

capabilities. The Committee is strongly convinced that the proposed new organization would encourage such a path of development. We do not believe that a mandatory reshuffling of the existing tasks of the other statistical agencies is either necessary or desirable, in the face of what we are confident will be great increases in demands on all statistical agencies, provided only that the new organization is started on a sufficiently firm basis to permit it to survive the inevitable birth trauma.

5. INITIAL STEPS

A prerequisite to the creation of the National Data Center is a re-examination and consolidation of the laws and rules governing intragovernmental disclosure of information on individual respondents, and their recodification in terms which will make the operation of the Center feasible. The Committee is neither sufficiently competent nor informed to judge whether this will require new legislation, or whether it can be done by executive authority within the framework of existing legislation.

As soon as the Center is created, it should be put to work with existing personnel, and machine capacity borrowed chiefly from Census, to deal with those tasks of inventorying data and creating integrated files which are already most advanced. A sufficient beginning has been made—as detailed in the Dunn report and the appendices thereto—to permit the Center a running start.

Initial funding for the Center must be large enough to ensure its viability, and to attract to it good people from within and without the government. As a crude guess, the Committee suggests an initial budget of the order of at least \$2 million per year, with the prospect of rising to \$5 million within three years, exclusive of buildings and computing equipment. A generous allotment of super-grades is as important to the new agency as money, since a large proportion of its tasks, especially in the initial stages, will require high technical and professional skills.

ANNEX: THE RIGHT TO PRIVACY, CONFIDENTIALITY AND THE NATIONAL DATA CENTER

After this Committee was convened and well into its work, Congressman Cornelius E. Gallagher, as Chairman of a Special Subcommittee on Invasion of Privacy of the Committee on Government Operations of the House, has raised questions about the possible threats to privacy and freedom that a National Data Center might present. These are serious questions, that deserve to be met squarely.

In general, our Committee believes that the problem of the threat to privacy can be met best by Congressional action, which defines a general statutory standard governing the disclosure of information that is collected on individuals either as a by-product of administrative, regulatory and taxing processes, or through Census or sampling procedures. The Director of the Federal Statistical System should then be given the responsibility for monitoring compliance with this standard, not only by the Data Center, but by all the parts of the System.

The problem of disclosure of confidential information about individuals and businesses is not new. It has long been recognized that the information which individuals and businesses provide under law to the Bureau of the Census, for example, is confidential. This means that no other Federal agency is permitted to see or use the individual records, and even Congress itself cannot obtain census information on any individual or company. In fact, this confidentiality has been guarded so zealously that Congress and the other agencies of the Federal government have been enjoined from obtaining from companies duplicate copies of those records which were submitted to the Census Bureau. The disclosure rules are meant to safeguard individuals so that they can feel sure that information which they give to the Census Bureau will never be used against them for such purposes as tax enforcement, antitrust, or Congressional investigations. The disclosure rule has not been interpreted, of course, as preventing the use of Census information for analyzing policy or providing information about specific groups, regions of the country, performance of industries, etc. In making tabulations of data, however, the Census Bureau carefully omits those classifications which might enable anybody to figure out information about individual firms or persons.

There are, of course, other Federal agencies which must by their very nature use information about individuals and firms for their operations. Thus for example the Internal Revenue Service not only must collect information about people's income and the taxes they pay, but this information can and should be used to