STATISTICAL COMMISSION
Thirteenth Session

SUMMARY RECORD OF THE TWO HUNDRED AND FOURTEENTH MEETING

Held at Headquarters, New York,
on Tuesday, 20 April 1965, at 11.15 a.m.

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Chairman: Mr. BJERVE Norway
Rapporteur: Mr. ARCHER Australia
Members: Mr. DUFFEY Canada
Mr. JUI China
Mr. PALAQUE France
Mr. PETER Hungary
Mrs. MOO )
Mr. MAHALANORIS India
Mr. McCARTHY Ireland
Mr. MORITA Japan
Miss QUESADA Panama
Mr. MARKIN Ukrainian Soviet Socialist Republic
Mr. VOLODARSKY Union of Soviet Socialist Republics
Sir Harry CAMPTON United Kingdom of Great Britain and Northern Ireland
Mr. DONMAN United States of America

Representatives of specialized agencies:

Mr. RILEY International Labour Organization
Mr. KHAMIS Food and Agriculture Organization
Mr. CAGLIOTTI United Nations Educational, Scientific and Cultural Organization
Miss KIRKPATRICK International Civil Aviation Organization
Mr. HICKS International Monetary Fund
Dr. LOGAN World Health Organization

Representatives of regional economic commissions:

Mr. VISWANATHAN Economic Commission for Asia and the Far East
Mr. LOEB Economic Commission for Latin America
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Representatives of inter-governmental organizations:

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ELECTION OF OFFICERS

The ACTING CHAIRMAN invited nominations for the office of Chairman.

Mr. DUFFETT (Canada) nominated Mr. Bjerve (Norway).

Mr. BOWMAN (United States of America) supported the nomination.

Mr. Bjerve (Norway) was elected Chairman by acclamation.

Mr. Bjerve (Norway) took the Chair.

The CHAIRMAN invited nominations for the office of Vice-Chairman.

Mr. VOLODARSKY (Union of Soviet Socialist Republics) nominated Mr. Markin (Ukrainian Soviet Socialist Republic).

Mrs. MOD (Hungary) supported the nomination.

Mr. Markin (Ukrainian Soviet Socialist Republic) was elected Vice-Chairman by acclamation.

The CHAIRMAN invited nominations for the office of Rapporteur.

Sir Harry CAMPION (United Kingdom) nominated Mr. Archer (Australia).

Miss QUIFSADA (Panama) supported the nomination.

Mr. Archer (Australia) was elected Rapporteur by acclamation.

STATEMENT BY THE UNDER-SECRETARY FOR ECONOMIC AND SOCIAL AFFAIRS

Mr. de SEYDES (Under-Secretary for Economic and Social Affairs) welcomed the members to the thirteenth session of the Statistical Commission. He said that the very heavy agenda facing the Commission was due in part to the exceptional circumstances which had imposed a three-year interval since the twelfth session.

The general review of international statistics undertaken by the Commission at each session was of particular importance in that it afforded the only opportunity to obtain a long-term view of the statistical activities of the United Nations and other organizations. For the first time, the Commission had before it a five-year programme of international statistics, comprising the detailed projects of the United Nations and the Inter-American Statistical Institute. At its twelfth session, the Commission had requested that detailed programmes of activities should be drawn up for at least five years ahead and, if possible, for
the next ten years; the Commission had considered that that practice would
facilitate the adaptation of statistical programmes to the requirements of the
Development Decade, assist in achieving a reasonable balance among the programmes
and bring to light areas of work that might have been neglected.

Recent years had seen a considerable increase in the demand for statistical
data, and that demand was growing at an even faster pace as the effect of economic
and social forces became better known and understood. Moreover, the requirements
of economic planning and the determination of countries to improve their economic
stability and spur their economic growth had heightened the importance of the basic
international statistics which described the economic situation on a regional and
world basis and the economic position of each State in relation to the world. In
that area, activity had expanded so rapidly over the past few years that the
Secretariat could now discharge its responsibilities only with the aid of
electronic data processing. The documents before the Commission showed the
progress which had been achieved in the use of such methods for the production of
international trade statistics. Ninety-two countries were now supplying
information which was analysed at a monthly rate of about 600,000 movements,
classified by product and by country, to meet the growing demand on the part of
Governments and numerous national and international organizations. The ability
to meet that demand could be attributed in large measure to the far-sightedness of
the Commission's recommendations at earlier sessions. A computer, which was to
be installed in the Statistical Office in October 1965, would enable further
strides to be made in that direction.

The Commission was aware of the grievous lack of qualified statisticians
throughout the world and of the measures already taken by the United Nations to
improve the situation. According to estimates by the Economic Commission for
Africa, the countries of Africa would by 1970 need at least 2,000 more intermediate
technicians and 750 administrators to bring the strength of their statistical
offices up to an adequate level. The five permanent training centres, operating
under United Nations control or with its assistance, had of course already
achieved considerable progress, but there was obviously need to extend such
training facilities. It was hoped to open a new intermediate training centre in
East Africa in the current year. In Asia and the Far East, where there continued
to be great need for such facilities, a regional training course had been given in 1964 for organizers of national statistical training centres.

