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II.1 At the present time, does the Government have uniform policies on matters of (a) disclosure and (b) personal privacy?

Answer: No, sir. Not for all of the programs that might be characterized as part of the Federal Statistical System. Some programs and agencies operate under very stringent legal and administrative controls forbidding the disclosure of information and the violation of personal privacy. This is particularly true of an agency like the Census that collects information under a legal mandate that requires the respondent to comply with the request for information. These controls have been rigorously enforced and, in the process, a considerable body of techniques and experience has been accumulated concerning the protection of personal privacy. Other bodies of data, especially those that come into being as the byproduct of administrative activities and programs are subject only to administrative protections and these often vary considerably in stringency.

II.2 Is it likely that a statistical service center might reduce the risks to personal privacy and to firm disclosure, compared with present arrangements?

Answer: There is no doubt in my mind but that it would, if we do a proper job of building in all of the protections that are available to such a system. There is no question that both legal and technical protections can be strengthened considerably beyond present practice. As a matter of fact, it seems likely that the necessity for more universal legal controls combined with the capital costs and system design problems associated with extending protections to personal privacy require an increase in system integration.

II.3 Would you distinguish between the short run and the long run problems of safeguarding personal privacy in the event that the government establishes a statistical service center?

Answer: Yes, I would, for the following reasons. A flexible user-servicing capability of the kind that I have been talking about cannot possibly come into existence except over a period of some years. As I tried to indicate, there is more involved than simply setting up a centralized computer and bringing together indiscriminately all the tapes you can get your hand on. To perform the statistical services that are important to policy and social science research one needs to reach back into the primary agencies to modify collection and tabulation practices through the establishment of new standards and new procedures. We not only need the capability to reshuffle the deck, we need to reshape the deck over time to a form that can be shuffled in this way. This is a big job. We will have to make a beginning with particularly valuable subsets of the existing records and work to enlarge and generalize our capability on an incremental basis over time. I cannot see that there is any way of escaping this.

This has two implications from the point of view of the personal privacy issue that makes a distinction between long run and short run problems useful. First, as long as we are pursuing goals of developing a statistical user service, it will be some time before we will have restructured a large enough portion of the Federal Statistical System so that there would be emerging anything like a dossier record with a set of attributes of wide enough scope to be of special interest as an intelligence source. We have a substantial period of grace before that aspect of the personal privacy issue would assume the threatening proportions that the scare reaction presumes. Second, some of the most effective devices that we can develop to protect personal privacy are going to require some experimentation and system design work that can be undertaken in connection with the implementation of the first phases of generalizing the capabilities of the Federal Statistical System. This suggests to me the conclusion that the notion of the threat to personal privacy is especially exaggerated with respect to the short run and that our beginning efforts in the short run will provide a valuable testing ground for developing the protections essential to an efficient, flexible, general-purpose system.

Chairman TALMADGE. Congressman Bolling?

Representative BOLLING. I would like to pursue a little further this proposal that apparently has been made by virtually all who have studied this matter with a background of real knowledge, if I may use a purple phrase.

You have all proposed a Federal statistical center, a data center, or something along that line. I notice later on in the statement that you indicated that it should guide the Bureau of the Budget and