Dangers of Data Bank Are Called Distorted

Washington

A Senate panel, trying to balance the right of privacy with the government's need for information, was told yesterday that it has distorted and exaggerated the dangers of a national computerized data communication system.

Arthur F. Sampson, head of the General Services Administration, said the proposed system, dubbed by some as "Fednet," is "designed to count potatoes and paperclips," not to keep tabs on people.

"However, we found the concerns so deep and the misunderstandings so widespread that we decided to drastically curtail the procurement," Sampson told a combined panel of senators considering new privacy legislation.

Fednet is a proposal by GSA to prevent the proliferation of incompatible computer systems inside the federal government.

Basically, it would be an automatic data processing system whose facilities could be shared by a number of other agencies and designed so that it could be expanded indefinitely.

Sampson said the system, which GSA calls simply NEP — for New Equipment Procurement — would have saved considerable money.

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