With regard to population statistics, the Commission would note a new element in the 1970 world census programme, in which the population census was regarded as one component in an integrated system of data collection that was intended to give the results derived from all sources of population statistics their maximum usefulness.

Another important element in the field of population statistics was the proposal to establish a "data bank" to centralize the results of population censuses, beginning with a sample of the 1960 data and proceeding to more extensive application if the experiment gave encouraging results. The data bank would make possible the preparation of population statistics required for research purposes; it would also help to improve the quality of statistics, and it would enable the usefulness of national programmes to be determined by revealing shortcomings in the available data. It would, moreover, help to stimulate international co-operation in the field of population statistics in general.

The participation of countries since the Commission's twelfth session in programmes to improve population and vital statistics was evidence of the growing attention being given to population problems throughout the world. By the time the 1960 world population census had been concluded in 1964, 66 per cent of the world's population had been enumerated. A total of 201 countries had conducted at least one population census since 1960, and the number of persons from whom information on population characteristics had been collected was the highest ever attained. Although that census activity had been essentially national, the Secretariat had encouraged participation in the world programme, and the principles and recommendations which it had published to assist countries with their census-taking had helped to improve the comparability of results. In addition, over 700 months of technical assistance had been extended under the Organization's regular programme of technical assistance. In the field of vital statistics, too, work on the national level had been stimulated through such means as the organization of seminars.

Since 1962, several important projects aimed at improving statistics for social programmes had been carried out, and the Secretariat had published, in co-operation with the specialized agencies, a Compendium of social statistics and a Handbook of household surveys. Considerable progress had also been made in the
field of housing statistics with the aid of regional seminars in Latin America and the Far East.

In another high-priority field, that of industrial development, the scope of the regional and world production indicators had been extended to the USSR and Eastern Europe, thus closing the serious gap which had hitherto existed in the international series. In the same field, the Commission would be invited to consider a study of methods used in the compilation of input-output tables and to indicate the direction to be taken by future work.

Turning to the question of national accounts, he said that the revised proposals before the Commission were designed to make such accounts more useful in the planning of economic and social development. The new system embraced a wider range of economic and social statistics and had been extended to include tables on the inter-sectoral flows of goods and services; data on the assets and liabilities of firms, the State and households; and fuller information regarding the role of the State in the economy and regarding wealth, manpower resources and the distribution of income. The Commission also had before it for the first time a study of the system of accounts and balances used in the centrally planned economies, which had been prepared by experts from the countries concerned and the secretariat of the Council for Mutual Economic Assistance. That joint effort should help to stimulate the exchange of experience on the international level between countries with different economic and social systems.

While considerable progress had been made in the three years since the Commission's twelfth session, much still remained to be done. Noting that there was no area in which progress did not depend on a strengthening of the statistical infra-structure, he wished the Commission success in its work.


The CHAIRMAN said that Mr. Gruson (France) had requested that discussion of the items concerning national accounting should be deferred pending his arrival later in the session. In addition, FAO and UNESCO had requested that items 20 to 24 should be deferred to the latter part of the session, when their competent representatives would be able to be present.

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Mr. Duffett (Canada) suggested that the provisional agenda might be rearranged in order to bring certain associated topics together. For example, item 7, on methods used in the compilation of input-output tables, should perhaps be discussed together with item 12, on national accounts. Similarly, the various documents on industrial statistics were scattered throughout the agenda, and might be brought together. With regard to the suggestion that items 20 to 23 should be deferred to the latter part of the session, he felt that it was too early for any decision to be taken.

Sir Harry Campion (United Kingdom) said that item 24 might be deferred until the last week but doubted whether items 20 to 23 should be left until too late in the session.

The Chairman suggested that the Secretariat should be asked to redraft the provisional agenda in the light of the various comments made. Meanwhile, the Commission could proceed with items 3, 4 and 5.

It was so agreed.

Review of International Statistics (E/CN.3/311)

Mr. Loftus (Director of the Statistical Office) introduced the report of the Secretary-General (E/CN.3/311) containing a review of developments in international statistics during 1962-1964. He said that it was designed to provide a basis for a general discussion of the present state of international statistics and to enable members of the Commission to comment on the progress made in that field. It covered the statistical activities of all agencies of the United Nations family as well as of other international bodies. It stressed the enormous expansion that had taken place in the demand for statistical data as Member States had come to realize that they needed a growing range of statistical information on which to base their economic and social programmes.

Plans were going forward for the installation of a computer at the Statistical Office and for the establishment of a population "data bank" which would record the 1960 national census results. Important progress had been made by the International Trade Statistics Centre, and the time had come when the use of computers could be extended to that particular field of statistics.

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On 10 April 1963 the Economic and Social Council had adopted resolution 936 (XXXV) requesting the functional commissions to review the number and timing of their meetings. As the Statistical Commission had not met since 1962, it must consider at the present session whether it was to meet again in 1966 or 1967.

In July 1964 the Statistical Office had consulted the specialized agencies and regional organizations concerning the adoption of a new base year for index numbers. There had been general agreement on the choice of 1963. While countries were not compelled to adopt that year as the base for their own national statistics, many had already indicated a willingness to do so.

