New York-northeastern New Jersey-Connecticut metropolitan area. You have already mentioned the fact that \$16 billion a year is now being distributed to cities, counties, and other local units of Government for public service jobs and public works on the basis of these figures.

Now, what shall we do? The Commission, which you and I talked about a long time ago, has finally—is hopefully coming into being. What shall we do about this? Isn't the public entitled to an explanation from you and from us as to why we still are proceeding upon figures which your own agency says are too unreliable for researchers? And

when you realize the fantastic problem that we have in New York City, which is duplicated in other major cities, of youth and inner-city unemployment, especially among minorities—and the argument that even those ghastly figures understate the problem—I would like to have your advice as to what you think we should do.

Dr. SHISKIN. Yes, sir. First, let me point out that the figures for the New York SMSA, and the part of the SMSA that is in New York State, as distinguished from the part in New Jersey, are correct and they are reliable. The problem arose because, while the New York City figures are accurate, the sample for the remaining part of the SMSA in New York State was too thin to have an accurate estimate. We give our regional commissioners a great deal of authority in issuing their releases. In fact, they issue many more releases than the Washington office does. And they issued this release—I discussed it with Herbert Bienstock, whom I am sure you know—

Senator JAVITS. I know.

Dr. SHISKIN [continuing]. At considerable length afterwards. And here are some of the things that you should know. First of all, the New York City figures are now being published—publication was resumed. We felt that was justified because New York City is 86 percent of that part of the SMSA in New York State, so that the totals for the city can't be far off since the area estimates are reliable. So we have now resumed publication of those figures.

Now, all that is involved in getting the remainder of that part of the SMSA in New York State correct is to get a few hundred more schedules, and we are going to do it.

Senator JAVITS. A hundred more what?

Dr. SHISKIN. A few hundred more households in the sample—and that is really a very small job compared to what we are up against in expanding the whole CPS sample. We are going to be doubling our sample from 55,000 to—more than doubling it, it would be over 110,000. So a few hundred schedules for that part seems very reasonable and we will do it as soon as we can.

And I can assure you that we appreciate the problems in New York City. As you well know, we very recently published very detailed data for New York City and 10 other large cities showing the central cities and the outer rings—so we think we have got that problem under control.

Senator JAVITS. Let me take you through that again. The SMSA which you refer to—the Standard Metropolitan Statistical Area—does in fact consist of the eighteen counties of New York and northeastern New Jersey, is that correct?

Dr. SHISKIN. No; the part I am talking about is the part of the SMSA that is in New York State alone.

Senator JAVITS. I understand, but I am trying to take you through what you told us. So that the SMSA is the 18 counties.

Dr. SHISKIN. The New York-Northeastern New Jersey-Connecticut Standard Consolidated Statistical Area (SCSA) includes 20 counties. The New York SMSA includes nine counties, one of which is in New Jersey. I will show the relations among these different geographic areas now clearly in a table I will insert for the record.

[The information and table referred to follow:]

Nomination Hearing, Julius Shiskin (Commissioner of Labor Statistics)
before Committee on Human Resources, U.S. Senate, October 6, 1977

Total Population Estimates for New York Areas, 1976

<u>Area</u>	<u>Counties</u>	<u>Population</u> ^{1/}
<u>New York City</u>	Bronx	1,343,000
	Kings	2,398,000
	New York	1,416,700
	Queens	1,967,700
	<u>Richmond</u>	328,200
Total	<u>5-county</u>	<u>7,453,600</u>
<u>New York Labor Market</u>		
<u>Area (LMA)</u>	5-county	7,453,600
	Putnam	70,700
	Rockland	254,200
	<u>Westchester</u>	<u>878,100</u>
Total	<u>8-county</u>	<u>8,656,700</u> ^{2/}
<u>New York Standard</u>		
<u>Metropolitan Statistical</u>		
<u>Area (SMSA)</u>	8-county	8,656,700
	<u>Bergen, New Jersey</u>	<u>870,100</u>
Total	<u>9-county</u>	<u>9,526,800</u>
<u>New York Standard</u>		
<u>Consolidated</u>		
<u>Statistical Area (SCSA)</u>		
	NYSMSA: 9-county	9,526,800
	Nassau-Suffolk SMSA: Nassau	1,396,600
	Suffolk	1,278,700
	Newark SMSA: Essex	872,100
	Morris	394,500
	Somerset	205,400
	Union	516,300
	New Brunswick-Perth Amboy- Sayreville SMSA: Middlesex	592,700
	Jersey City SMSA: Hudson	572,900
	Paterson-Clifton-Passaic SMSA: Passaic	449,000
	Long Branch-Asbury Park SMSA: Monmouth	492,800
	Stamford, Ct. SMSA ^{3/} : Towns of	
	Stamford	105,151
	Darien	20,229
	Greenwich	59,566
	New Canaan	17,902
	Norwalk, Ct. SMSA ^{3/} : Towns of	
	Norwalk	76,688
	Weston	8,645
	Westport	27,400
	Wilton	14,830
Total	<u>20 counties</u>	<u>16,628,211</u>

