

Dr. HELLER. As several members of the committee have pointed out, the administration's possibilities for creating ease are limited since the primary instrument of monetary management and policy is the Federal Reserve Board.

Chairman PATMAN. Over which you have no control.

Dr. HELLER. Over which there is no legal control, as such. There is an informal administrative coordination and cooperation in which the administration tries to develop, in concert with the chairman of the Federal Reserve Board, an approach to our economic policy problems.

This is a matter of persuasion and cooperation rather than a matter of dictation.

Senator PROXMIRE. I would like at this time to read a letter which Chairman Patman has just received from Ewan Clague on the business of the interrogation by Congressman Curtis and myself this morning, and our concern over the statistic "Open Employment" on page 9 of the Economic Indicators, showing that the total labor force, including Armed Forces, between June 1961 and June 1962 remained almost stationary. You have already been questioned on this, I believe, Dr. Heller.

Dr. HELLER. Yes, sir.

Senator PROXMIRE. And responded to it. But the fact that this was the first time in many years, and some concern was expressed that there may be a statistical error or some statistical mistake, I would like to read this letter.

(The letter referred to follows:)

U.S. DEPARTMENT OF LABOR,
BUREAU OF LABOR STATISTICS,
Washington, D.C., August 8, 1962.

The Honorable WRIGHT PATMAN,
Chairman, Joint Economic Committee,
U.S. Congress, Washington, D.C.

DEAR CHAIRMAN PATMAN: Since mid-1961, the over-the-year growth in the labor force has appeared to be slowing down. Evidence of this is provided by the monthly survey of the labor force, conducted by the Bureau of the Census for the Bureau of Labor Statistics. On the average during the first half of 1962, the proportion of the population in the labor force in almost every age group was slightly below that for the comparable period of the year 1961. The only significant exceptions were men and women 18 to 19 years of age and women 45 to 64 years of age. Somewhat the same picture is seen in comparing the second half of 1961 with the same period in 1960.

There is no reason to believe that these declines are due to the operation of the survey. There was no change in the sample areas included in the monthly survey, in the methods of interviewing, or in the quality-control methods used by the supervisory staff. No revisions in the concepts and definitions of the labor force, employment, and unemployment have been made.

The only new element in the statistics is the introduction of data from the 1960 Census of Population into the estimation procedure to replace those from the 1950 census. This change was made in April 1962 when the census material became available. The effect was to reduce employment and the civilian labor force by about 200,000; no changes occurred in the percent distributions within age groups or in labor force or unemployment rates by age. The revision and its effects were fully described in the monthly report on the labor force for April 1962. In each subsequent month, our statements about year-over-year labor force growth always make allowance for this revision.

I am enclosing a copy of the monthly report on the labor force for April 1962 which contains a statement on the revision in the estimation procedure due to the 1960 census figures.

Sincerely yours,

EWAN CLAGUE,
Commissioner of Labor Statistics.