

Ewan Clague Oral History Interview—JFK #2, 8/17/1967
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Biographical Note

Clague, Commissioner of the Bureau of Labor Statistics in the Department of Labor (1946-1965), discusses the revision of the Consumer Price Index, John F. Kennedy's Equal Employment Opportunity Commission, and Daniel Patrick Moynihan's publication the *Negro Family*, among other issues.

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Ewan Clague—JFK #2

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Second of Two Oral History Interviews

with

EWAN CLAGUE

August 17, 1967
Washington, D.C.

By Larry J. Hackman

For the John F. Kennedy Library

HACKMAN: Mr. Clague, at the beginning of the Kennedy [John F. Kennedy] Administration when the initial appointments were made to the Department of Labor, what was your opinion of the quality of these appointments, and did the nature of these appointments indicate any clear shift away from the Eisenhower [Dwight D. Eisenhower] period as far as Department personnel went?

CLAGUE: First of all, the first appointment I became aware of was Secretary Goldberg [Arthur J. Goldberg] whom I had known over the past several years in connection particularly with the steel dispute of 1959. In that case there had been extensive hearings here in the departmental offices by the arbitration board that was appointed to deal with that case. I remember that George Taylor [George William Taylor] of the University of Pennsylvania was one of the members of that board. Mr. Goldberg was really the key presenter of the union's case. I recall hearing McDonald [David J. McDonald] make a few introduction talks at each session of the arbitration board, but he soon dropped out and Goldberg took over the technical job. So I was quite aware of who Mr. Goldberg was and what his background was. As soon as I knew about his appointment, of course,

I was over to see him to find out what he felt about the Commissionship of Labor Statistics and to check in as to what ideas he might have in mind to present when he came into office. He knew all about the Bureau—I say substantially all—and told me that he expected to carry on in the same tradition as in the past and that, therefore, I would find the main change, as far as I was concerned, was that possibly there would be more intensive work on our part to help to deal the problems of industrial relations.

In a way he represented a change in the previous tradition of the Eisenhower Administration since Mitchell [James P. Mitchell] had been a professional personnel and management man, but not a labor union executive. Of course, I'm reminded that the Eisenhower appointment was Martin Durkin [Martin P. Durkin] who had been a labor union official at the time, although he had had extensive governmental experience, since he was Commissioner of Labor of the state of Illinois for a number of years. That's when first knew Mr. Durkin. But the Eisenhower experience, I suspect, was not very happy for Mr. Durkin, since he resigned after nine months, and it's noteworthy that they turned immediately to a more professional and, what you might say a non-labor man for their next appointment. The same thing occurred in one of the assistant secretaries, my friend Siciliano [Rocco C. Siciliano], who had been a lawyer and, I believe a personnel director for an oil company. So the appearance of Mr. Goldberg represented a return, in a way, to the earlier tradition in the Labor Department of appointing a labor man. It is true that Mr. Goldberg was a lawyer rather than being a trade union official, but nevertheless he would certainly be identified with the labor movement.

Concerning Willard Wirtz [W. Willard Wirtz], the Under Secretary, I did know him so well. I knew who he was, I'd heard him talk on occasion, but had no personal acquaintanceship except a knowledge of his work in the field of labor law. He represented certainly a professional expert in labor-management relations rather being identified with the labor movement. I got better acquainted with him as I went along, but I would say that, as of the beginning, I barely knew him.

Mr. Reynolds [James J. Reynolds] I didn't know at all in the beginning. In fact, I only learned after he had been here that he was a brother of Quentin Reynolds [Quentin James Reynolds], of whom I had read a great deal and whom I admired very much.

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Esther Peterson [Esther E. Peterson] I knew much better. I knew her husband [Oliver A. Peterson] quite well because he'd been in the field of international labor relations in connection with our embassies. In fact my son—one of my sons—when he had been on his international travels had visited with the Petersons at one of their stations. So that there was a warm personal feeling toward both Oliver Peterson, her husband, and toward Esther. I had known her in connection with her labor work somewhat at a distance, not closely, but her record was fairly well known to most of us.

Curiously enough, I didn't know Weaver [George L-P. Weaver] at all. He certainly was active in the C.I.O. [Congress of Industrial Organization] and in Walter Reuther's [Walter P. Reuther] group in the labor movement, but I had not come across him. I'd never met him and didn't know much about him. I think that pretty well sums up my initial reaction to these people as they came in. Perhaps you might....

HACKMAN: Let's move on to something else.

CLAGUE: Yes.

HACKMAN: During the Kennedy period what type of problems did you have in getting the necessary budget for the Bureau of Labor Statistics [B.L.S.], either approval of the budget you desired within the Department or with the Bureau of the Budget or in getting it from Congress?