^{1/} New York population estimates from Current Population Reports, Series P-26, issued August 1977.

New Jersey population estimates from Current Population Reports, Series P-26, issued September 1977.

^{2/} Estimate for New York LMA does not equal the sum of the counties due to rounding.

^{3/} Connecticut population estimates from Current Population Reports, Series P-25, issued June 1977. Township estimates are for 1975.

U.S. Department of Labor
Bureau of Labor Statistics
Washington, D.C.
October 1977

U.S. DEPARTMENT OF LABOR
BUREAU OF LABOR STATISTICS
WASHINGTON, D.C. 20212

OFFICE OF THE COMMISSIONER

DEC 12 1977

Honorable Jacob J. Javits
United States Senate
Washington, D. C. 20510

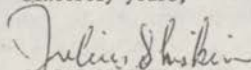
Dear Senator Javits:

This will summarize the agreement reached in my telephone conversation with Mr. Zimmerman of your office on December 5, regarding my testimony at my confirmation hearing on October 6. As I explained to Mr. Zimmerman on your question concerning the data availability for New York, a sample supplementation on the order of 1,500 households would be required to publish both monthly Current Population Survey (CPS) data for the New York portion of the New York Standard Metropolitan Statistical Area (SMSA) outside of New York City, and for New York City. This supplementation would cost well over \$400,000 annually, an amount that is in excess of our resources for this part of the program.

In accordance with our understanding, we are proceeding to develop monthly data from the CPS for New York City but not for the SMSA nor for the labor market area. Publication of data for New York City will begin in January 1978.

I am glad that the data will be sufficient to meet your needs.

Sincerely yours,


JULIUS SHISKIN
Commissioner

Senator JAVITS. Now, how many counties do you account for when you say New York City?

Dr. SHISKIN. Five—New York City has five counties. That's New York City.

Senator JAVITS. The political area called New York City.

Dr. SHISKIN. Yes.

Senator JAVITS. And that, you say, accounts for 86 percent of these totals.

Dr. SHISKIN. No. May I go back on that? The way those SMSA's are set up is as follows. In a few areas there is what is called a standard consolidated statistical area. And that is what reflects the 20 counties. Now, there is a part of that consolidated area which is the New York State part of the SMSA; it includes Westchester County, and some others, in addition to New York City.

Senator JAVITS. Rockland or Nassau?

Dr. SHISKIN. No; Nassau and Suffolk are in an SMSA of their own.

Senator JAVITS. Yes; I did that myself.

Dr. SHISKIN. So I am talking about Westchester County and perhaps some others.

Senator JAVITS. Rockland.

Dr. SHISKIN. Rockland, that's it, and also Putnam. And that is where we need a few hundred more reports.

Now, New York City is 86 percent of the five New York City counties, Rockland, Westchester, and Putnam.

Senator JAVITS. Now, what percentage is it of the aggregate SMSA, however?

Dr. SHISKIN. The 20 counties? I don't know.

Senator JAVITS. Would you supply that for the record?

Dr. SHISKIN. Yes, sir. [The answer is 45 percent.]

Senator JAVITS. And you feel justified because the New York City area is so large a part of the sample in using the figures for New York City, and you don't think you are very far off.

Dr. SHISKIN. I don't think so; it represents 86 percent of the total of the area that we do publish for. And in discussion of this point, Mr. Bienstock and I agreed that it would be desirable to resume publication.

Senator JAVITS. And that is your professional opinion?

Dr. SHISKIN. Yes, sir.

Senator JAVITS. So that you do not believe that the minority-youth unemployment, which is an element of those figures, is materially under- or over-stated in respect of this area today, notwithstanding some fuzziness around the edges of the figures?

