

prosecute tax fraud or tax evasion. Similarly, the Social Security Administration must process information about each individual over a period of years, recording his job status, family status, etc. This information is necessary for the determination of social security payments. Such use of individual information is of course justified, necessary, and legal. On the other hand, it is a real question whether tax returns or social security records should be turned over to other groups who may wish to use them for other purposes if the persons or firms to whom the records refer may individually be affected thereby. The question of the proper or improper use of information by different agencies is indeed a ticklish one, and procedures should be developed by both the executive branch and the legislative branch which will protect confidentiality and insure the privacy of the individual. In a great many instances, agencies may wish to obtain information not for operating purposes, but in order to make policy decisions and to guide future operations. Thus the Office of Education has a real interest in knowing how college enrollments may be expected to develop in the future. Those concerned with questions of poverty wish to know the dimensions and structure of this problem. In a great many of these instances, the agencies in question have contracted with the Census Bureau to provide them with such general information based upon sample surveys. In these instances, a disclosure and confidentiality rule must be developed which will protect the individual and yet yield the general information which is required.

The enforcement of a statutory obligation as the primary method of dealing with the problems of safeguarding privacy can work excellently, as the experience of the Census Bureau shows. Indeed, the present situation, in which there exist a variety of different disclosure standards, some statutory and some executive, is much less conducive to protection of individuals' privacy than would be a situation in which, as our report suggests, the Director and the Data Center would have the obligation of enforcing a uniform standard over the whole system.

The Subcommittee has also raised the question of the creation of a vast file of individual "dossiers" incorporating police and FBI information, Armed Service and government personnel records, and the like. This is not the purpose of the proposed Center at all, and it is clearly within the power of Congress to distinguish between the collection and organization of general economic, social, and demographic information of the sort that Federal statistical agencies have traditionally collected—much of it on a sample basis—to which our proposed National Data Center is directed, and assembly of the sort of personal history information on named individuals that is contained in a personnel file or police file.

Finally, the Subcommittee has raised certain questions as to the technical security of data stored in machine readable form, and accessible through machine operations. Here again, this is not a new problem, and both organizational and technical means are available to control and limit the risks. Though bank robbers have not been totally eliminated, we have not on that account abandoned banks and banking, and the analogy seems to be perfectly appropriate. We think that the maintenance of privacy against both unwitting and illegal disclosure of information made available to the Government are real problems, to which our proposed new Center must direct attention and effort. However they are neither insoluble problems, nor ones of such magnitude as to make the organization and effective functioning of a National Data Center possible only at the expense of significant inroads on liberty and privacy.

APPENDIX III

COLGATE-PALMOLIVE COMPANY,
New York, N.Y., May 23, 1967.

HON. HERMAN E. TALMADGE,
Subcommittee of Economic Statistics,
Joint Economic Committee,
Congress of the United States,
Washington, D.C.

DEAR SENATOR TALMADGE: The testimony of Mr. John H. Aiken of the Federal Statistics Users Conference and Professor Frederick F. Stephen of Princeton University on May 18, 1967 before your Subcommittee made it apparent that a clear understanding and definition of available economical statistical resources, their uses, economic statistical needs and potential uses are needed.