The publications of the Statistical Office were dealt with in paragraphs 25-51 of the report. The Secretariat would welcome comments on those publications and particularly suggestions as to how they could be made more useful to individual countries.

Section II of the report described the remarkable advances that had been made in the field of technical co-operation. No less than 345 statistical consultants had been provided by the United Nations and its family of organizations in 1962-1964. Encouraging progress had also been made in the training of statisticians in response to an enormous demand.

The remainder of the report dealt with the development of statistical standards and the activities of the various international bodies.

**Mr. MARKIN** (Ukrainian Soviet Socialist Republic) said he wished to protest against the continued practice of the Statistical Office of publishing in the Monthly Bulletin of Statistics joint data from the Federal Republic of Germany and West Berlin. It was a well-known fact that West Berlin was an autonomous political unit and was not a part of the Federal Republic of Germany. The Bonn Government therefore had no right to include in its statistics those from West Berlin.
His delegation intended to submit a draft resolution recommending that the Secretary-General should continue the work of improving the comparability of statistical data from countries having different social and economic systems and that he should take steps to expand the United Nations statistical publications, bearing in mind the responsibility of the United Nations to present as complete and reliable data as possible on individual countries.

Mr. MORITA (Japan) felt that, after the lapse of three years, the Statistical Commission should re-establish the biennial cycle of its meetings. It should therefore hold its next session either late in 1966 or early in 1967.

His delegation welcomed the inclusion of the USSR and Eastern Europe in the tables of world trade forming part of the Monthly Bulletin of Statistics, as well as the great advances that had been made in the field of technical co-operation, particularly in the provision of advisory services.

Mr. MAHALAMOHIS (India) said that the statistical difficulties faced by his country were typical of those of the developing countries in general. Although India had many good statisticians, its statistics were generally unsatisfactory. The United Nations could help the developing countries more if it reduced the gap between theory and practice in statistical training courses. At the moment, those courses were attuned more to the sophisticated requirements of the advanced countries than to the down-to-earth needs of the poorer ones.

Miss QUESADA (Panama) said that the United Nations Statistical Office was to be congratulated on its extremely useful series of publications. However, it was difficult to make effective use of those publications in many Latin American countries, because they were mostly available only in English. She hoped that the United Nations would take that problem into account and that the publications would eventually be available in Spanish.

Mr. ARCHER (Australia) pointed out that even English-speaking delegations often did not receive the necessary documentation in time. While recognizing the enormous amount of work undertaken by the Secretariat, he suggested that an effort should be made to have documents available at least one month before the Commission was due to meet.
Referring to paragraph 21 of the report, he said that Australia had used the document Recommendations for the Preparation of Sample Survey Reports (Statistical Papers, Series C, No. 1, Rev. 2) as a basis for preparing a sample survey and had also received two questionnaires from ESCAP in 1964. There was some overlap between one of those questionnaires and the United Nations paper as well as some difference in method. He suggested that it would be useful if the United Nations and ESCAP officials concerned could consult together on the information they required.

Since the time when the report had been written, Australia had published an index of factory production, and he would be happy to provide the Statistical Office with further information regarding it.

His delegation would be unable to support the suggestion in paragraph 199 that international statistical programmes should be timed to take place during different periods in the various regions of the world; one of the great advantages of world programmes was having world-wide statistics available at the same time. Overlapping should be avoided by spreading the programmes evenly throughout the Decade but not by staggering particular programmes.

Mr. Bowman (United States of America) expressed his satisfaction at the Secretary-General's report. He said that such a report was extremely valuable because it provided a general background for the discussion of detailed items and enabled the Commission to fulfill its responsibility to the Economic and Social Council and to assist the Council in co-ordinating the activities of the specialized agencies.

With regard to the comments on West Berlin made by the representative of the Ukrainian Soviet Socialist Republic, the publication by the United Nations of statistical information on West Berlin submitted by the Federal Republic of Germany was a long-standing practice. As the United States in the exercise of its power under international law and agreement, together with the United Kingdom and France in carrying out their responsibilities for Berlin, had authorized the Federal Republic of Germany to extend governmental services to West Berlin, it was appropriate for data on West Berlin to be submitted by the Federal Republic and published together with the data on the Federal Republic of Germany.

Referring to the statement in paragraph 6 of the report that the United Nations was unable to publish in full detail, the data accumulated by the
International Trade Statistics Centre, he asked whether the semi-annual publication of data at the five-digit level was, as a result, necessarily barred.

With regard to the aggregates referred to in paragraph 7, the United States aggregates in the March and April issues of the *Monthly Bulletin of Statistics* had not been revised to reflect the changes in the values of United States exports. They should accordingly, be revised, and any new aggregates in the broad classes set out in paragraph 7 of document E/CN.3/512 should also take those changes into account.

Commenting on paragraph 15, he said that his delegation felt, for reasons which would be clear when agenda item 20 was discussed, that the next meeting of the Commission should be held in 1966. His delegation supported Economic and Social Council resolution 556 (XXXV) but felt that the Commission should meet at least once every two years from 1966 onwards, thus reverting to the former pattern.