Dr. SHISKIN. Sir, as usual, I think you put it very well.

Senator JAVITS. In substance, they are correct?

Dr. SHISKIN. Yes, sir.

Senator JAVITS. Thank you very much; that is very, very helpful.

Now, one other thing, Mr. Commissioner. It comes in this particular context better than it does before the Joint Economic Committee. You are extremely cautious and professional about discussing your opinions before the Joint Economic Committee; you always stick to the figures and your interpretation, but not your opinions.

And I believe, even though you have never told me that, that you do have opinions.

Dr. SHISKIN. I do.

Senator JAVITS. Do you think it would be compatible with your responsibilities if we asked you at the same time that you report to the Joint Economic Committee on the figures—as is proper, they should be the first recipient obviously—to come to us or at least to offer us your views as to what the figures really portend, because we are the legislative committee in charge of legislation in the manpower and employment field, thereby giving an added dimension to your work?

I say that, because my connection with your agency goes back many decades. Isador Lubin was a very, very close friend of mine—and he is one of your really illustrious predecessors.

Dr. SHISKIN. He is.

Senator JAVITS. And he did have opinions, and he did give them to the Congress. So please set me straight—if it is practicable and feasible, I think it could be very helpful to us, and give an added dimension to your job which it doesn't have today—at least it doesn't in terms of what we know about it.

Dr. SHISKIN. Well, sir, let me distinguish two kinds of problems. One is the interpretation of current economic developments and prospects. I do try to do that. Each month I talk about the economy as a whole, and, as you will remember, I do not hesitate to mention statistics, such as retail sales and GNP, that are not part of the BLS domain. But they are necessary for interpretation of the overall economic situation.

Besides preparing for this hearing this morning, I am also preparing for the JEC hearing tomorrow, and I have done just that. For example, I will point out that September was the 30th month of the current economic recovery—I have tried to do that kind of thing every month.

Where I have avoided opinions is on policy matters. There are many bills before the Congress which represent important policy positions of the Administration, and there are many value judgments being made on them; one, for example, is the minimum wage law that will be debated today or tomorrow, or in a few days. There often are bills that call for a stimulus of the economy or steps to moderate inflation.

It seems to me that it would be most unwise for the Commissioner of Labor Statistics to offer publicly opinions on questions like that. The reason is that if the Commissioner of Labor Statistics were to take policy positions, then the public and the Congress and the administration could easily believe that the figures that are produced each month are interpreted by BLS in such a way as to support the Commissioner's policy positions or the administration's policy views.

I think one reason that several Commissioners—Carroll Wright, for example, the first Commissioner—who served for 20 years—and Ewan Clague, who as Senator Proxmire indicated, served for 18 years—and they both served through different parties—I think the reason they were acceptable to both political parties is that they avoided these policy issues. I think that offering opinions on the part of the Commissioner on these sensitive policy issues would tend to affect the credibility of the figures that we publish, and we must very strongly safeguard our credibility in that area.

I hope that the distinction I made and the explanation I gave answers your question, Senator.

Senator JAVITS. It certainly does, and it's very clear and very precise and very persuasive—and I thank you very much.

Thank you, Mr. Chairman.

The CHAIRMAN. Thank you. Senator Hatch?

Senator HATCH. Mr. Chairman, I am very happy to support Mr. Shiskin. Because I have an appointment at the White House at 9:30 with a number of other Senators, Mr. Chairman, could I have your permission to just remark briefly about each of the other nominees this morning? I do have to be at the White House at 9:30. So with your permission I would just like to make a couple of comments concerning the other nominees, and then I will be able to leave.

The CHAIRMAN. All right.

Senator HATCH. I support all three nominees, and feel privileged to do so. Mr. Shiskin, you have an impeccable reputation. As the junior Senator on the Joint Economic Committee, I have heard your testimony and I have been very impressed with the things that you do.

With regard to Mr. Chamberlain, I strongly support Mr. Chamberlain for his appointment. Not only do I believe him to be an excellent person with great credentials, but I believe him to be a man of integrity, a man who has come up from the ranks, who understands the problems involving the railroad business. And having worked extensively in that field myself, I think he will make an excellent addition.

With regard to Mr. Truesdale, I strongly support Mr. Truesdale; his reputation has been one of fairness; I think he has an excellent reputation, from what I can see; and I think that he deserves this opportunity and would be a very good addition to the National Labor Relations Board.