CLAGUE: Well, first.... Let me see. Our first experience was a very profitable and a happy one. Of course, with respect to the budget for the fiscal year 1962, which would be the budget being presented to the Congress in the spring of '61, that budget had been made up by the of Eisenhower Administration. There was one area in which we had been trying for several years to stir up some activity, with some encouragement but without any success. This leads me to go back to what happened when the Eisenhower Administration came in to our input-output studies.

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The Bureau of Labor Statistics, along with Professor Leontief [Wassily Leontief], had developed a model of input-output reports which was first issued in 1946, the first year that I was commissioner. It was a little pamphlet called "Full Employment Patterns—1950." It was a five-year projection of what full employment would mean under peacetime conditions. This was a successful report in spite of some of the criticisms it received, and the B.L.S. continued to get money from the Air Force to develop more data of an input-output type, inter-industry relations, inter-industry exchanges, including the employment associated with each of these industrial sales.

This work continued on through 1952 until the Eisenhower Administration came in in 1953. At that time the Under Secretary of Defense, Roger Keyes, had come to the conclusion that this wasn't a useful expenditure of Air Force money. The first cuts that the Defense Department made were in such items as this, so that we lost that project and it died for the time being; it was put away in cold storage. We had been endeavoring over the intervening years to stimulate some action in connection with it. There was a lot of industrial interest and at one point I released my chief statistician, Duane Evans [W. Duane Evans], to take a leave of absence and work with an industrialist to see if we couldn't succeed in stimulating enough private industry interest to provide grants to the Bureau to restore this series. Unfortunately, we did this in the year 1957, and we soon stumbled into the recession of 1958, so that we couldn't raise any private money, and the project died.

In the meantime we had interested Secretary Mitchell, and particularly Under Secretary O'Connell [James T. O'Connell], in our idea of developing some analyses of economic growth and the factors that could stimulate economic growth. They finally agreed that we could put in a project, which I think was to be a two hundred and forty thousand dollars, to work with input-output data in order to develop projections of the labor force and of the occupational characteristics of full employment. We presented a budget for that project

along about 1959, probably looking forward to the 1960 fiscal year, and had had quite a sympathetic hearing at the Bureau of the Budget. I believe the Department of Labor did sponsor it that far, but the proposal

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didn't get out of the Bureau of the Budget and we never got anywhere with it.

But we were encouraged to keep on trying. So we tried again for that next fiscal year, the one in which President Kennedy came in, to get this money. Again it didn't pan out. I believe it had not been put in the budget at the time that the new administration took over. Of course, Professor Leontief had known about this activity of ours because we had always kept him informed, and he was, in a way, the private professional technician who knew this field. What then happened was that suddenly, out of the blue, he and Professor Galbraith [John Kenneth Galbraith] went to the White House, visited President Kennedy, and made a proposal that the Bureau of Labor Statistics be financed to reestablish this input-output study of economic growth. The President's reception apparently was very favorable because I was immediately notified that if I would get to the Secretary, persuade Secretary Goldberg to put in a request, that five hundred thousand dollars would be available for us to rejuvenate this work. The Secretary was agreeable. We put it in and it went through. It went in the budget rather late, but it got in in time to be considered in the spring of '61 for the coming year, and so we got underway. It was an excellent outcome for the eight years of loss we had had and last year the Bureau of Labor Statistics published the projections for 1970, which is the first result—not the first results we've gotten out of that, but first full renewal of our original plan, which was to use it in order to outline the future manpower requirements and surpluses in our economy. Prior to that time, however, we had obtained immediate results in 1962 and 1963 in terms of statistics given to the administration and to Congress on the U.S. employment attributable to exports. When it came to questions of tariffs and quotas and things of this sort, there was considerable debate about international trade. Those were the kinds of data that we were able to use to develop—estimates of the amount of employment in the United States that was associated with our export surplus

HACKMAN: Can you think of any other items that you—or programs that you had desired to get into the budget that you didn't obtain in that period?

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CLAGUE: Well, in the field of prices we were active, of course. We were already active in the revision of the Consumer Price Index. It had begun in 1959. I had sold Professor Mitchell and the Eisenhower Administration on the fact that the Consumer Price Index needed revision. That program was already underway when President Kennedy took over. It was fully supported by the incoming administration. In fact, one of the real triumphs of that program is that over a period of five years, in which I requested approximately \$6,300,000 for revision of that index, we lost only ten thousand dollars in the House Appropriations Committee, a negligible budget cut. In other words, this was one area in which my requests were deeply honored.

