

placed. This concern grossly overestimates the temptation to perversion that a genuine statistical system of the kind under discussion poses, and grossly underestimates the formidable protection that has and can be erected.

Much of the confusion about this issue rests upon a failure to differentiate between two different kinds of information systems—intelligence systems and statistical information systems. There is a basic difference in the purposes and, therefore, the organizations and functions that characterize them.

Intelligence systems generate data about individuals as individuals. They have their purpose “finding out” about the individual. In special purpose form they include such things as medical and educational records essential to the performance of many private and public functions. There is a great threat to privacy inherent in their assembly into personal dossiers to serve a general purpose intelligence function. This is certainly appropriately a matter of concern.

A statistical information system produces information that does not relate to the individual. It only identifies characteristics that relate to groups of individuals or so-called populations. It is concerned with generating aggregates and computing indexes, averages, percentages, et cetera, that describe the characteristics of and the relationships between groups of individuals. No information about the individual is generated as output and no information about the individual needs to be available to anyone outside the system under any circumstances for the statistical information system to perform its function.

You will notice that I have made the distinction on the basis of purpose, organization, and function. There is also characteristically some difference in record content that favors us, but this is not the primary distinction. Some people have attempted to seize upon the false hope that an effective statistical system can be built upon a file of population aggregates and, therefore, can be contrasted with an intelligence system by claiming that it will contain no individual records. Indeed, a part of a useful statistical system is made up of such aggregates. These are all that are essential for many important uses particularly in the management realm. However, if I have been successful in the first part of this presentation in communicating an understanding of the problem of statistical usage especially critical to policy and research, it should be plain that individual records are basic to the development of a flexible statistical system.

In view of this fact, we must directly face this question: Can a statistical information system be developed and administered in a way that assures that it cannot be perverted for use as an intelligence system yielding outputs to inquiries concerning an individual? As a practical matter I think the answer is undeniably “Yes.” This assertion rests upon two grounds.

First, there is the fact that major protections have and can be erected to protect the files from this kind of use. It has long been a traditional matter of social practice that, when we have something valuable, we put it in a safe place. One builds a trustworthy repository and then places his trust in it. We learned from the bank failures in the 1930's that there is no other option. A major part of our statistical system, notably the census, has operated for many years under strict legal and procedural strictures against the release of data that would disclose information about any individual respondent—be it a