He supported the idea of a recent base year as suggested in paragraph 19, although all countries would not necessarily have to adopt the same year of reference. It was United States practice to revise its base year every ten years; its present base was 1957-1959.

The publications of the United Nations Statistical Office represented a notable step forward in the development of international statistics, particularly the new publications referred to in paragraph 29. The project mentioned in paragraph 29 deserved further development.

He endorsed the suggestions made by the representative of India on the need for increased training facilities for statistical personnel, particularly in the developing countries, and on the type of training required.

Commenting the work of the International Labour Office, he stressed the importance of the recommendations made by the tenth International Conference of Labour Statisticians to the ILO and expressed the hope that the work begun at the Meeting of Experts on the Statistics of Wages and Labour Costs would be continued.

The task of adapting statistical principles and methodology to the needs of various regions of the world was very important in view of the wide variety of economic and social development and of the uneven development of statistics. As regional statistical activities were becoming increasingly important, it might be
appropriate to include some of those activities in the Commission's own report. He noted with approval that the report gave considerable attention to the urgent need for developing statistical programmes in Africa.

Commenting on the work of UNESCO in the field of statistics, he said that the operation of schools should be a very important source of statistics, and he would like to know what progress had been made in implementing the recommendations contained in the 1961 *Manual of Educational Statistics*. While the project outlined in paragraph 267 was commendable, it should also provide a balanced programme for the establishment of basic data. He would like more details on the project referred to in paragraph 269, particularly concerning the basic unit of education envisaged.

Mr. MAHALANOBIS (India), commenting on the basic unit of education mentioned by the representative of the United States, said that what was needed was not a formal name or term such as a degree, which would vary widely from country to country, but something which would give some idea of the content. He supported the suggestion made by the United States representative that the Commission should not meet less frequently than once every two years and that it should next meet in 1966. A session in that year was particularly important for the developing countries.

The meeting rose at 1 p.m.
UNITED NATIONS
ECONOMIC
AND
SOCIAL COUNCIL

STATISTICAL COMMISSION

Thirteenth Session

SUMMARY RECORD OF THE TWO HUNDRED AND FIFTEENTH MEETING

Held at Headquarters, New York,
on Tuesday, 20 April 1965, at 2.30 p.m.

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Rapporteur: Mr. ARCHER Australia
Members: Mr. DUFFEIT Canada
Mr. JUI China
Mr. PALANGLÉ France
Mrs. MOD Hungary
Mr. MAHALANORIS India
Mr. NAIR
Mr. MCCARTHY Ireland
Mr. MORITA Japan
Miss QUESADA Panama
Mr. MARKIN Ukrainian Soviet Socialist Republic
Mr. VOLODARSKY Union of Soviet Socialist Republics
Sir Harry CAMPION United Kingdom of Great Britain and Northern Ireland
Mr. Bowman United States of America

Representatives of specialized agencies:

Mr. RILEY International Labour Organisation
Mr. KHAMIS Food and Agriculture Organization
Mr. GAGLIOTTI United Nations Educational Scientific and Cultural Organization
Miss KIRKPATRICK International Civil Aviation Organization
Mr. HICKS International Monetary Fund
Dr. LOGAN World Health Organization

Representatives of regional economic commissions:

Mr. VISWANATHAN Economic Commission for Asia and the Far East
Mr. LOEB Economic Commission for Latin America
Mr. EL-TAWIL Economic Commission for Africa
PRESENT (continued)

Representative of a non-governmental organization:

Category B and Register:

Mr. RICE                   International Statistical Institute

Representatives of inter-governmental organizations:

Mr. ZHELEV                  Council for Mutual Economic Assistance
Mr. BERTRAND                Organization for Economic Co-operation and Development

Secretariat:  Mr. LOFTUS    Director, Statistical Office
              Miss GROSSMAN          Secretary of the Commission
REVIEW OF INTERNATIONAL STATISTICS (E/CN.3/311) (continued)

Mr. VOLODARSKY (Union of Soviet Socialist Republics) associated himself with the delegations which had praised the work carried out in the field of international statistics, and stressed how important it was for the United Nations to help the developing countries in that field.

In view of the importance of statistical work in the study of development, seminars for statisticians from developing countries were very useful, since they enabled them to meet more experienced statisticians. The same was true of all meetings of specialists, particularly those held with a view to the formulation of international recommendations. He was therefore in favour of holding sessions of the Statistical Commission every two years, beginning in 1966, since it was desirable for exchanges of views to take place before too many questions had accumulated. The various conferences organized at the regional level, such as the Conference of European Statisticians held at Geneva and the Conference of Asian Statisticians at Bangkok, had also carried out useful work.

While the organization of statistical work was now quite satisfactory in many developed countries, the developing countries were still encountering many difficulties in that field. Those difficulties were due essentially to the magnitude of the preparatory work necessary and to the shortage of qualified statisticians in those countries. It was therefore the duty of the various United Nations bodies to help those countries to organize their statistical services so as to assist their economic and social development. What was needed was to help them to train specialists and to encourage the latter in their work. The USSR, for its part, was prepared to make the services of its own specialists available with a view to giving the developing countries assistance tailored to fit their needs.

