



**Special Report from Americans for Limited Government on
Erica L. Groshen, Nominee for Commissioner of the
Bureau of Labor Statistics
July 2012**

Introduction

Erica L. Groshen has been nominated to be the Commissioner of the Bureau of Labor Statistics (BLS). Research conducted by Americans for Limited Government (ALG) has uncovered problems with Groshen's background and views that call into question her qualifications to be the BLS Commissioner. The first part of this report deals with her questionable association with a Communist founded camp. The second part is our alert concerning her troubling statements on the amount of regulation to which small business should be subject.

Groshen's Ties with Camp Kinderland, a Communist Founded Institution

Groshen and her husband are listed in the Kinderland Directory 2011-2012, which indicates that they sent children to the camp during the 1990's and 2000's.¹ Groshen and her husband also gave an update for Kinderland's newsletter that details their children's current activities.² Given the history of the camp one might wonder why a person who touted herself as non-political would send their children there.

Camp Kinderland was founded in the 1923 as a place for the children of radical Jewish activists. As proudly stated on its website, "Camp Kinderland is true to the vision of its founders."³ This "vision of its founders" is troubling due to the Communist roots of the camp.⁴

Kinderland's Communist Roots and Sympathies

"The camp's founders, including some activists in the Communist Party, were associated with the left wing of the Workermen's Circle. From 1930 the Camp operated under the auspices of a branch of the International Workers Order."⁵

¹ Kinderland Directory 2011-2012, Camp Kinderland, at 1, available online at:

<http://www.campkinderland.org/documents/Feb%202012%20Member%20Directory.pdf> (accessed July 11, 2012).

² 2012 Kinderland Directory, at 5, available online at:

http://www.campkinderland.org/documents/Feb_2012_Newsletter_Only.pdf (accessed July 12, 2012).

³ Camp Kinderland, available online at: <http://www.campkinderland.org/index.html> (accessed July 11, 2012).

⁴ "Jacob Levine, upset that Camp Kinderland is controlled by communists, leaves and starts his own camp." See: *A Brief History of Camp Kinderland*, Camp Kinderland Alumni Association, available online at: <http://www.kinderland.org/campkinderland/history/fullhistory.htm> (accessed July 11, 2012).

⁵ *Guide to the Camp Kinderland Records*, TAM.439, Tamiment Library/Wagner Archives, Elmer Holmes Bobst Library, New York University (1923-2011), available online at: http://dlib.nyu.edu/findingaids/html/tamwag/tam_439/ (accessed July 16, 2012).

The camp was investigated by Congress during the 1950's for its alleged Communist activities.⁶

One witness, Stanley Wechkin, described the general climate of the camp as follows:

If anybody had a question about any aspect of politics, economics and/or any of the social questions, and if we brought it to a counselor, he would more or less give it the Communist twist, or what I now understand to be the Communist twist.⁷

Mr. Wechkin continued:

But I remember that there were pageants, and in those pageants and plays a number of concepts were expressed, namely, American-Soviet friendship, fight against segregation in the south, and I guess it was part and parcel of the Communist Party line.⁸

In response to a question about propaganda that was pushed at the camp Mr. Wechkin continued:

As I said before, it was in the course of social intercourse between the counselors and campers, I remember specifically, where the Communist Party aims were put forth.⁹

Mr. Wechkin continued on the influence that the camp had on him:

When I came to Camp Kinderland in 1947, I was no Communist.

I think that primarily through the influence of Camp Kinderland and, more specifically, the influence of my counselor, Herbert Gutman, I did eventually become a Communist in succeeding years.¹⁰

Herbert Gutman was questioned by the Committee and in response to many questions exercised his right to remain silent.¹¹

⁶ See generally, *Investigation of Communist Activities New York Area-Part 5 (Summer Camps), Hearings Before the Committee on Un-American Activities, House of Representatives, 84th Cong. 1st Sess. (1955), July 25, 28, 29 and August 1, 1955, hereinafter, *Investigation of Communist Activities*.*

⁷ *Investigation of Communist Activities, supra*, at 1330, statement of Stanley Wechkin.

⁸ *Investigation of Communist Activities, supra*, at 1331, statement of Mr. Wechkin.

⁹ *Investigation of Communist Activities, supra*, at 1332, statement of Mr. Wechkin.

¹⁰ *Investigation of Communist Activities, supra*, at 1333, statement of Mr. Wechkin.

Mr. Wechkin at the time of these events was approximately fourteen years old.¹² He recalls that at the camp the Soviet national anthem was sung.

