

many and other persons. But on the other hand, I think if a national data center is operated properly and the public is kept informed of what is being put into the central files and how it is being safeguarded, it is possible to reassure even people who are more anxious than the average person about what the Government knows about them and what possibly false information is being put into files and may be used against them. Anyone who has been called up for investigation under the Security Act knows that there is information that he is not permitted to see that may be derogatory and at the same time may be false. Any of his enemies or people with a grudge against him may have fed information into the system and he had no way of knowing what it is and whether it is being taken seriously. I personally would trust Government officials to use their good sense and judgment in the interpretation of such material, but I can understand the anxiety of the man on the street who feels that he has a hopeless task of trying to defend himself against backbiting gossip and malicious slander. A centralized data file may be seen by him to be of that character. We have not only to assure him but give him good reasons for accepting our assurances that a centralized data file would not have that character.

One possibility is that you might provide that any individual who so wishes or any firm that wishes can get a printout of what is in the computer concerning him. He would have the right to be told what is in the central file and to correct it if it is incorrect.

Chairman TALMADGE. Do you think that the present burden of requests for information falls too heavily on some respondents?

Mr. STEPHAN. Yes, sir; I think it does. We have been too much committed in statistical work to covering the whole group concerning which we want information. One of the great advances of the last 15 or 20 years, has been the development of sampling methods, very soundly and scientifically set up to extract accurate data from a very small fraction of the total population and provide estimates, and forecasts if you will, of considerable dependability and reliability. The prime example you have is the series on the unemployment rate, based on 50,000 households. This is a major indicator watched by Congress as well as by the Council of Economic Advisers, by business executives and others, based upon a fraction of less than 1 out of 1,000 households in the United States.

It needs further development because it can relieve populations and business firms of our country of a good deal of reporting. It does not meet the needs of localities for detailed data about their own populations and businesses. But this is the point at which we most need constructive work by statisticians and public officials and by the respondents to achieve the kind of information that is needed with a minimum necessary burden on the respondent.

Chairman TALMADGE. We see published from time to time the so-called leading business indicators, and then you will find trained economists differ on these views as to what they mean. Can we take statistics, for instance, and project, 30, 60, or even 90 days from now what business conditions are likely to be?

Mr. STEPHAN. Well, sir, this is a fundamental problem to which the statisticians have addressed themselves. In the progress of our statistical competence we have increasingly stressed the fact that the farther you make a projection the less certain it is and the greater variation