

substance of these recommendations, and in some respects went beyond them. Dr. Dunn was assisted in this report by a group of experienced professionals drawn from various parts of the Federal Statistical System, as well as by experts in automatic data processing of the National Bureau of Standards.

As it is presently operated, the statistical system is both inadequate—in the sense of failing to do things that should and could be done, and inefficient—in the sense of not doing what it does at minimum cost, or getting less for what it spends than might be possible.

The inadequacy of the present statistical system has three major aspects. The first is the lag between the receipt of information and its availability in usable form. This is most striking in the case of the Statistics of Income for Corporation Income Tax Returns. There is a one-and-a-half year lag between filing of returns and preliminary summary publication, and a two-and-a-half year lag before final detailed publication. A large part of the problem arises from the variation in filing dates of corporations filing on a fiscal year basis: some may file as much as 10 months after the end of the calendar year under which their returns are compiled. But part of the problem does reflect questions of priority and availability of facilities, and though these reports provide a basic source of economic data of great importance, their reporting function cannot be given first place in the administration of the Internal Revenue Service.

A second and deeper source of inadequacy in the present system is its widespread suppression of micro-information, and its orientation toward publication of necessarily aggregated and tabulated information as its major goal. These are of course intimately related: restrictions on disclosure to the general public or unauthorized persons within the government of information on individual reporting units is a necessary and desirable legal constraint on any official agency collecting information under the sanction of law. So long as publication is thought of as the basic process that makes information available for use, aggregation and the suppression and ultimate permanent loss of micro-information cannot be avoided. The consequence, however, is the necessity of substituting worse for better information, and cruder for more refined analyses, by those who use the data for research and policy purposes. In particular, much ingenuity and effort is spent in the construction of rough estimates of magnitudes and relations that could be measured with much greater accuracy, if the micro-information that present statistical records originally contained was preserved in usable and accessible form. Present technology makes it possible to do this economically and consistently with desirable limits on disclosure.

The growing decentralization of statistical programs has led to another major inadequacy. At the present time different agencies view the problem of the right to privacy very differently. In some agencies the policy of protecting the privacy of the information reported by individuals and businesses is formally stated and protected by law; in such instances the enforcement of such policies has also been found to be very good. In other instances, formal policies regarding disclosure have not been set up, and in many of these cases the protection depends on the judgment of those who are in charge of the different programs involved. Understandably, the growing decentralization of statistical programs has thus led to considerable unevenness in the nature and enforcement of disclosure rules. It is quite possible that without some overall policy which can be responsibly supervised major violations of individual privacy may take place. It should be the function of some group within the Federal Statistical System to ensure that data gathered for statistical purposes or obtained as a by-product of the administrative process is not to be used against an individual or enterprise. Thus at the present time information about individual persons or businesses collected by the Census Bureau cannot be used by the Internal Revenue Service or the Department of Justice against individuals or enterprises in the investigation or prosecution of such things as tax evasion or antitrust violations. This type of protection must be preserved in order both to protect the rights of individuals involved and to avoid falsification of information which might develop if individuals were not given assurance against disclosure.

The major elements of inefficiency to which decentralization has led are of three kinds. The first is duplication in the collection of information. Although the Office of Statistical Standards controls duplication, it is not always successful in eliminating it entirely. Avoiding duplication is especially important in that it needlessly spends not only money but the even scarcer resource of cooperation by the public; households, business firms, and other respondents, in answering enquiries. While duplication within single agencies is not serious, the great degree of decentralization leads to overlaps between programs of different agencies. The problem is less the collection of exactly the same information by two agen-