I don't recall any other examples now. My general impression of the budgeting situation is that it was very favorable. As soon as Secretary Goldberg got in here, he began to make plans for expansion of the programs to deal with unemployment and manpower, and while the Bureau of Labor Statistics didn't get all the money it requested, I would say that as we moved through the years 1961 and '62 we certainly couldn't complain about the kind of support we enjoyed.

In the Bureau of Labor Statistics we were always looking quite far ahead and our statistics were always being—I think I can safely say—overused. I mean that they were always being stretched to the limits of their value by the uses being made of them. Productivity statistics began to come into the picture and become more sharply defined. There was need for improvement in that series, so I went in with my request for a budget about 50 percent more than I already had for that program, and I couldn't complain when they cut that back to an increase of a quarter or so. Perhaps assured priorities would have suited me at that time also.

HACKMAN: I know you mentioned last time that when the Kennedy Administration, during the period before it came in, you'd looked forward to it because you did have some long-range plans that you had hoped would get going now with the new administration. Did you feel that your hopes were justified or rewarded?

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CLAGUE: Oh yes. For the time that President Kennedy was in office up to practically the very end, our plans really unfolded very well indeed. I would have said that the Bureau was growing about as fast as it could. I never felt like getting a lot of appropriations which I couldn't handle. I thought the Bureau should always be well administered and deliver what it had promised. In that sense this Kennedy Administration was a period of fruition. The postponements were almost entirely the kind on which we have said that we'll be back next year to get it. In other words the delay didn't hurt too much. I recall one which we have never yet obtained adequately—in the field of wholesale prices as distinct from consumer prices. We were never able to get as much enthusiastic support, either in the Administration or in Congress, although those statistics are very important for the national accounts. When we take the dollars of the gross national product, which comes from all the reports and statistics reported to the government, we get the amounts to current dollars, that is, the product is expressed in dollars at current prices. To get the true gross national product, it is necessary to deflate the reports, and the Consumer Price Index is used to deflate all kinds of retail trade statistics. But the Wholesale Price Index is used to deflate the manufacturer's sales price, sales dollars, and costs back into real production. So we were exceedingly anxious to push not only the revision of the Wholesale Price Index but also to expand it significantly in order that the U.S. might have good price statistics industry by industry. Our price statistics from the business world and the farms—it covers a sample of the primary markets of the country—the statistics were in the past oriented very much to raw materials, intermediate products, finished capital goods products and so on, or finished consumer goods products like building materials for homes. In other words, they were geared to stages of production and only incidentally did we have a good enough representation to

have a good index, let's say, for steel prices in that industry. So we began making noises number of years back that it would be desirable to expand that work so that we might get a good set of prices that would yield a representative index of steel prices for the

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industry and for many other related industries as well. Well, we were eager to develop that program, and we did get a start on it. However, unfortunately, it's been squelched at the moment. The B.L.S. now has statistics for about sixty industries. The original plan was for about two hundred and fifty. And I still think that both for the national accounts, which would mean better statistics in the Office of Business Economics, and also for the field of industrial relations, it would be well to know the true price battle of prices and wages, industry by industry and bargain by bargain.

HACKMAN: At what point were those blocked? Was that in Department or at the Bureau of the Budget or what?

CLAGUE: Well, I never could arouse as much enthusiasm in the Department as I would have liked. I imagine that Secretary Goldberg and Secretary Wirtz didn't put this at the top of their interests. I was making some progress, but after President Kennedy's death we got into the period of budget restrictions, and since that time the Bureau has had slow going on this objective.

In fact, now that I mention it, I'm reminded of a couple of other examples. We had in mind that in order to get a good picture of prices in the economy, we ought to have the prices that government pays. The government buys annually something like thirteen billion dollars worth of materials of various kinds, products—cloth, tools, et cetera, et cetera—for which it sets prices and for which it creates a demand. There's no effective series of any kind that measures the year-to-year development of prices paid by government.

Furthermore, for exports and imports there was an intensive demand for some knowledge of the prices of imports and the prices of exports, a comparison of domestic and foreign prices in international trade. That was another field in which we tried very hard to get a start. We even took one man in the Bureau of Labor Statistics and put him to work about half time, encouraged by the National Bureau of Economic Research, which contributed a couple of its own researchers. We tried to establish a foundation for international price comparisons. Well, that one got snuffed out entirely. That program barely got going under

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the Kennedy Administration, although the main drive for that program didn't occur until after President Johnson [Lyndon Baines Johnson] came into office.

HACKMAN: Did the push during the Kennedy Administration of what became the Trade Expansion Act have much effect on the workings of the B.L.S.? Were you involved in this to a great extent?

