

would take some reels immediately and, without any previous authorization or any review of this process, set up a data center which would perform all these integrated functions. The thing which we had in mind there was that there is a tremendous amount of spoilage taking place in existing records because we do not have procedures for preserving them, and that very simply, within existing authorities and procedures, we could start with 9,000 reels or some specified number of reels—I do not remember the detail now—and put them under some provision that would assure they would be preserved and protected for future use, safeguarding them.

Mr. HORTON. That is not the substance of this appendix B. The substance here is to build up a library for the data bank. That is the basis of it.

Mr. DUNN. The other function—

Mr. HORTON. Now let me read you something else on page 3 of that appendix:

Agency representatives seems excessively concerned with the confidentiality question. Turning data over to a Federal center would be a breach of contract with respondents who have been assured that none but agency personnel would view their reports, it was said. I tried to convey the assurance that if a data center were established it would assume the obligation of protecting both the agency and the respondent. Since feelings on this matter run quite deep, some steps should be taken at the outset to vitiate them or discussions beyond this narrow consideration could founder. One constructive suggestion was made in regard to confidentiality. Mr. Robert Mencke, of the Securities and Exchange Commission, expressed the view that corporate concern dealt mainly with current affairs. It was his feeling that after a period of 5 to 10 years back, data would be exposed to public view without serious objection by respondents. There would be difficulty, perhaps, in applying such a rule retroactively, but a notice to this effect on future collections of data might serve to make the problem less troublesome in the years ahead.

How do you explain that?

Mr. DUNN. This is a report of a man who went out to interview the agencies and get their reactions, and he is reporting on their reactions. The reactions to me seemed to be perfectly sensible.

Mr. HORTON. You adopted this, you told me in the beginning. I asked you if you adopted that statement, and you said you did, and you put it in this report.

Mr. DUNN. Let me correct myself. I do not imply that any or all of the things suggested in the appendixes were included in the substance of my recommendations.

Mr. HORTON. On page 6, under subdivision C, you say under existing authority to begin work on the 9,000 tape nucleus archives identified in appendix B.

Mr. DUNN. That was to protect them from being destroyed inadvertently, not with the purpose of initiating a system.

Mr. HORTON. Now moving to the next consideration, this is going to be on that tape, is it not?

Mr. DUNN. What is going to be on the tape?

Mr. HORTON. All this information that comes from these various agencies and some in the future.

Mr. DUNN. Whether they are all in there or not, I would presume is subject to the review process which would be a part of the system design which says what is legitimate to go into the system and what is not.