And so with those three statements, I would just like to let each of you men know that I will support you on the committee and on the floor of the Senate. And I am very, very pleased to have all three of you working for our government.

Thank you very much, Mr. Chairman.

The CHAIRMAN. Thank you, Senator Hatch. I am glad you did describe your philosophy of noninvolvement in policy matters, Mr. Shiskin. We rely on the Bureau and its statistics when we are dealing with policy matters, as with the minimum wage, and over the years we have looked at the figures to gauge the effect of minimum wage increases on employment, unemployment, the cost of living, and price increases.

I went over them again last night, and it is remarkable how there has not been the adverse effect that many easily conclude there must have been on both employment and price increases—nonexistent in many of the periods following an increase of the minimum wage. The fact that you have insulated yourself and stayed away from policy judgments—certainly I agree with your posture completely—does lend the highest degree of credibility to the figures that come from your Bureau.

I think that is all.

Senator JAVITS. Just before Mr. Shiskin leaves, Mr. Chairman, I ask unanimous consent that the biography given to the witness, and the financial statement which the witness has furnished, be approved by him as accurate in every respect for the record, either now or, if he has not had a chance to look it over, by letter to the committee.

Have you had a chance to look those over?

Dr. SHISKIN. No, I haven't seen it, sir.

Senator JAVITS. If you would get a letter to us today, then, saying that those are the accurate statements respecting you and your financial—

Dr. SHISKIN. I can say that now, since I now realize which documents you were referring to, these are the statements which I turned over to Mr. Jensen of your staff and the same material I turned over to the White House. I have had a letter from Robert Lipschutz of the White House approving my report to him, in which he said also that there is no conflict of interest. There has been one minor change since then—I had a house up for sale at the time I filled those reports in, and now have a contract for the sale of the house—it's the house where I used to live in; but the contract has not yet been settled, so I don't have the money yet.

The CHAIRMAN. That's \$55,000 and that will be yours in cash very shortly?

Dr. SHISKIN. Well, about that amount.

The CHAIRMAN. Well, if it went into IBM or Xerox, I suppose we would have a conflict, wouldn't we?

Dr. SHISKIN. You know, I have never got so much money in my life at one time, Senator. It will be a traumatic experience, if it all materializes. Let me say I have no firm plans for what to do with it. I will either pay off part of the mortgage I have on my new apartment or put it into mutual funds, as I have invested such money as I do have. So it would be the same kind of investment that I have made up to now. And I will be very happy to advise this committee of the action I take.

Senator JAVITS. Well, I assume, Mr. Shiskin, that the \$16 billion you talk about—that isn't money; this is real money. [Laughter.]

Dr. SHISKIN. Senator Javits, let me say this, though, seriously—I and my staff at BLS take very seriously the responsibilities we have in assuring that that money, the \$16 billion, gets allocated in a way that will help the country the most; we are very sensitive to that.

Senator JAVITS. May I make a suggestion to you? I like what you told us about your policy, and I hope you will continue it; but I hope you will also feel free to come to us and tell us if you think we are going wrong somewhere; I hope you bear that in mind—and then we can find a way to reflect that view. But I think it would be very helpful for you to feel free to let our chairman know when you feel that your views or the information in your Agency can be of use to us in what we are trying to do.

Dr. SHISKIN. I would be very happy to do that.

Senator JAVITS. Thank you.

The CHAIRMAN. You have a remarkable record of appearing monthly before the JEC, and I would ask you, for our committee, if we need you, would you come and testify?

Dr. SHISKIN. I would be delighted, sir.

The CHAIRMAN. Excellent. I am going to include in the record, from the Bureau of Labor Statistics, a description of accomplishments, 1973 to 1977.

There are some questions that are coming in to be submitted in writing. May we have your reply in writing?

Dr. SHISKIN. Sure.

The CHAIRMAN. These are not going to hold up our committee action, however, but we would like to have it for our record.

Dr. SHISKIN. I will be very happy to give it you, sir.

The CHAIRMAN. Thank you very much, and Senator Proxmire, again thanks.

[BLS accomplishments and questions received for the record follows:]

October 6, 1977

U.S. DEPARTMENT OF LABOR
Bureau of Labor Statistics

BUREAU OF LABOR STATISTICS ACCOMPLISHMENTS: 1973 to 1977

During the past four years, 1973-1977, many improvements in the Bureau's basic data, analytical output, and internal management were made, as described below.