CLAGUE: Yes, indeed, we were. It stimulated our work in connection with international comparisons. We had a small division of foreign labor conditions which made surveys of comparative employment and unemployment in the U.S. and abroad, comparative rates of unemployment in different countries and some analysis of why this occurred. We also were active in laying the foundations for surveys of the amount of labor displaced by imports in certain industries in which the imports were cutting into American employment. You may remember this was one of the safety valves that was established when the tariffs were reduced.

HACKMAN: In the textile industry.

CLAGUE: Textiles and so on, yes. And every time the Tariff Commission would refer a case to find out how things were going, we were geared to do some of the reports. The Bureau of Labor Statistics had some international economists on its staff who were active also in advising the international trade delegations. Now some of those people have been moved off the B.L.S. payroll and are on the Department payroll, but they were B.L.S. people and during the Kennedy Administration, I believe, they were our own B.L.S. employees. International activity was very prominent, particularly in the field of statistics. A lot of this didn't eventuate in very much change in government policies.

HACKMAN: I thought maybe the Alliance for Progress and the new emphasis on Africa might have affected the Bureau.

CLAGUE: It certainly did, particularly the Alliance for Progress because we had had a lot of connection with Latin America. Africa was barely getting underway then. But in Latin America we'd done a great deal.

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Under the Marshall Plan [George C. Marshall] the Bureau of Labor Statistics had become very active, not only in international statistics, but also in training statisticians from abroad. There was a regular program of training foreign statisticians, usually from labor departments abroad although sometimes from general statistical agencies in these less developed countries. The statisticians were coming to the United States to take training in employment and payrolls, a cost of living index, studies of productivity and so on. We had been doing this training right along. And we had particularly close connections with Latin America, some of which even dated way back to World War II when our nation had the old Point-Four program underway and the Bureau was training Latin American statisticians. I made a couple of trips to Latin America myself. I was in Mexico in 1959; that wasn't while President Kennedy was in office. Then I was down again in '63 and '64. In '63 he was president when I went there on a program of developing and improving the statistics in three or four Latin American countries. In the meantime their students were continuing to come up here for training. So I think it likely that we had a good deal of influence in Latin America, although some of it was disappointing since in many cases our training developed a good man who later moved to private industry and was no longer in the Labor Department or even in the government.

When I visited some of these countries in later years, I would find some successful management man or a businessman who had taken his training with us in the earlier days.

As far as budgets and funds were concerned, in the autumn of 1963 I think that President Kennedy himself must have been alerted by the pressures of the Congress against expansion government activity. The very active expansion in 1963, particularly, had thrown the Congress into a budget-cutting mood, and I think he himself had already projected some of the plans for cutting back on some of the programs that had expanded and proliferated during the earlier period. Actually none of it hit us until President Johnson came in, and then it took effect with rather vigorous cutbacks. I suppose that we in the operating end associated those cutbacks with President Johnson's administration of the cuts and his determination to carry them through. How it would have operated with President Kennedy, I don't know.

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HACKMAN: Well, then, moving on to something else, what role did the Bureau of Labor Statistics play in relationship with the President's Committee on Equal Employment Opportunity, if any?

CLAGUE: Well, first thing, of course, the Bureau of Labor Statistics nearly always would be found gathering the data and writing pamphlets and bulletins on the subject. We had, quite far back, made an analysis—in fact, we had made several analyses over the years—of the economic position of the Negroes in the United States. I don't recall those bulletins now, but they can easily be looked up. We had from time to time analyzed the employment, insofar as we could get that kind of information. You remember that for many, many years we had a great deal of trouble in this respect because there was a mantle of secrecy thrown around race statistics and, therefore, you couldn't get them. We were unable to get them through the public employment offices. And of course on the employer reports also we didn't have regular reports.

But fortunately in the household surveys of the Bureau of the Census, they did take an account of Negroes, so we did have that. Then, of course, in connection with our B.L.S. wage surveys we were able to pick up wage data of various kinds. And we had issued a number of studies indicating the general advance of Negroes in terms of earnings, employment, occupational status and so on.

Then when the Equal Employment Opportunity people got underway, they came around to us for some continuing statistics to measure the effectiveness of their programs. I would have to say that if they had come to us earlier, they might have had some better questionnaires and obtained better reporting right from the beginning. But they actually got together themselves, drew up questionnaires for employers and sent them out. Next they got the Old Age and Survivors Insurance Bureau in Baltimore to tabulate it. Then they came around to the Bureau of Labor Statistics to see if we would analyze it and issue a report on it, which we agreed to do. I dealt with Hobart Taylor in those negotiations.

However, it turned out that most the first year's data were practically worthless in comparison with the second year because no attention had been paid to comparability of reports.