The Soviet Union also attached great importance to work designed to facilitate international comparisons. The report submitted to the Commission showed that considerable progress had been made in that field, but much remained to be done in connexion both with production and labour statistics and with statistics bearing, in a general way, on all the elements of the social situation.
In collaboration with the Economic Commission for Europe and FAO, the USSR had organized a seminar on agricultural sampling procedures and statistics, with a view to increasing their usefulness. Those activities would continue, during the summer of 1965, with the organization of a seminar on agricultural statistics. Various indices regarding the Soviet economy would be published in the USSR, and it would be desirable for the Statistical Office to extend its own work in that field.

He also wished to express his views on the various statistical publications issued by United Nations bodies. In that connexion, he fully supported the remarks made by the representative of Ukraine regarding the recording of statistics on West Berlin and recalled that his country had already drawn the Secretary-General's attention on several occasions, in this note dated 17 February 1965, to the inclusion of statistics on West Berlin in the statistics for the Federal Republic of Germany. That practice could not be justified by tradition, as the representative of the United States had tried to argue. He hoped that his remarks would be borne in mind in the future.

In conclusion, he expressed the hope that all the work undertaken in the field of international statistics would be continued. There were twenty-seven items on the Commission's agenda; but it was to be hoped that, despite that heavy workload, all those items would be considered by the end of the present session.

Mr. PATARANT (France) likewise acknowledged the importance of the statistical work carried out during the past three years, and the first-rate quality of the report before the Commission. He, too, hoped that biennial sessions would be reverted to. Finally, he spoke of the contribution made by France in the matter of statistical education in Africa.

Mr. McCAFFREY (Ireland) associated himself with the previous speakers' congratulations to the Statistical Office on its excellent report. The volume of the documentation submitted to the Commission bore witness, not only to the length of time which had elapsed since the Commission's last session, but also to the increasing magnitude of the work undertaken and of the resources devoted to that work.
To be useful, official statistics should primarily provide an instrument for forecasting and for deciding on future action. All discussion of the matter should, therefore, be from that angle.

The original function of the Statistical Office had been to assemble and publish statistics without significant processing and to prepare international standards which would permit of comparisons between different countries. The Office's activity had recently developed along two new lines: it was sending statisticians to the regions in order to organize work at that level, and it was helping various countries in the establishment of their own statistical services by giving them advice and providing for the training of their key personnel. The Office now had the task of processing the national data and of preparing regional and world aggregates from the data collected in each country, so that tables and analyses which had previously been drawn up only in a national framework could be prepared at those levels. The Statistical Office's task would thus continue to grow - a development which would require more resources of personnel, despite the utilization of mechanical or electronic aids.

The use of statistics had developed considerably during the past ten years; they were increasingly employed in the formulation of economic and social policy, and for national planning. The United Nations Statistical Office was thus destined to undergo profound changes, and its operation would require ever-growing resources. The relative importance of the formulation of international standards was tending to decline, that task having largely been completed. The main requirement now was to ensure the implementation of the standards which had been established, though there was still significant development work to be done in regard to national accounts systems and census programmes, and to ensure that those standards suited the needs of countries at different levels of development. Much of that could and should be done at the regional level.

Future emphasis would therefore be on the preparation and analysis of data, and the Office should participate to a far greater degree in programming and planning and in the production of data in the form in which it could best be used for those purposes; the extension of quantitative methods in reducing the element of subjective judgement was as important in the international as in the national field. It was important that the Statistical Office should have adequate resources, particularly in staff, for that purpose.
So far as the frequency of the Commission's sessions was concerned, he felt that as from 1966 the Commission should begin, again, to meet every two years. It would also be desirable to reduce the number of questions submitted for the Commission's consideration at the 1966 meeting.

He wondered how far work had progressed with regard to the manual on consumer price indices, referred to by the United States representative, which had been requested from the ILO by the tenth International Conference of Labour Statisticians; and he expressed some pessimism in that connexion. He also observed that the programme for censuses of agriculture, undertaken by FAO, had started rather late and that the lessons to be learnt from the 1960 Census, particularly in connexion with the usefulness of the characteristics studied, did not seem to have been turned to account in it. In paragraph 83 of the Secretary-General's report, a manual published by ECAFE on the training of statistical personnel was mentioned. He had not known that such a manual existed; he would like to receive a copy, and hoped that documents published by a given regional commission would, generally speaking, be more widely distributed among the other commissions. Finally, he wished to congratulate OECD on its pilot study on investments in education, and expressed the hope that efforts in the field of statistical education would, in general, be intensified.

Sir Harry CAMPION (United Kingdom) pointed out that significant changes had taken place since the Commission had last had occasion to examine the order of priorities. Thus, in 1962, work relating to changes of the national accounts systems had been given only a low priority; but such work had since become considerably more important. The agencies concerned, and the regional commissions, had taken important decisions in that respect. The latter, in particular, had to resolve the differences which sometimes arose between local needs and the requirements of Headquarters.

