

## **When the State Chooses Not to See:**

### **The Non-Event of the National Data Center**

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**Abstract:** Counting, classification, and surveillance have long been central to state-building. But these activities and capacities are particularly significant for theories of the modern state, often focused on the management of populations and new modes of regulation. Although the intensification of surveillance and analysis is evident in many elements of the American state, there is a surprising absence: a centralized, integrated, national system of data collection. Such an agency was explicitly considered in the 1960s, but the proposal was met with fierce criticism. The resulting absence of state programs left a vacuum that was filled by the expansion of already-existing private capacities to monitor individual citizens and aggregate data. Through a close analysis of the three central reports and three Congressional hearings, complemented by archival analysis of key individual and corporate actors, we reconstruct this inflection point in American state-building and the consequences of a durable dependence of state action on privately-managed data systems.

#### **Extended Abstract:**

As a result of technological breakthroughs in computing and population explosions immediately following WWII, the US began to produce a massive number of socioeconomic statistics. These data were of great interest to government agencies and social scientists for purposes of economic forecasting and policy development.<sup>1</sup> By the mid 1960s, statistics were vital for Lyndon B. Johnson's Great Society programs. However, the statistical capabilities of the US government were highly decentralized, which made it difficult for officers of different agencies to share information and for social scientists to obtain data for research projects.

Guided by influential theories of the modern state (e.g. Foucault 2003; Scott 1998), we would expect such a moment to be followed by the establishment of new capabilities for monitoring, surveillance, and analysis. Such a project was "thinkable" in the context of American politics. A series of reports and Congressional hearings from 1965 to 1967 explicitly considered the merits and disadvantages of such an initiative. But the establishment of a national data center proved to be repugnant to many, for many different reasons. Yet in mobilizing against the expansion of government surveillance and data centralization, the opponents of data centralization indirectly consolidated a distinct configuration of power over and through

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<sup>1</sup> "Recommendations on Availability of Federal Statistical Materials to Nongovernmental Research Workers." *The American Statistician* 13(4), (Oct. 1959): 15; Bowman, Raymond T, and Dennis Samuel J. "Federal Statistical Activities." *The American Statistician* 13(4), (Oct. 1959): 9.

information, one that was dominated by private firms. The contradictions between capitalism and democracy that figure in Shoshana Zuboff's analyses of "surveillance capitalism" (2022) were intensified at this moment when the American state refused to see.

This moment in American political development illuminates the dynamics of "infrastructural power" or the capacity of the state to penetrate civil society or to operate through relationships with private actors of many types (Mann 1984).<sup>2</sup> Building on studies of state-building through infrastructural configurations (Loveman 2005; Weiss 2014), we frame the failure of this institution-building project as cementing what would be a durable blindness of the national state (despite efforts to circumvent this lack of capacity through programs such as "Total Information Awareness" in the wake of 9/11). Despite the pressures of national security concerns and developments in the understanding of privacy law, the American state remains substantially dependent on private firms to understand its own population. Why has this limit on the surveillance capacity of the national state persisted and with what consequences?

### **Information and State-building**

State-building is akin to a protection racket, as Charles Tilly (1985) famously argued. Power-holders seek to increase their power by extracting taxes or tributes from others. In return, they extend protection and, perhaps, a threat of retribution if such payments are not forthcoming. The resources secured can then be re-invested in the accumulation of power: by increasing the coercive forces available to the power-holder, building new capacities for extraction, or financing projects to expand the wealth that can be subjected to future extraction. For early modern states, these efforts resulted in larger and technically superior armies and navies, in new systems of taxation, and in the building of roads, schools, industries, and empires.

The nature of state-building shifted, however, as the people were recognized as more than targets for taxation or conscription. The modern state, Michel Foucault theorized, is distinctively concerned with the health and quality of the population. Citizens are not only taxed but counted, assessed, and sustained through "pastoral care" whether in the form of social services or policing. This inflection in the concerns of the state is exemplified by new practices of rule: reports, surveys, and above all the implementation of the census (Loveman 2005; Scott 1998). In order to care for the population, the state surveils its citizens.

Although this counting and classifying once required only pen and ink in a ledger, the capacity to monitor populations has grown exponentially with the advent of new technologies. The administration of the U.S. Census, for example, has moved from ledgers, to punchcards, to digital tablets and scanners. In urban centers, policing has adopted new systems of surveillance that integrate data collected by a variety of cameras, sensors, and human observation (Brayne 2017). The front of every envelope mailed through the post office is now scanned; contacts with

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<sup>2</sup> On the significance of the two senses of "infrastructural power," see Tarrow (2018: 64).

public agencies are digitally logged. Yet for all this knowing and seeing by the modern state, the U.S. government remains importantly limited in its ability to monitor its population.

Despite recurring efforts to construct a centralized data system for and from government agencies, these attempts have been repeatedly defeated with the result that private industry often controls the growing stores of digital data that track so much of our lives. In Zuboff's account (2022), the contradiction of surveillance capitalism and democracy begins with a sleight-of-hand by industry and the lack of a response from government. The first lies in the discovery of how to extract a new form of surplus value from the behavioral traces created by citizens engaged online. But the response, or lack thereof, was also critical. Government declined to step in to regulate and, over the following decades, increasingly deferred to private industry as the dominant force in both constructing the infrastructure of digital life. In the process, industry harnessed the language of privacy and freedom of speech in relation to the government while steadily expanding its own penetration of the everyday lives and personal information of citizens.