Just as an illustration—sometimes the firm reported for the entire firm, sometimes it had reported for certain of its establishments, but not others, and sometimes it had good data only for certain plants. This meant that the figures were worthless for analysis because we had no basis for making a year-to-year comparison. When we got active in it, we pushed in the direction of comparability and the data got better as we went along. On the other hand, the O.E.O. [Office of Economic Opportunity] soon found out that progress is slow business; trying to raise the employment of Negroes from, say, 8 percent of a firm's employment to 9 or 10 percent is a long, slow process. There aren't many openings in the course of a year, so the gain is bound to be relatively slight. I think a great many of the O.E.O. staff felt that these weren't very good statistics from their point of view. I mean, they were useful, but there was no sales talk in them. In fact, one of the great troubles with the whole problem of the Negro today is that the agencies have made so many hopeful promises and excited such exaggerated hopes that now a lot of disappointments are bound to flow from the programs. The Bureau may still be doing that work for the O.E.O., but I'm not sure.

HACKMAN: You had talked before about the problem of getting any information out of the Employment Service. Was this strictly a problem at the local level or what were the relationships in getting information out of the Bureau of Employment Security here?

CLAGUE: Oh, it wasn't a problem of the bureaucracy at all. They would have been willing to do it. No, this occurred way back during World War II when I was active in the Social Security Board and was director of the Bureau of Employment Security for some years. In the 1930s, when I was in Philadelphia doing surveys of unemployment for the community agencies, including the Committee for Unemployment Relief in the city, we classified people by Negro and white and we published a lot of comparisons.

But when the War began—and I think it didn't occur until the War began, World War II—then the Negroes became sensitive about the fact. They thought that their picture on the Civil Service application, and the notation that they were

Negro, was resulting in their failing to get the appointments. The pressure was put on to stop putting in race designations. That finally became official policy in the Employment Service. I don't know when that order was issued, but it finally took effect. We didn't classify by race any longer. When that took place the race classification disappeared from the statistics. Of course, the hiring officer could see when the person showed up. There are doubtful cases, but most people can be identified on sight. So the policy didn't eliminate discrimination, but it resulted in a complete loss of statistics.

When the O.E.O. got into this, they had to face the question of what to do about it. They began asking the employers to classify by race. As for the employers, I suppose a good many of them actually had these figures; at least, a good deal of data showed up and I assume

it was substantially correct. In any case, either they had it or they collected it especially for the purpose. But even then there's been a lot of wrestling about the issue. I recall a meeting up in Michigan last year with a group of Urban League regional directors. We had quite an animated debate. It happened that the discussion had nothing to do with the O.E.O. It was just a discussion of the problems of racial discrimination. In the process I made the point that it was very important to have data so one could see how things were turning out. I remember that they.... It was quite a debate of the Urban League regional directors among themselves. Some argued that it wasn't worth it and that it might be better not to have the figures rather than to put too much emphasis on collection.

I noticed that the federal government itself.... And by the way, I ran into this when I was commissioner. I was asked to draw up an estimate—how many Negroes did we have in the B.L.S.? This meant that we had to decide then how to classify each individual. And how could we know. I don't recall that we ever did get down to very close and precise figures. I had approximate estimates because it was easy enough for a supervisor to say, "I've got approximately a dozen Negroes." And so we made that tabulation. I see now by the papers that still more restrictions have been put on this issue and that nobody is to be called upon to fill out any forms. People are to judge on sight. Incidentally, that's the way it is done in the household survey of the Bureau of the Census. They don't ask

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the question, "How do you classify yourself?" They judge from what they see. If someone speaks Spanish they can assume that he's either a Puerto Rican or a Mexican or, more recently, a Cuban. They may be misclassifying some, I suppose.

HACKMAN: Were you at all involved in.... Well, I know during the Kennedy period when the President's Equal Employment Opportunity Commission was set up I think there were some problems with the Bureau of Employment Security [B.E.S.] in their own staff at the regional office level in trying to get them to hire more Negroes. Were you involved in any of that at all?

CLAGUE: Yes. Not with them, but with our own Bureau. The Bureau of Labor Statistics had a good reputation until the Department began to set quotas that we couldn't meet. But in the beginning we had a good reputation for hiring Negroes. In fact, I recall now that the Bureau was responsible, was assigned responsibility and accepted it, for hiring the first Negro girl in the Atlanta office, regional office. There was a young woman there who was a competent young person, and either she appeared on some list or else they dug her up. I think the Department was at that time out recruiting candidates. She was a statistical-clerical type, so I said we would take her on and we did. Our regional director in Atlanta, Al Bagdon [Brunswick A. Bagdon], arranged for her being taken on. We had the problem that we were in rented offices so she had to.... We weren't in a federal building; we were in a private building, so we had to clear this with the building operators to see if they would allow a Negro to come in. They finally agreed that they would and so we put her in our office. First experiment.