As examples of these songs, we sang Bandiera Kosa [sic] and the Soviet national anthem.¹³

The Camp Kinderland Alumni Association's website (<http://kinderland.org/alumni.html>) contains a number of photos that confirm the camp's use of Communist hammer and sickle.¹⁴ Photos from other sources show the camp's advocacy to "Vote Communist."¹⁵

The camp's "teams," even in recent history, in the "Camp Olympics" have often included leftist heroes that range from Communists to Anarchists.¹⁶ Likewise, the bunks of the camp have been named for a number of leftist heroes as well.¹⁷

The camp's Communist roots are still very much evident in the modern day:

Though campers no longer salute the flag of the Soviet Union on their way to breakfast, much remains the same at Kinderland. The hardwired rituals of summer camp life, where tradition is religion and the outside world is a fantasy, have proved themselves to be perfectly suited to the preservation of a certain brand of unabashed Jewish leftism that has few contemporary analogies.

"The values and the politics are built into the programming of the camp," said Katie Halper, a writer and comedian who has directed an upcoming documentary on Kinderland, titled "Another Camp Is Possible."

Camp buildings are named after leftist icons: the Paul Robeson Playhouse, the Roberto Clemente Sports Shack. Bunks, too, bear storied names: one

¹¹ *Investigation of Communist Activities, supra*, at 1394, *et seq.*

¹² *Investigation of Communist Activities, supra*, at 1333, statement of Mr. Wechkin.

¹³ *Investigation of Communist Activities, supra*, at 1335, statement of Mr. Wechkin.

¹⁴ See for instance, <http://www.kinderland.org/sylvanlake/pictures/1920s/images/1920s.jpg> (accessed July 12, 2012).

¹⁵ Communist Camp Kinderland dining hall, Hopewell Junction, 1932, Los Angeles Examiner Collection, late 1920's-1961, International News Photos, Inc., available online at: <http://digitallibrary.usc.edu/assetserver/controller/view/EXM-P-S-COM-US-1931-1933-004~1> (accessed July 12, 2012).

¹⁶ *A Brief History of the Camp Olympics and Color Wars*, Camp Kinderland Alumni Association, available online at: <http://www.kinderland.org/campkinderland/history/olympics.htm> (accessed July 16, 2012).

¹⁷ Katie Halper, *Director's Essay*, Another Camp is Possible, available online at: <https://sites.google.com/site/anothercampispossible/director'sessay> (accessed July 16, 2012).

for labor activist and songwriter Joe Hill; one for poet Pablo Neruda, and one, somewhat disconcertingly, for Anne Frank.¹⁸

Kinderland's "Occupy" Activities

Camp Kinderland's controversial activities are not just confined to the past, but continue today. The camp has participated in the Occupy Wall Street events.

Dozens and dozens of Kinderland campers, staff, alumni and friends turned out to raise their voices and declare the power and the promise of the 99%.¹⁹

It was a day of continuity and hope, as our youngest campers sang alongside alumni grandparents; as the words of the lyrics we sing all summer at camp took on new life and new meaning in the context of the Occupy movement spreading throughout the nation and the world.²⁰

Role of the Bureau of Labor Statistics

The BLS which is part of the U.S. Department of Labor is "the principal Federal agency responsible for measuring labor market activity, working conditions, and price changes in the economy. Its mission is to collect, analyze, and disseminate essential economic information to support public and private decision-making. As an independent statistical agency, BLS serves its diverse user communities by providing products and services that are objective, timely, accurate, and relevant."²¹

Importance of a Non-Political Commissioner

¹⁸ Josh Nathan-Kazis, *Mourning Tucson Victim at the Leftist Camp He Loved. No Color War. Just Peace Olympics*, THE JEWISH DAILY FORWARD, January 26, 2011, available online at: <http://forward.com/articles/134965/mourning-tucson-victim-at-the-leftist-camp-he-love/#ixzz20nvDYHr9> (accessed July 16, 2012).

¹⁹ *Occupy Kinderland*, 2012 Kinderland Directory, at 8, available online at: http://www.campkinderland.org/documents/Feb_2012_Newsletter_Only.pdf (accessed July 12, 2012).

²⁰ *Occupy Kinderland*, 2012 Kinderland Directory, at 8, available online at: http://www.campkinderland.org/documents/Feb_2012_Newsletter_Only.pdf (accessed July 12, 2012).

²¹ About BLS, Bureau of Labor Statistics, available online at: <http://www.bls.gov/bls/infohome.htm> (accessed July 11, 2012).

The statistical information reported by BLS has the ability to move markets. Certain information such as the monthly unemployment report is very sensitive and guarded in a highly secure manner before its public release. This is done to ensure that no one gains an unfair advantage over their competitors due to early receipt of the data. Further, the analytical methods used by BLS must be above reproach to ensure that the Bureau's reports are neutral and are not manipulated by political concerns to help the Administration by painting a better picture of the health of the job market than actually exists. Because of this, the Commissioner of BLS must be someone who is neutral with no radical tendencies and able to resist political pressure. This was likely the reason Groshen stated, "I have a very non-political, non-partisan background."²² However, her background suggests that this is not actually the case.