Turning to the various questions raised in the document under consideration, he said he would prefer consideration of the question of the "data bank" to be deferred until such time as the subject of population censuses was taken up. In the interim, moreover, the statement of the Population Commission would have to be brought to the attention of the members of the Statistical Commission. In addition, some supplementary explanations would perhaps be needed with regard to the question raised in paragraph 13.
He agreed with those representatives who favoured a return to the practice of holding biennial sessions of the Statistical Commission. Before fixing the date of the next meeting for 1966, however, it would be better to wait until the questions concerning national accounts had been examined, since important bodies of data in that field were to be published next year. The choice of 1965 as the base year was agreeable to the United Kingdom, which had itself already chosen that year. It would be useful, moreover, to undertake discussions with a view to determining forthwith what the next base year would be.

In connexion with the other parts of the present document, he put forward the same objections as those to which he had drawn attention at the previous session. In 1962 he had, in fact, suggested the insertion of subject headings with a view to summarizing all the developments which had taken place. The extent to which certain types of work were done by different institutions should be indicated. The inter-agency committee should, in particular, take care to prevent such duplication of work.

Furthermore, a large proportion of the work done by the United Nations in the field of statistics formed part of technical assistance. It would be desirable for the table contained in paragraph 56 of the Secretary-General's report to show, separately, the number of consultants belonging to the staff of the specialized agencies and the number coming from outside. Technical assistance activities consisted, to a large extent, in providing for training and education in the field of statistics. A distinction between training and education had always been maintained, and it appeared that the United Nations was at present concerning itself more and more with statistical education. Moreover, when the United Nations or the specialized agencies sent trainees to any country, they should send that country precise instructions regarding the assistance required by the trainees. For example, when trainees arrived in the United Kingdom, the extent of their knowledge and previous experience was frequently unknown.

Mr. RILEY (International Labour Organisation) said that the ILO was endeavouring to co-operate to the fullest possible extent with the regional commissions, particularly with a view to making better use of existing services, avoiding any overlapping and meeting the special needs of the various countries of each region. To that end, the ILO had, inter alia, sent a number of statisticians to the various regions, within the framework of technical assistance. He recalled
that the statistical work of the International Labour Office was described in paragraphs 151 to 161 of the report (E/CN.3/311), and stressed the importance of basic labour force statistics as a tool for economic development. He also said that the ILO was co-operating closely with the United Nations Population Commission, notably in the organizing of joint meetings to examine the progress achieved in the field of population statistics. With regard to educational statistics, the ILO was working in close co-operation with UNESCO and with the secretariat of the Economic Commission for Europe. With respect to the manual on consumer price indices, to which the delegate from Ireland had referred, work was continuing on the project, although it had not yet been possible to obtain the services of an expert as originally planned.

Mr. KHAN (Food and Agriculture Organization) welcomed the proposal for holding sessions of the Commission every two years but said that FAO would, because of its very heavy programme of meetings in odd-numbered years, find it more convenient, from its own point of view, for the sessions to be held in even-numbered years. With regard to indices, FAO was currently considering the adoption of new base years for its agricultural production indices (at present the base year was the average of 1952-1956). FAO would like to follow the recommendation of the United Nations and adopt 1963 as its new base year, but it did not think it could assemble the necessary information to that end, since most countries reviewed their statistics only every ten years. Nevertheless, since the new base would be the average of a three or more years period centred approximately around 1960, it would be possible, without too much difficulty, to make the new indices comparable with those of 1963. As to agricultural commodity trade indices, it appeared that FAO might be able to adopt 1963 as its base year. In connexion with the forthcoming FAO Seminar on Agricultural Statistics and National Economy Planning to be held in Moscow, which had been mentioned by the representative of the USSR, he pointed out that on that occasion the lectures would be given mostly in Russian, with simultaneous interpretation into English and French; two international experts, from the United Kingdom and from Hungary, would take part in the Seminar, which would be concerned chiefly with agricultural sector accounts and agricultural balance sheets. FAO had had to appreciably expand its Trade Yearbook because of
the need for that publication to include more information and cover more countries. It had thus been led to use electronic data-processing machines, which had enabled it to extract four times as much information on trade. It was also planned to compile commodity trade matrices by trading partners. In connexion with a remark made by the representative of Ireland, he said that in its preparatory work for the 1970 World Census of Agriculture, FAO had, in very large measure, taken account of the experience previously acquired; during the regional and international meetings of experts held for that purpose, the experts had set up the new programme on a basis of their experience and of the needs of the various countries. The programme for the 1970 World Census of Agriculture would be completed in 1965, which was the earliest date one could expect if national experiences in the 1960 Census were to be taken into account. He was sure that, when the programme was officially adopted, the Irish representative's fears would be dispelled.

Mr. GAGLIOTTI (United Nations Educational, Scientific and Cultural Organization) said that educational statistics represented only one aspect of UNESCO's work in the field of statistics. Its programme also included statistics related to science and technology, the media of mass communication, and cultural activities. In the assessment of human resources for development, education, science, mass communication and culture formed a part of the framework of economic and social development. There had been significant strengthening of educational statistics programmes and it was now time for improvement and refinement on a world-wide scale. However, the compilation of statistics at the national level in science and technology was recent and not highly developed. Data on scientific and technical personnel and on financial resources for research was of major importance. A programme of data collection was being developed with initial emphasis on methodology so that sources of data and methods of collecting them might be determined and that clear definitions and concepts might be developed and standardized at the international level.