I. Improvements in the Basic DataA. Improvements in the Consumer Price Index

- * a decision was made to extend the consumer coverage for the revised Consumer Price Index to all urban consumers which will have the effect of increasing coverage from a little over 40 to 80 percent of the population. Before the decision was made, this issue was widely discussed both within and outside the Department. Trade union leaders argued strongly for the retention of the old CPI coverage for urban wage and clerical workers because of its direct relevance and importance on collective bargaining. The issue was also examined by the Congress. As a result of these discussions, the Bureau will publish two indexes starting in FY 1978: An all-urban consumer index and the other, like the present CPI, for urban wage earners and clerical workers.
- * the timeliness of the price data has been improved by increasing monthly pricing from 40 percent to 48 percent of the items including rents in the market basket and will rise even further to 53 percent within a few months when the new and revised indexes are published. Pricing in the new indexes will be spaced more evenly over the month, which will make the new indexes more sensitive to price changes;
- * preliminary weights for the market basket items to be used in forthcoming new and revised indexes were developed and published;
- * extensive research was--and will continue to be--conducted on the flow of services concept for the home ownership component of the Consumer Price Index. Widespread discussions for this concept were undertaken within the executive branch of the government, academic circles, and with business and labor advisory groups to the Bureau;

- * gasoline pricing was improved and expanded;
- * plans were completed to improve the geographic detail for the forthcoming indexes: the number of CPI's for local areas will be expanded from 24 to 28. The four additional indexes will cover Miami, Florida; Portland, Oregon; Scranton, Pennsylvania; and Denver, Colorado. Regional Consumer Price Indexes, cross-classified by population size will be introduced; and
- * a point-of-purchase survey was developed to keep up-to-date the retail stores and service establishments in the CPI sample from which prices are collected.

B. Initiation of a Continuing Consumer Expenditure Survey

The present revision of the Consumer Price Index has been expensive and time-consuming at least, in part, because of the magnitude of changes that were necessary to bring all the methodologies in line with the current state of the art. Some better way was clearly needed. Plans were initiated for developing a continuing survey of consumer expenditures to facilitate more timely revisions of the consumer price indexes and to provide a continuous series on consumer expenditures that would be useful in empirical analyses by policymakers addressing questions related either to the economy as a whole or specified segments of the population.

C. Revision of the Industrial Price Series

Almost before the Consumer Price Index revision was well under way, the Bureau started a similarly massive revision of the industrial price series which includes the widely-used Wholesale Price Index.

This revision, started in the early 1970's, was long overdue: No major revision had been undertaken in nearly 30 years. The pressures on the Bureau to step up the pace of modernization in this area were--and continue to be--strong.

The Bureau asked for and received Congressional support for this much-needed massive overhaul. It is just now moving into high gear. The entire concept and the methodology are being improved. In addition to many other improvements including probability sampling, a whole new system of industrial price measures will be developed.

D. Expansion of the Coverage of Measures of Change in Export and Import Prices of Commodities

In 1971, the Bureau started to develop a new series of international price measures for imported and exported commodities. By 1977, about 53 percent of the value of all exported commodities and 16 percent of all imported commodities were covered.

E. Improvements in the Presentation of Employment and Unemployment Data from the Current Population Survey

Several improvements were made in the presentation of data from the Current Population Survey. Specifically, the employment-population ratio--the proportion of noninstitutional population that is employed--was published regularly in the monthly press release; and--in an effort to expand detail available for analytical purposes--publication of new quarterly data on the characteristics of the Nation's workers classified by their relationship to other members of the families with which they live was initiated.

F. Completion of the Employment Cost Index for the Non-Farm Economy

After a long gestation period, this measure appeared for the first time in June 1976 as a regular quarterly series measuring changes in wage rates for the private non-farm economy, excluding households. The release reported on quarterly change over the six months from September 1975 to March 1976. Public response was generally favorable. Many press inquiries came in for explanations of the scope, methodology and significance of the indexes. The wage portion of this index is now being published regularly.

Benefit data are being collected now for publication in 1979 and data for the government sector will be added thereafter. Congress has not yet provided funds for the addition of the farm and household sectors to the scope of the index. In time, the index will be available monthly, will be seasonally adjusted, and will measure wages both in current and constant dollars for detailed industry and occupational groups.