Well, we had lots of problems before we were through. Some of the girls said they wouldn't work with her. And so we had to say, "I'm sorry. She will have to work in this office. If you can't work we'll have to let you—I mean, you can resign but she's going to work." I don't think we lost anybody, although possibly a girl or two resigned.

But our major problem was the toilets. The question was, could she go to the women's toilet? On our floor, there was an insurance company which employed a lot of girls. So the word came, "You can't do that." In fact, she went there one time,

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some white girl swore at her, and there was an unpleasant situation. The poor girl was driven out, in effect. So we had to carry on further negotiations with the landlord on that. It happened that there was a special toilet for the janitor down on one of the lower floors, so we gave her a key to that and told her that she could use that toilet. She then had to go down four floors, I think. But then it turned out that she had a great deal of trouble getting in. There were times when she was really embarrassed. She had to go out of the building and find some place else because she couldn't get in there. We then found out the janitor was sleeping in there [laughter], and that was why she couldn't get in. Well, by this time we had carried the issue far enough so that, with landlord support, we made the rule that she was going to use that toilet on the seventh floor and that's all there was to it; the other girls would have to put up with it. And she did. So this was pioneering job in the Atlanta office.

Now you mention the others. I think the worst problems in the Bureau of Employment Security were in some of the southern offices—I suppose it was pretty tough. I would say in our case it was tough. It was a case-by-case issue. Fortunately ours was a very lovely girl and a fine person, and people would have had a hard time making a case against her personally, but, of course, as you spread out to others it would become more difficult. I suppose the Employment Security Bureau got a lot of criticism because the states wouldn't do it in their offices. What would you do with the state of Georgia or the state of Alabama? The Bureau could bring pressures on them, but they couldn't really do much to enforce anything. It would also be very difficult to have a Negro in the regional office visiting these state offices; he probably wouldn't get anywhere with his message.

I had quite a problem in the Bureau of Labor Statistics with the question of agents because we couldn't do as well as the Wage and Hour Administration which made a rule that they were going to take on a group of Negro agents, and they took them on. But they had compulsory powers to go into employers' offices. They could go in and inspect an employer's records to see whether he was paying adequate wages. The B.L.S. operates on a purely voluntary basis and if we lost an employer's report because he didn't like a Negro coming around and collecting information, our statistics would suffer. So it took a good deal

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of care in our case, but gradually we took them on, insofar as we could find qualified people. Also, we were more limited in that the number of Negro statisticians and economists available was just miniscule. They never had gone into this field. It's still true to this day. It's exceedingly hard to find them, and as soon as you get a good one, as we did in a number of

cases, somebody hired him away from us right away. Any good person, a Negro economist or statistician, can move up the mighty fast because the numbers are so few.

[BEGIN SIDE 2, TAPE 2]

HACKMAN: The last time we talked a little bit about Daniel Moynihan [Daniel Patrick Moynihan] who was in the Department and had been working on the *Negro Family*.

CLAGUE: Oh yes, yes.

HACKMAN: And you had said that at that point, when he was putting this thing together, you and the people in the Bureau of Labor Statistics said—or you said you would just as soon not be identified with this type of thing, that you didn't think it would go over. Could you explain in a little more detail what your feelings were about the way he was putting this thing together?

CLAGUE: Yes. I want to make clear we didn't object to the analysis. In fact, the whole business grew out of the work that Dorothy Newman [Dorothy K. Newman] was doing for us on the social and economic position of the Negro. That has since been published as Bulletin 1511. We were doing quite a monumental job on developing all the kinds of statistics we could think of relating to the Negro, or that might be germane in appraising his situation. Moynihan was aware of this, became aware of this, and got intensely interested in it because he was personally very sympathetic and eager to do what he could. The Bureau wanted to write all this up as a bulletin, which is what it became eventually. Generally speaking, it's a compendium of statistics with some brief textual interpretations here and there, but without any analytical conjectures or analyses of what the data meant in broader terms.

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Now Pat Moynihan was interested in exploring this problem from a deeper point of view—what are the sociological and institutional factors that lie behind all of this? That he got the idea, which he himself worked out, that the problem was inherent in the Negro family and that this perhaps was due to the kind of slavery we had in the U.S. I recall him commenting on the fact that in Catholic Latin America the priests and governmental institutions tried to hold the families together. There might be a lot of illegitimate children, but they didn't separate husband and wife. In this country it was more brutally economic and financial. When the slave owner got a good bargain for the wife they sold her off while they kept the husband, or vice versa. Or, they sold off the children and kept the parents. So he was developing this theme, that the way in which an institution develops, even slavery, will have tremendous effects and that we now have in this country the aftereffects of the American type of slavery which destroyed the Negro.