In regard to the 1961 Manual of Educational Statistics mentioned by the United States representative, UNESCO was collecting information on the experience gained as a result of those guidelines, with the view to publishing a revised edition. With regard to further details on paragraphs 267 and 269, the Director of UNESCO's Statistical Division would deal with that subject later in the session.
Miss KIRKPATRICK (International Civil Aviation Organization) requested the Commission to wait until the following week to hear Mr. Lester’s remarks on the document under consideration.

Dr. LOGAN (World Health Organization) recalled the characteristics which were normally dealt with in WHO's statistics (mortality and morbidity, number of hospital beds, activities of the health services of the various countries, cost of medical care, etc.) and pointed out that in the case of a good many countries the information supplied was not satisfactory. With regard to international standards relating to health statistics, WHO’s main concern at the moment was the revision of the International Classification of Diseases. WHO furnished technical assistance to the various countries for the improvement of their health-statistics services, through training programmes, grants of fellowships, the holding of numerous technical meetings, and so forth; and it had undertaken a very extensive international medical research programme. The statistical services of WHO did not yet possess an electronic computer of its own, but expected to obtain one towards the middle of the following year.

Mr. HICKS (International Monetary Fund) referred to the extension of the Fund’s training work and the establishment of the IMF Institute. He said that the Fund’s statistical work since the last meeting of the Commission centred on the following: there had been a considerable extension of the country coverage of balance of payments and financial statistics. Progress had been made in extending financial statistics beyond the accounts of the monetary system. The Fund had co-operated with the United Nations in the preparatory work for extending SNA into the field of financial transactions. Experiments had been made on seasonal adjustment of financial statistics, and seasonal adjustments of data on money had been published. At the request of the United Nations, responsibility for the publication of Direction of Trade had been assumed by the Fund and the IBRD.

Mr. RICE (International Statistical Institute) recalled that he had participated in the work of the Commission when it used to meet several times a year and that he had been one of those who had succeeded in securing the adoption of the principle of a report by the Secretariat on the progress achieved from one session to another. In the field of co-ordination of the various statistical
services throughout the world, the report before the Commission had no counterpart in so far as its content, structure and scope were concerned. Considerable progress had been achieved in the distribution of tasks, and there was no longer any need to fear a regional fragmentation of statistical services. One of the Commission's tasks was to assist the developing countries in preparing statistics comparable with those of other countries or in preparing statistics which they still lacked. It must be realized that there was no strict division between the various statistical activities. In conclusion, he recalled that the International Statistical Institute would hold its next session at Belgrade, immediately after the World Population Congress, and he expressed the wish that the participants in the Congress would also attend the session of the Institute.

Mr. IONE (Economic Commission for Latin America) drew the Commission's attention to the fact that Latin America was the only region not served by a regional conference of statisticians. That situation was explained by the existence of the Inter-American Statistical Institute and the desire to ensure that such a conference would not duplicate the Institute's work. ECLA collaborated with the national statistical offices of countries in the region and provided them, upon request with advisory services by staff and by regional advisers. Efforts along those lines were unfortunately limited by the lack of resources and Spanish-speaking experts. ECLA also organized meetings and seminars, and those activities were described in greater detail in the Secretary-General's report (E/CN.3/311, paras. 134-139). Since 1960, considerable work had been accomplished by ECLA's regional advisers in the fields of sampling, demographic and economic statistics; their activities would be extended in the future to include national accounts. Among the important meetings sponsored by ECLA in recent years were the Seminar on Housing Statistics and Programmes (1962), the Working Group on Classification of Manufactured Products (1963), and the Inter-American Seminar on Civil Registration, which had been held at Lima, Peru, in 1964. The regional statistical services and the specialized agencies had co-operated closely in the organization of all those meetings. The ECLA Secretariat now published a Statistical Bulletin for Latin America, which had replaced the statistical supplement to the Economic Bulletin for Latin America. He questioned the validity of the United Kingdom representative's
statement that there was a conflict over priorities as between Headquarters and the regional economic commissions. In the case of ECLA, the most that could be said was that there were sometimes differences of views.

Mr. EL-TAWIL (Economic Commission for Africa) said that the Conference of African Statisticians met under the auspices of the Statistical Office and the Economic Commission for Africa and that its programmes of work were based on the recommendations of those two bodies. The Conference had drawn attention to the shortage of qualified statistical personnel in Africa and the need to assist countries in training such personnel. The agreements concluded with the countries concerned and governing the operation of statistical training centres would expire in 1965-1966. Consequently, the prospects for the future training of African statisticians were being reviewed, and the necessary funds were becoming short. The national statistical services needed help in planning for the development of statistical activities. The Conference of African Statisticians had devoted considerable effort to adopting the United Nations System of National Accounts to African conditions and had thus contributed to what had been envisaged for revisions on a world scale in that field by the United Nations. The Conference had also recommended that additional regional advisory posts be established. Five advisers had been appointed thus far, but the establishment of further posts was prevented by the lack of resources.