G. Local Area Unemployment Statistics

The methodology for producing local area unemployment rates was improved and rates were published for 6,024 areas and a limited amount of analytical data for 11 large central cities was made available. The latter included the unemployment rate, the employment-population ratio and the labor force participation rate for males 20 and over, females 20 and over, and teenagers.

The Current Population Survey sample was also expanded, at the Bureau's request, to provide data that meet a minimum standard of reliability for all 50 States on an annual basis.

H. Improvements to Seasonal Adjustments

Considerable experimentation in seasonal adjustment, particularly in the area of labor force statistics, was conducted over the past four years. Research focused on identifying the best possible procedures for adjusting data, in terms of methodology, periodicity, and optimal techniques. With respect to data on employment and unemployment several improvements have been made, including expansion of the amount of data seasonally adjusted and introduction of special procedures to adjust teenage unemployment series, which, in turn, improved the overall unemployment levels and rates. In addition, steps were taken to educate the public on seasonal adjustments through the publication of alternative seasonally-adjusted rates and explanations of the purposes and limitations of the procedures.

I. Productivity Measures

A program to measure Federal Government productivity, strongly urged by Senator Proxmire of the Joint Economic Committee as far back as 1970, was initiated. For years, the lack of a measure for this important sector of the economy had resulted in the reporting of Federal productivity as zero. A joint interagency team consisting of top level representatives of the Office of Management and Budget, the General Accounting Office, and the Civil Service Commission with the technical assistance of staff of the Bureau of Labor Statistics, began to collect data for the Federal sector during fiscal 1972. Full responsibility for the continued collection of data and the further development of these productivity measures were transferred to the Bureau in 1973.

A single series is now available for the measured portion of Government, which reflects the output--both final and intermediate--of 307 organizational units. Separate indexes are also available for 28 individual series for selected functional groupings, such as printing, power, postal service, and medical services: These series represent 66 percent of the Federal civilian workforce. The overall measure is useful as an economic indicator, and the functional series are useful to managers in the Federal Government.

At the same time as the Federal Government measure was maturing, the Bureau continued to improve and expand its industry series: separate measures are now available for about 65 industries.

J. Federal Pay Survey Improvements

The BLS National Survey of Professional, Administrative, Technical, and Clerical Pay (the PATC Survey) was improved and expanded. The survey is used in the pay comparability process for Federal white-collar employees, as specified in the Federal Pay Comparability Act of 1970. PATC survey improvements and expansion stemmed from a 1972 GAO audit of the Federal pay comparability process. In line with GAO recommendations, the PATC survey was improved by establishing a centralized training program for data collectors and developing measures of the effect of job matching variation on survey results (quality measurement). At the request of the President's pay agent (OMB/CSC), the PATC survey was expanded to cover additional industries and establishments--i.e., mining, construction, selected services, and smaller establishments in a few manufacturing industries--and to collect data on nonproduction bonuses. The industrial expansion was successfully carried out, but bonus information was not publishable because of high nonresponse rates and the large sampling error associated with the data.

Planning and testing for the collection of benefits data were completed this year. Should the pay agent decide to expand the comparability principal to total compensation the Bureau is now ready to collect the necessary data.

K. Occupational Safety and Health Surveys

The annual surveys were completed in a timely fashion. Several improvements were made in the recordkeeping requirements to provide more precise measures of the seriousness of cases and to make the forms easier for employers to understand. At the same time, plans were made to reduce the reporting burden by consolidating present forms. A new system, the Supplementary Data System, was developed to make data from State worker's compensation records more readily available for analytical purposes.

II. Improvement in the Analytical Output

Over the past four years' analytical output has included the following:

- A. U-1 through U-7: In response to the national concern about the nature of the unemployment problem a new array of unemployment measures--identified as U-1 through U-7 series of unemployment

rates--was developed and published. These series show the trends for various combinations of the unemployed, discouraged workers, and part-time workers and are widely used in the analysis of the experiences of different groups of unemployed workers.

- B. Job-searching efforts of the unemployed: The Bureau completed an analysis--based on a special survey of 3,200 unemployed persons--of what unemployed persons were doing to find work and how their economic status was being affected by joblessness.
- C. Discouraged workers: The quarterly data on discouraged workers were presented in the Employment Situation press release and in the quarterly release on Labor Force Developments. Efforts continue to develop greater insight into persistent questions as to why discouraged workers are not in the labor force, what kind of work they are interested in and what kind of wages they would accept.
- D. Analysis of data from the Consumer Expenditure Survey of 1972-1973

This analysis compared the nationwide surveys of consumer expenditures conducted by the Federal Government in 1960-61 and in 1972-73. These surveys have been conducted every 10 or 12 years to provide the basis for revising the market basket for the Consumer Price Index (CPI). The survey data also serve other important objectives, including market research and economic analysis.