Well, we thought such ideas would cause him some trouble in a government document. He was still in the government when he was doing all this, and it was designed to

appear as a document. That's when we had to say that the Bureau of Labor Statistics wouldn't want its name associated with this kind of conjecture. This doesn't mean that it isn't a good conjecture, or a very imaginative one, but it's the kind of conjecture the government can't sponsor. I don't know that he ever offered to have the B.L.S. issue it. He proceeded to write his own story and he's a very fluent writer. He's a very lucid writer and good journalist. And so there was never any problem of our putting our name on his manuscript, but I suppose there must have been some discussion at some time as to whether there shouldn't be two companion documents, his interpretation the basic statistical. We were deeply concerned about this.

As a matter of fact, Pat was cautious enough in the beginning. His famous "black book" just circulated secretly and privately. It was around the government, and people were absorbing it and becoming interested in its conclusions without any of it out to the public. But finally, it began to be leaked to press. I guess Pat himself was not adverse to its being leaked because apparently he helped leak some of it himself, but anyway, it finally became tagged as the Moynihan Report, and then it was publicly issued. I think that, up until it actually got into public print, Pat Moynihan thought it was a ten-strike.

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It was only later that it developed that the Negro males of the United States regarded it as an insulting document. So that was that.

HACKMAN: What was the reaction of other people in the Department, other than the Bureau of Labor Statistics, toward the publication?

CLAGUE: Well, I really don't know. The only contact I had with anybody who spoke about it was the Secretary himself. One time I was talking with Secretary Wirtz, when we were discussing the Bureau and its work. He made a remark that if Pat Moynihan had never done anything else in the Department than produce that book on the Negro family, it was a worthwhile venture, a worthwhile employment. So he thought very highly of it.

HACKMAN: The only thing I really have left is to ask you if you have any overall comments on the role of the Bureau of Labor Statistics in the Kennedy period as far as drawing any conclusions as to what effect the Kennedy Administration had on the Bureau of Labor Statistics, or the development of its role in the Labor Department during that period?

CLAGUE: Yes. Here I have to think about what the timing is. I would say that in some respects we lost ground, as a Bureau, in our status as a member of the family here in the Department—for several reasons. One, the Department went into a big expansion. That meant that, you know, while the B.L.S. was also expanding, we were a smaller fraction of the total. In that sense the big development of the Manpower and Training Act, for example, enlarged enormously the research and statistics and the operating programs of the Department, and the B.L.S. was not in that. Imagine the contrast with the time, back in

Frances Perkins' day, when the Commissioner of Labor Statistics Isador Lubin was the key Bureau chief in the whole department. I doubt that Secretary Perkins made any significant move without consulting him. In our case we were less and less consulted and were less important.

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Now that diminution of the Bureau's position had really begun in the Mitchell administration, so it was simply carried forward. To some extent, it was institutional. When Mitchell came in and began to advance the different programs in the Bureau, the Bureau of Labor Statistics had some of the key people who were useful. After I had my experiences with the Senator [Edward Martin] from Pennsylvania and was delayed a year in my reappointment in 1954-55, Mrs. Wickens [Aryness J. Wickens], my deputy, was acting commissioner. When this was going on I recommended to the Secretary—because I was his consultant on pension legislation—that he try to get Aryness confirmed. I thought she could handle the job and that it would be desirable to do so. He told me it was quite impossible to get her confirmed by the labor people, who would oppose it. So it dragged on until I finally got out from the doghouse and was reappointed. When that happened, Secretary Mitchell wanted to give Aryness some recognition for what she'd done, so he took her upstairs and made her Deputy Assistant Secretary of Manpower. She moved up to a Department position. But that didn't work out very well. So then he made another move—I don't know why; I don't know anything about that development—but he finally made her his economic adviser and took away the economist function of the Commissioner of Labor Statistics. In other words, the commissioner was no longer economic adviser to the Secretary. This didn't matter as far as I was concerned. I had plenty to do; and secondly, it was easy to channel things through Aryness. If the Secretary needed my help, he could get it, and he continued to use Bureau staff. Nevertheless, there was now an important position as economist to the Secretary.

When Secretary Goldberg came in, Mrs. Wickens was in position, but he did not want her as his economic adviser, created another position of consumer adviser. Then later the Secretary appointed Stanley Ruttenger [Stanley H. Ruttenger]—this was, I think, after Willard Wirtz became Secretary—to the economist position. So here was another illustration of a diminution of the commissioner's role. There were more things being done outside the Bureau of Labor Statistics.

