

The methods which we have employed are related to our desire to maintain only a small but experienced staff of well trained persons. It has not increased in size over the last decade and presently numbers 37 persons of whom 25 are professional staff. Our ability to carry on the job is due to the dedication and experience of this staff.

In my concluding remarks I would like to stress the needs of the future.

The proliferation of statistical materials, the rapid development of computer technology, and the increasingly wide spread and more detailed use of quantitative information have created certain very important needs for the further improvement of compatible statistics for interrelated uses.

Among the outstanding needs are the following:

We need a better way to determine what details of basic statistics should be stored so that they can be retrieved efficiently.

We need a better way of serving the needs of governmental and nongovernmental users of statistics for comprehensive analysis which require the use of historic data files and/or interrelated files providing cross section data for analysis of a micro character.

We need an operation that can examine the current and prospective data files to make certain that they are compatible and where they have deficiencies suggest steps that might be taken to assure compatibility of future files.

We need a service which can make it easier to check whether the industrial classification of establishments or firms by different agencies is uniform and in line with the standard classifications prescribed.

It is for these reasons that we have currently been examining the feasibility and propriety of establishing a Federal (or National) Statistical Data Center. We have been conscious from the outset of our investigations into these matters that a Statistical Data Center can be a feasible way to meet these needs only if we can maintain the long accepted practice of statistical agencies of protecting the confidentiality of information about individuals or businesses units collected for statistical purposes. Statistical agencies and the Bureau of the Budget have long been convinced that the U.S. statistical program enjoys a major advantage over the statistical programs of many other countries because of the greater willingness of businesses and individuals to cooperate in providing information.

We are also convinced that the ready cooperation in providing basic data for statistical purposes requires that it be used for statistical purposes only and that so far as the individual respondent is concerned, it will not be used against him or be revealed with reference to him in any way.

Recent reactions to publicity about a Data Center and Congressional discussion of the general problem of privacy of individuals have strengthened our conviction that a statistical data center if it is to be proposed must protect the confidentiality of information provided for statistical purposes and must not be a vehicle for invasion of individual privacy. It is for these reasons that we have indicated to two committees of Congress that any proposal for a statistical data center will be presented for Congressional approval and then only after we are convinced that it will not violate or provide a significant basis for violating individual privacy.

I believe that many of our requirements now and in the future for a body of compatible and accessible statistics for interrelated analysis on both a micro and macro level could be materially advanced by a Federal Statistical Data Center. I also agree such a Center must not sacrifice confidentiality of reports for statistical purposes or the privacy of individuals. It is for this reason that I want to close my remarks with a brief outline of our current thinking of how such a Center might be designed.

Let me make it clear at the outset that no decision on a specific proposal has been reached. All I can do here is share our thinking with you.

We believe that if a Federal Statistical Data Center is to be established, it must be clear that such a Center will not provide any information about individual persons or businesses. This prohibition must be established by law. Moreover, the organization of data files and the concentration of files in such a Center must not make it feasible to abuse the system.

We believe this means that certain types of records should not be in the Center at all. Examples of records we think should be excluded are (1) individual personnel records (letters of reference, performance ratings, test scores, etc.) of Federal employees and applicants; (2) military personnel records; (3) files compiled by FBI, regulatory or other agencies as a result of investigations of individual persons, or businesses or other organizations; (4) FBI fingerprint