

pioneering by the Federal Government if too much emphasis is given only to advances in hardware technology.

e. Major advances have been made in editing by use of computers.

It must be admitted in candor there have been gaps among agencies in this development and in particular a lag in the application of machine technology to storage and specialized access to our statistics in machine usable form. This includes macro as well as micro data.

In looking toward the establishment of a Statistical Data Center, and well before its initiation, we are in process of organizing work designed to develop file management procedures which would insure the storage and accessibility of the major elements of Federal statistics. The establishment of such a Center will provide the concrete setting for a more effective and dynamic application within and outside the Center of modern technology, including hardware and software, and applied to all phases of data development: its collection, storage and processing, by the agencies, and its creative analysis by users.

I am presently asking the major statistical agencies to prepare an up-to-date statement on their uses of electronic data processing equipment and will provide your Committee with copies of these statements when they become available. I do not believe it would be possible to provide them for this record.

"IV. The advisability of a "National Data Center" or Statistical Servicing Center".

Q. 1. "Can major progress in coordination and integration be made without a National Data Center?"

A. 1. While I would agree that there is always more than one way to achieve given purposes it is my considered judgment that at this juncture in the development of the Federal statistical program a Statistical Data Center organized along the lines I outlined in my prepared testimony is the most efficient and promising way of achieving valid statistics for comprehensive interrelated analysis which can be made economically available without sacrificing confidentiality or permitting the invasion of privacy directly or indirectly.

Q. 2. and 3. "Would a pilot project be advisable? If so, what magnitude of investment would be required for a meaningful pilot project?"

A. 2. and 3. I don't believe a meaningful pilot project is feasible—at least in any sense in which I understand the term "pilot." As I explained in my prepared testimony the scope of the Center can be restricted by the various devices I outlined. Its effective operation will, however, require time, continuity and general work with all types of data for statistical uses—at least in samples. An initial budget of about 2 million dollars per year—for the first two years would be my present minimum estimate to start a Statistical Data Center. Some costs, after the first two years, would be covered by charges for services rendered which should cover the direct costs of such services. Exclusive of hardware costs appropriation required after the first two years should be about \$5 million per year for the next three years.