Then the Manpower and Development Training Act was set up with a budget of three million dollars for research which in the beginning we thought would come directly or indirectly to the Bureau of Labor Statistics, but it didn't. They set up a new organization, the Office of Manpower, Automation and

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Training, with that research money channeled through that group. So there was another loss of influence in an area of work directly related to the B.L.S., because that was research and statistics money, which was bound to impinge upon our work to some extent. So what happened was that the general growth went on in all these other directions while the Bureau

stayed within the confines of its framework. So other people, you might say, grew away from us, if I may put it that way.

Now that pretty much was the situation until the big budget cuts occurred under President Johnson. Those cuts fell more heavily on these new agencies than they did on the Bureau of Labor Statistics although we narrowly escaped some very savage cuts. But the Secretary of Labor had to make terrific cuts in his program here in 1963-64. For the Bureau of Labor Statistics it was fortunate that the bulk of those didn't fall on us. In other words, the expanders were the ones who were cut back. The Office of Manpower, Automation and Training was reduced, and better coordination was achieved within the operating bureaus.

Our Bureau was concerned only with the research and statistics work. A coordinating committee was set up to review all the statistics that were established under the Manpower Act. It happened that the Congress had taken a hand a year earlier by freezing the Manpower, Automation and Training central office research staff at about nine hundred thousand dollars. Out of the three million dollars they ordered about two million one hundred thousand to be earmarked for outside contractors so as not to increase the federal staff. So some of the expansion that might have come more directly into conflict with the Bureau of Labor Statistics didn't actually occur; most of the money went out to contractual research by outside agencies. Some of it came to the Bureau of Labor Statistics under contracts, which we undertook to perform. So the Bureau didn't have as much of a problem in that connection as some of the other agencies had. The Bureau of Employment Security, the Bureau of Apprenticeship, the Office of Automation, these agencies were all cutting across each other in a variety of ways; in the cutback they worked out a coordinated system. This probably you'll learn from some of the other people more directly concerned with that.

I think there's only a final peroration to that general development. When Ross [Arthur M. Ross] came in as commissioner he apparently made an arrangement with the Secretary that he

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would be restored to some of the previous functions that the commissioner formerly had. Because of other changes that were made, Stanley Ruttenberg, the economist, became the Manpower Administrator, Mr. Wolfbein [Seymour L. Wolfbein], who was director of research for the Office of Manpower, Automation and Training, became economist to the Secretary, but he was assigned functions mostly relating to manpower. When he was resigned last spring, his office was eliminated, I believe. I don't think it's been renewed. In fact, I know that a statement has been issued stating that Ross is the economic advisor to the Secretary, so Ross is, in a way, back where we were when we started.

A lot of this didn't matter very much because it didn't mean that the influence of the Bureau wasn't felt throughout the Department. It just meant that it wasn't exercised directly in the Office of the Commissioner. There were a good many intermediaries at times. When Moynihan was Assistant Secretary for Research, it meant that my contacts with the Secretary were reduced because I dealt through Moynihan. Without a Moynihan, when Ross came in, he was dealing directly with the Secretary; so that once more the B.L.S. is one of the key agencies in the Department, at the top level of the policy area.

There's one point that I might mention. I was always very eager to keep the Bureau away from policy decisions. My answer to one Secretary who wanted economic advice was that "I'll give you advice, but your acceptance of it is your responsibility. You don't need to credit the Bureau of Labor Statistics with giving it to you. We give you privately what our private opinion is, but we're not responsible for the decisions you make." As a matter of fact, this is what Schwellenbach [Lewis B. Schwellenbach] said to me when I was first appointed back in 1946. He said, "I want you to be my economist and to tell me what might be a good thing to do, but when I take action on it, I may not even do what you say. Therefore, you're not responsible one way or the other. I'm responsible for policy-making decisions."

Now Commissioner Ross has advanced the idea that the Bureau ought to be more closely related to some of the policy decisions. I suppose he doesn't mean taking responsibility for them but exercising some influence in relation to them. My own judgment is that the Bureau should never be tagged with any of these decisions. Their problem [purpose?] is to give out statistics and to be nonpartisan and to have accuracy and competence, but not

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necessarily to bear the burden of responsibility for actions taken.

HACKMAN: Well, that's all I have, unless you can think of anything else.

CLAGUE: No, I think that summarizes it very well. I can't think of any monumental area that we've left out.

HACKMAN: Okay. Fine.

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[END OF INTERVIEW #2]

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