²² John Santa, *Obama taps Great Neck resident for top bureau*, THE ISLAND NOW, March 1, 2012, available online at: http://www.theislandnow.com/great_neck/news/article_5f2f9954-63c4-11e1-a496-0019bb2963f4.html (accessed July 16, 2012).

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NomineeAlert



this issue:

Erica L. Groshen, Nominee for
Commissioner of Labor Statistics,
U.S. Department of Labor

Groshen's Background

Vice President/Economist,
Regional Analysis Function,
Research and Statistics Group,
Federal Reserve Bank of New
York

Vice President and Director of
Regional Affairs in the
Communications Group, Federal
Reserve Bank of New York

Assistant Vice President in the
Microeconomic and Regional
Studies Function, Federal
Reserve Bank of New York

Head of Domestic Research,
Federal Reserve Bank of New
York

Head of International
Research Federal Reserve Bank
of New York

Visiting Economist, Bank for
International Settlements

Visiting Assistant Professor of
Economics, Barnard College

Economic Advisor, Federal
Reserve Bank of Cleveland

Economist, Federal Reserve Bank
of Cleveland

EDUCATION

B.S., University of Wisconsin-
Madison

M.A., Harvard University

Ph.D., Harvard University

Who is Erica L. Groshen? Enemy of Small Business

On February 17, 2012 President Obama
nominated Erica Groshen to be the
Commissioner of Labor Statistics at the U.S.
Department of Labor.

to partially or fully exempt
small firms from oversight
and regulation. Fn.2.

Groshen believes that
small businesses should
be more heavily
regulated. She also
believes that the jobs
created by small
businesses are inferior
to the jobs created by
large businesses.

**“Given her contempt for
small businesses and the
millions of jobs they create,
Groshen’s nomination
should be rejected.”**

*-Bill Wilson, President,
Americans for Limited Government*

It is clear that
something that is
good for
workers, and
their employers,
is happening in
large firms. From
this perspective,
any public policy
advantage

awarded to small firms (such
as labor or environmental
standard exemptions) should
provide cause for worry.

Public policy, rather than
favoring small business by
exempting it from many
forms of regulation, should
strive to be size neutral. Fn1.

The favorable image of small
firms has translated into
considerable influence on
public policy, and, as a
result, laws are often written

Small firms are often praised
for their economic
performance with little regard
for the working conditions
they offer. Our estimates
suggest that the praise for
small firms might be more

What you really need to know about Groshen

Sources for further reading:

Fn.1. Dale Belman and Erica L. Groshen, *Is Small Beautiful for Workers?* ECONOMIC POLICY INSTITUTE, 1998. http://www.epi.org/page/-/old/studies/small_consolation-1998-FULL.pdf

Fn.2. See Fn.1.

Fn.3. See Fn.1.

Fn.4. See Fn.1.

Fn.5. Marla Dickerson, *Study Questions Role of Small Firms; Economy: Report Minimizes Segment's Contributions to Robust U.S. Growth, but Economists Challenge the Data*, LOS ANGELES TIMES, July 10, 1998.

Fn.6. See Fn.5.

Fn.7. See Fn.5.

Fn.8. See Fn.5.

Fn.9. Jonathan Marshall, *The Dark Side of Working for a Small Business*, THE SAN FRANCISCO CHRONICLE, JULY 6, 1998.

Fn.10. See Fn.9.

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circumspect if evaluators paid more heed to job quality.

To carry the point further, the results reviewed here indicate that the average small firm gains some competitive advantage (relative to the average large firm) from the low pay, inferior benefits, and reduced job security it offers employees.

Fn.3.

Small may be beautiful in many arenas, but it is not beautiful for workers. Fn.4.

Her article received a lot of criticism.

Although the wage differential between large and small firms is widely known, other economists said the EPI made it look worse than it is by highlighting the gulf between the tiniest firms and the giants. A Small Business Administration study pegged the average pay gap at about 10% and shrinking.

Small-business advocates note that every big firm offering top pay and benefits was once a shoestring start-up. Fn.5.

There is also disagreement on the EPI's conclusion that small businesses aren't the job-creation machines other studies

have made them out to be. Fn.6.

"There is no question that small businesses are creating more jobs than they destroy," said Bruce D. Phillips, director of economic research for the SBA. Fn7.

William Dunkelberg, chief economist for the National Federation of Independent Business, concurred. Fn.8.

Already, the report has ticked off the small-business lobby.

"Hogwash," said Jim Weidman, a spokesman for the National Federation of Independent Business. Fn.9.

Weidman isn't impressed by the data analyzed by Belman and Groshen.... He cited an Inc./Gallup poll last year that found much higher levels of job satisfaction among workers in small companies than large ones. Fn.10.

Groshen previously taught a course on unions and collective bargaining at Harvard; she also served as a union shop steward and contract negotiator at the University of Wisconsin.