A series of reports containing additional data from the diary and interview portions of the 1972-73 survey was also published. These reports contain tabulations of expenditures for the U.S. and regions by family characteristics, e.g., income, age, and size of family.

III. Maintenance of Professional Standards

Professional standards were improved in both management and program areas:

A. Management Standards

The Bureau of Labor Statistics improved its internal managerial and administrative processes over the last four years in the following ways:

1. Professional staffing: Efforts have been made to increase the professional and technical backgrounds of Bureau employees. At the present time, BLS has 43 employees who hold doctoral degrees and 289 who have master's degrees out of a total of 1,553 professional employees.
2. Hiring of women and minorities: Over the last four years the number of women professionals in the Bureau increased from 261 to 395 and their representation from 26.1 percent to 28.5 percent of the professional workforce.

The number of minority professionals increased over the last four years from 121 to 194; their proportion of total professionals increased from 12.1 percent to 14.0 percent of the professional workforce.

3. Tighter control of career ladder promotions: First, the career ladder promotions of professional employees within the Bureau were carefully monitored to insure that they were based on merit and not simply on length of service so as to maintain incentives to excel. As a result--although outstanding employees are still promoted promptly--those who received promotions within three months of their eligibility date dropped from 90 percent in 1974 to 45 percent for calendar year 1976: cost savings are estimated at \$200,000 a year. These funds have been used to cover unanticipated cost increases in mail, communications, data processing, etc.
4. Employee utilization: With the aid of an outside management firm and the Bureau's management staff the Bureau initiated a program to review the utilization of its staff and to work with managers and supervisors in improving employee utilization. Although this effort is not expected to show dramatic results quickly, it is expected to increase supervisory and management awareness and to bring about long-range management improvements that will lead to better planning, better supervision and control, and better utilization of the human resources available to the Bureau.
5. Reduction in paperwork burden: As of mid-year, BLS had exceeded the Presidential objective of reducing the person-year requirements of completing Federal reports by 5 percent: For the 12 months ending June 1977, the Bureau's requirements were reduced by 6.5 percent.

6. Executive training: Training received greater emphasis over the past four year. Bureau employees participated in numerous supervisory training sessions, management seminars, and executive development seminars, as well as job-related college courses.

Emphasis continued on the development and implementation of courses of instruction relating to Bureau programs. For example, a major training effort was undertaken for data collectors and managers working on the revision of the Consumer Price Index program. The Bureau has also developed and implemented a comprehensive PATC training program.

B. Program Standards

1. Expanded probability sampling: Probability sampling was expanded significantly in the revision of the CPI and introduced into the on-going revision of the WPI. As time and resources permit probability sampling will be incorporated in all the Bureau's programs.
2. Quality measurement and control: The Bureau has instituted a variety of activities to measure and control the quality of its surveys, a necessary precaution in an agency dedicated to the production of high quality data.
3. Statistical processing: A new computer language to produce statistical tables that are ready for photo-offset printing was developed. Sixteen other Federal agencies, including both Houses of Congress and more than a dozen national statistical agencies overseas have adopted this new tool, called Table Producing Language (TPL).
4. Publications production: The BLS publications program introduced text editing and photo-composition methods, which reduced costs and improved timeliness. The Bureau's Occupational Outlook Quarterly and Monthly Labor Review won top awards in editorial competitions sponsored by the National Association of Government Communicators and the Society for Technical Communications. The Chartbook, U.S. Workers and Their Jobs: The Changing Picture, also won an award from the Society for Technical Communications.

QUESTIONS SUBMITTED BY THE CHAIRMAN FOR WRITTEN ANSWERS BY MR. SHISKIN

Question. This Committee has developed youth employment and public service employment programs that rely upon the BLS "lower living standard budget" as the basis for a test of participant eligibility. Section 312(d) of CETA requires the Secretary of Labor "to maintain comprehensive household budget data at different levels of living, including a level of adequacy . . ." What is your view on the difficulty of defining a "level of adequacy" in family budget?

