

Private Lives on the Record

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MOST CITIZENS' private business is not really private any more. The day is gone when individuals could deal with their doctors, bankers, insurance agents and the like primarily face-to-face, with some assurance that their personal affairs would remain confidential. Now people have to cope increasingly with remote, impersonal organizations whose judgments are based largely on records that an individual may know little about and over which he has very little control.

How should organizations' needs for information about people be balanced against individuals' desires for fairness and privacy? Some thoughtful answers have emerged from a federal commission's two-year study of public and private record-keeping practices. The panel has recommended steps to minimize intrusions into people's lives by government and private investigators and to buttress citizens' expectations that the details of their financial and medical affairs will be treated as confidential. Those are traditional "privacy" issues that one might expect a group called the Privacy Protection Study Commission to focus on. The panel has gone further, however, and also suggested ways to insure fairness for individuals in relationships that are no longer as private or personal as they used to be.

Any person, the commission concludes, should be able to find out what information about him a financial institution, insurance company, medical agency or other such organization has, and how those records are being used. He should have some control over the release of medical records and financial files. Organizations should have to explain the basis for adverse decisions, such as a denial of credit, and allow people to challenge records that are inaccurate, incomplete or out of date. Those basic principles have

been applied to federal record-keeping, however imperfectly, by the Privacy Act of 1974. They should certainly be extended to state and local governments and private institutions as well.

One tough question is how change in the private sector should be achieved. Many businesses, notably in insurance, credit and finance, fear—with good reason—that federal regulation of record-keeping could bring on demands for new heaps of costly records and reports. Moreover, citizens will gain little if government intervention leads, even inadvertently, to greater official surveillance of citizens' affairs.

The commission is well aware of these problems. Instead of recommending an all-embracing, immensely detailed regulatory scheme, it has proposed approaches tailored to specific fields. Fairer credit practices, for instance, should be obtained largely by expanding existing laws. New policies on medical records, an acutely delicate and controversial subject, should be pursued partly by federal initiatives and partly by the states. Finally, the panel concluded that confidentiality and accuracy have to be assured in the burgeoning field of electronic funds transfers—but the financial information involved is so sensitive that government ownership or management of these networks should be prohibited.

As the whole report assumes, there is no quick, easy or technological fix for the dilemmas of an "information society." A better balance between organizational efficiency and individual rights and liberties can be reached only by many painstaking adjustments in the ways that public and private business is done. The panel has set forth some good ideas. What is needed now is a serious response from Congress, the states, and the thousands of private organizations that collect, use and exchange records on individuals.