they can help us by providing new insights into economic behavior gleaned from these data.

The availability of Federal statistical information may also encourage the academic community to focus its efforts more effectively on the pressing problems of the real world. If parts of the academic community sometimes seem surprisingly detached from the key issues of modern society, one of the reasons may be that some academicians despair of their ability to get the information needed to grapple effectively with these problems. It has been said that a social scientist is a man who searches under a bright street lamp for a wallet that he knows he lost in a dark alley. Whether or not there is any validity to this charge, we should be working to erect bright lights in dark alleys.

The establishment of a Federal statistical center is one promising way to improve the accessibility and availability of data to interested private researchers. It can increase the efficiency of information storage and retrieval and can take full advantage of the latest technological advances involved in high-speed data processing equipment.

As the Kaysen committee has indicated, no expansion of published data in printed form can provide the flexibility or comprehensiveness that can be obtained by proper storage and retrieval of the detailed original data collected in surveys and statistical programs. Many key questions about economic behavior can be answered only by exhaustive statistical investigation of samples drawn from large bodies of economic data reporting on the characteristics and behavior of individual units.

Let me go into one example. We know that the volume of business investment is related to levels of utilization of capital equipment. Obviously, a firm with much excess capacity has less incentive to invest than one that is making full use of its capacity. We also know that business investment is encouraged by high levels of corporate profits, which raise the prospective yields on capital projects and which ease the problem of financing investment.

When we look at aggregate statistics or even industry statistics, however, we find that high utilization and high profit rates go together very closely. Thus, it is hard to sort out the relative influence of utilization rates and profit rates on investment. Yet, some of our key policy choices in income taxation can depend on the relative role of profits and utilization as determinants of investment. We can hope to get answers only by examining large numbers of firms and relating their investment, utilization, and profits by sophisticated statistical techniques that can sort out the various influences. In a sufficiently large sample, some firms with identical utilization rates will have markedly different profit rates, and some firms with identical profit rates will experience different utilization rates. Considerable research of this kind has already been carried out. But more remains to be done. And it could be done more promptly and more definitively if private economic researchers had greater access to the data of our Government agencies.

This is only one of the many conflicts in hypotheses about economic relationships that can never be adequately settled on the battlefield of aggregative data. Detailed cross-section analysis is the necessary route to truth in many cases. And if economists are to have detailed cross section data on individuals or firms, the problem of confidentiality arises. This is a real and urgent problem. Judging from recent discussions of it, I am confident that it is not an intractable problem