Answer. It is very difficult to define a "level of adequacy" for the BLS family budgets. The establishment of an adequate standard of living requires value judgments on the types, quantities and qualities of the good and services needed by the budget family for "healthful," "decent" living. For example, specifications must be developed for the type of housing a family needs, and for the type of car, as well as, the number of cars, needed.

There are no absolute standards of need—they are relative to what is available in the society at different times. Airconditioning was not considered necessary in the early 40's but might be considered as necessary for an adequate living standard today.

Even where scientific standards exist, they change over time. The protein requirement for nutritional adequacy developed by the National Research Council in 1974 was substantially lower than that established by the same group in 1963.

The dilemma of specifying an adequate standard of living is illustrated by comparing the distribution of actual expenditures with the budget costs for two major budget components.

PROPORTION OF CONSUMPTION EXPENDITURES

	Actual expenditures (approximate budget type family)		4-person intermediate normative budget	
	1960-61	1972-73	1967	1976
Food.....	24	21	29	31
Transportation.....	13	20	12	11

The normative budget shows a higher proportion of consumption expenditure on food and a lower proportion on transportation than this type of family *actually* spent, according to the Consumer Expenditure Survey data. Clearly, families do not allocate their resources in the manner specified in the budgets.

Nevertheless, these budgets have proven to be useful and are in great demand. Consequently, BLS will soon revise the normative budgets and try to improve the methodology as we do whenever we undertake a revision.

Question. BLS has a very long history of preparing such budgets and of defining the quantities of goods and services needed by families to meet "minimum" or "decent" living standards. I believe the first of these was prepared in 1090. Would you describe briefly the current series of family budgets for four-person families?

Answer. The BLS budgets measure the cost of a hypothetical market basket for a specifically described 4-person family. The budgets are the end result of a multitude of decisions by the budget maker, based on standards formulated by experts, or where these are not available, on analytical studies of the choices of goods and services made by consumers at different income levels. Judgment is involved in selecting among the family types and manners of living to be represented, evaluating the basic data, and determining procedures to be used in deriving items, quantities and prices. The intermediate budget was constructed for 1966, with the lower and higher levels added in 1967. The budgets were repriced in 1969 and since then have been updated annually by the Consumer Price Index.

Question. What is your view on whether BLS should continue to define the specific goods and services upon which these family budgets are to be based?

Answer. Questions are raised as to whether a statistical agency should make the value judgments involved in setting up the normative budgets. An analogy is drawn with the selection of an optimal employment or inflation rate. But the family budget program is a special case. It has a long history as part of the BLS program—30 years. It is clearly very useful. Efforts by OMB to transfer the specification of the normative budgets to a policy agency, with pricing of the items left with BLS, have failed.

In view of this background, I have stated on several occasions that the BLS will continue the family budget program, and I say so again now. As in the past, the BLS will seek outside assistance in developing the normative standards and methodology for the program. I plan to establish soon a committee of experts, including economists, sociologists and representatives of business and labor. The committee will have a small staff and undoubtedly will consult with other experts both inside and outside of government. BLS will work closely with the committee by providing technical assistance, preparing tabulations and analyses on actual expenditures, and conducting the price collection required. The resulting normative budgets, which will be published and analyzed by the Bureau, will form a part of comprehensive family budget program including publication of family budgets based entirely on survey data.

QUESTION TO JULIUS SHISKIN BY SENATOR JAVITS AT CONFIRMATION
HEARING, HUMAN RESOURCES COMMITTEE, OCTOBER 6, 1977

How large is New York City, relative to the New York Labor Market Area and Standard Consolidated Area?

On the basis of the 1970 total population estimates, New York City is 87 percent of the New York Labor Market Area (LMA), and 46 percent of the New York Standard Consolidated Area (SCA).

In considering these figures, three different geographic areas should be distinguished:

1. New York Labor Market Area—5 counties in New York City (Bronx, Kings, New York, Queens and Richmond) plus Putnam, Rockland and Westchester Counties.
2. New York Standard Metropolitan Statistical Area—New York LMA plus Bergen County, New Jersey.
3. New York Standard Consolidated Area—New York SMSA plus the following Standard Metropolitan Statistical Areas: Nassau-Suffolk, in New York; Stamford and Norwalk, in Connecticut; and Newark, Jersey City, New Brunswick-Perth Amboy-Sayreville, Paterson-Clifton-Passaic, and Long Branch-Asbury Park, in New Jersey.

The CHAIRMAN. The committee stands adjourned.
[The committee adjourned at 9:32 a.m.]