These developments followed from that initial non-response of democratic governments (particularly the U.S.), a refusal to extend regulatory powers well-established in the domain of communications to the new system born of the government's own funding of ARPAnet. But, just as the early inventions that would lead to the web were being made, an earlier refusal set the stage for this trajectory. That refusal, to create a national data center, is surprising from the perspective of theories of the modern state which have emphasized both the intention and capacity of state actors to surveil and classify the populations and activities over which they exercise sovereignty. Why, in this case, did the state choose not to see?

### **The National Data Center Proposal**

In 1959, the American Economic Association (AEA) convened and called on the Office of Statistical Standards within the Bureau of the Budget (the agency then in charge of all federal statistics and standards) for the creation of a national data center.<sup>3</sup> After the AEA's recommendation, the Social Science Research Council (SSRC) formed a committee to study the use of federal statistics. From 1960-1965, the committee researched the use of federal statistics and officially issued its recommendation for a national data center to the Bureau of the Budget in April 1965. In November 1965, the Bureau of the Budget hired the economic consultant Edgar S. Dunn to study how statistics informed policy decisions, and how existing data could be used for future policy decisions. Dunn found that the Government's existing disparate information system contained several problems related to the archiving, maintenance, and reference of statistics. He agreed with the SSRC report, and called for the creation of a national data center. Following Dunn's report, in December 1965, President Johnson established a task force to study how federal data could be best preserved, chaired by the Harvard Economist Carl Kaysen. The Kaysen Committee released its findings in October 1966, and also called for the creation of a

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<sup>3</sup> References to these reports are omitted for the sake of length in this extended abstract but will be supplied in the final paper for the ASA meetings.

national data center. Dunn, Kaysen, and Budget Bureau officials each testified before congress during hearings on privacy, the computer, and the use of government statistics. In late 1967, Raymond T. Bowman, the Assistant Director for Statistical Standards of the Bureau of the Budget drafted legislation for a national data center. However, Rep. Cornelius M. Gallagher (D-NJ) and his privacy-concerned allies successfully stalled the bill's introduction into Congress. By 1970, the Bureau of the Budget was absorbed into the newly created Office of Management and Budget (OMB). Later in 1970, the Office of Management and Budget dropped the issue entirely. The national data center proposal died a quiet death.

The proposal for the national data center emerged in an antagonistic political environment, roiled by public hostility and a skewering press. During hearings, advocates for the national data center were unable to assuage the most basic privacy concerns of congressmen or to resolve the issue of "agency provincialism," i.e., how to ensure agencies would actually share information. Congressional opponents compared the proposal to any imaginable stand-in authoritarian regime from Nazi Germany, to Big Brother. The only congressional support for the proposal came from the Joint Economic Committee, who viewed the data center as a way to increase bureaucratic efficiency and expedite the creation of economic policy through forecasting.

Even industries such as banking, finance, and others which might have benefitted from a national data center refused to offer official support. During the hearings, it emerged that these industries, especially credit bureaus and advertising firms, had already been engaging in the types of behaviors of which privacy advocates were so critical. This discovery led to separate hearings culminating in the Fair Credit Reporting Act of 1970, and several other pieces of privacy legislation in the following decades. Yet, aside from the behavior of the credit bureaus, Congress largely ignored the data collection practices of other private industries. Concerns and legislation were almost entirely directed against the government.

To explore these dynamics, the paper builds on a systematic analysis of eight key documents. Each document is coded in two ways. First, documents are coded on a basis of *individual biography and social network*. This refers to the individual testifying or writing at the request of congress or the executive, his role in government or private industry, and his relationship with the body which asked him to testify or produce an official government report. Second, documents are coded *thematically* as follows: "liberal idealism," "authoritarian dystopia," "dossiers," "individual identifiers," "corporate identifiers," "bureaucratic efficiency," "credit," "aggregated state," "disaggregated state (Rube Goldberg state)," "corporate silence," and "functional concerns." This analytic approach offers insights about why a state refused to significantly increase its infrastructural power despite the opportunity. While recent historical accounts of digital governance (Lepore 2020; O'Mara 2019) have emphasized the role of legal mobilization around Constitutional issues of privacy, our analysis will incorporate more

systematic attention to the ways in which this refusal to build capacities for direct data integration reconfigured the infrastructural features of the post WWII American state.

Document	Date
Report on the Preservation and Use of Economic Statistics (Ruggles Report)	April 1965
Review of Proposals for A National Data Center (OSS, BoB, aka Dunn Report)	Nov. 1965
Report of the Task Force on the Storage of and Access to Government Statistics (“Kaysen Report”)	October 1966
Invasions of Privacy: Hearings Before the Subcommittee on Administrative Practice and Procedure of the Committee on the Judiciary, United States Senate	March & June 1966
The Computer and Invasion of Privacy: Hearings Before a Subcommittee of the Committee on Government Operations, House of Representatives	July 1966
Computer Privacy: Hearings Before the Subcommittee on Administrative Practice and Procedure of the Committee of the Judiciary, United States Senate	March 1967
The Coordination and Integration of Government Statistical Programs: Hearings Before the Subcommittee of the Joint Economic Committee	May & June 1967
Government Dossier (Survey of Information Contained in Government Files) Submitted by the Subcommittee on Administrative Practice and Procedure to the Committee on the Judiciary	November 1967

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