My name is Edgar Dunn. I am a professional economist currently employed as a research associate by Resources for the Future, Inc. I have been directly involved in the problems at issue in the subject matter of this hearing in three capacities: (1) As Deputy Assistant Secretary for Economic Affairs of the Department of Commerce, (2) as a consultant to the Office of Statistical Standards in the Bureau of the Budget in a review of proposals for a national data center, and (3) as a research economist and public servant who makes use of statistical resources in his work.

In my communication from the committee I have been asked to deal with two topics—the integration of Government statistics including the feasibility of a national data center, and the relationship of the problem of personal privacy to these objectives. Both are large and complex topics and I can do no more than highlight the issues in this statement.

First, let's consider the problem of effective statistical services.

Until quite recently the evolution of Government statistical programs have been marked by two principal characteristics. First, attention has been almost entirely limited to measures of particular economic, social or demographic phenomena. Attention was focused largely upon individual series such as the size of the population, the volume of foreign trade and the output of manufacturing. Most of the uses served either public or private management.

The series often found their origin in a particular management need. Second, Federal statistical programs are essentially production and publication programs. Their missions are defined in terms of the collection and tabulation of data with the aim of publication in statistical monographs. The printed publication is the primary device for information retrieval or dissemination. They provide what are hoped to be general-purpose tables for all users. This orientation has created a system that handles all of the problems of producing data in this form with admirable skill and efficiency, but it has also produced one that has little capacity for understanding the problems and the requirements of statistical use and provides no adequate mechanism for the priorities of statistical usage to find expression in program formulation and management. The respondent who supplies information to the system is an object of much greater concern and formal study than the user. It is like an automobile manufacturing industry with the management dominated by engineers.

We have been finding over the years that these management-oriented programs do not serve the information requirements of policy determination or social science research very well. The information needed to formulate and evaluate policy is usually more complex than that needed for its daily implementation or management. Information systems that have grown out of the needs of the latter don't accommodate themselves very gracefully to the service of the former.

We had this forcefully brought home to us in the 1930's when we found that the effort to establish public policy to cope with a stagnant and unstable economy was floundering for want of a comprehensive measure of the economic performance of the Nation—one that would allow us to relate in a meaningful way the components of the national output with the components of the national income. As a consequence we set up a special organization to produce such information—the Office of Business Economics—and over the last three decades we have