Mr. VISWANATHAN (Economic Commission for Asia and the Far East) recalled that ECAFE had organized jointly with the United Nations Statistical Office the fifth and sixth sessions of the Conference of Asian Statisticians, which had been held at Bangkok in 1963 and 1964. Some of the other activities of ECAFE since the twelfth session of the Commission had included the holding of seminars on basic statistics for economic and social development, housing statistics and programmes and national accounts, and a working group on the 1970 censuses of population and housing. Important ECAFE projects planned for 1965 included a seminar on sampling methods, to be held at Tokyo, and a Working Group on National Accounts to consider the adaptation of the revised System of National Accounts. The ECAFE secretariat, in consultation with the United Nations Statistical Office, would arrange to make available the methodological studies prepared by the secretariat and in particular, those on the training of statisticians.
Mr. ZHELEV (Council for Mutual Economic Assistance) drew the Commission's attention to a number of important methodological studies carried out by CMEA for the purpose of standardizing indicators and statistical methods. The Permanent Statistical Commission of CMEA established in 1962, had as its principal task the standardization of the statistical accounting of member countries. The main objective was to standardize the basic statistical indicators as well as the measurement units, nomenclature and classifications used in statistics. The existence of standard indicators did not prevent, but rather presupposed, the establishment in each member country of a broader system of statistical indicators needed for national economic planning and adapted to the specific conditions of the country.

In the field of industrial statistics, the Permanent Statistical Commission had devised basic methodological principles for evaluating production. The essence of the methods involved was the evaluation of gross production on the basis of information furnished by undertakings on production costs and output. The principles in question had subsequently been supplemented by a standard classification of industrial sectors. Each member country had introduced into that classification the subdivisions corresponding to its own needs. In order to facilitate the comparability of statistical data, the Permanent Commission had drawn up a "Standard Nomenclature of the Industrial and Agricultural Production of the Member Countries of CMEA", based on the classification of industrial sectors, which made it possible to classify production as a whole according to means of production and articles of consumption. The Commission had also devised a methodology and nomenclature for agricultural statistics (agriculture and animal husbandry) and had adopted the "Basic Methodological Indicators and Principles of Agricultural Statistics".

The Commission had also prepared and adopted "Basic Methodological Principles" for statistics of capital goods. A system of basic indicators for transport statistics and the methods of calculating them had also been devised.

With regard to foreign trade statistics, the Commission had drawn up fundamental principles of current accounts respecting foreign trade and a "Standard Nomenclature for the Foreign Trade of the Member Countries of CMEA", which was intended to ensure the comparability of such statistics. An agreement had also
been reached on standardization of the foreign trade accounts of the member countries and on methods of calculating volume and price indices for foreign trade. In the field of demographic statistics, there had been exchanges of experience concerning the organization, programming and utilization of the results of housing censuses. To ensure the comparability of the individual indicators and the expanded system of indicators, it had been deemed necessary to draw up a "Classification of the National Economic Sectors of the Member Countries of CMEA" and a "System of Basic Indicators Showing the Level and Rate of Development of the National Economies of the Member Countries of CMEA". The classification of economic sectors adopted by all the member countries made a distinction between material production (industry, agriculture, construction, etc.) and non-material production (services, administration, scientific research, etc.). That classification was used in particular for co-ordinating the economic plans for the period 1966-1970. The system of basic indicators comprised three sections: growth indicators of the economy as a whole, growth indicators of the various sectors, and indicators of the material and cultural level of living of the people.

At present the Permanent Commission was also doing research on indicators relating to the effectiveness of the division of labour, specialization and co-operation in the field of production among the member States.

Mr. BERTRAND (Organization for Economic Co-operation and Development) said that OECD would support all decisions designed to lighten the task of national statistical services and to avoid duplication of work. To that end, it was necessary to standardize definitions over as large a geographical area as possible. However, requests for statistical information by international organizations were determined by the work of its diverse organs. OECD was aiming at a close co-operation with regard to short-term and long-term economic policy. That would naturally require the collection of a considerable body of economic data. He pointed out that the publication Main Economic Indicators was at present issued by OECD in the form of monthly bulletins (E/CN.3/511, para. 320).
Mr. LOFTUS (Director, United Nations Statistical Office) pointed out that the Secretariat received from the Federal Republic of Germany statistical data which in some cases related to West Berlin. In the event that the Commission wished to consider that problem, it would be appropriate to call upon the services of a legal adviser. With regard to the frequency of the Commission's sessions, it would be more appropriate to postpone the consideration of that question and to examine it in conjunction with the item on national accounts. Replying to a remark by the United Kingdom representative, he said that the co-ordination of Headquarters programmes and those of the regional economic commissions did in fact create difficulties, which would be discussed with the representatives of the commissions. However, the fundamental problem was that of the internal order of priority of each regional programme.

Mr. BOWMAN (United States of America) said that the establishment of an approximate time-table for the Commission's work would facilitate the preparation of the discussion.

The meeting rose at 5.5 p.m.
STATISTICAL COMMISSION

Thirteenth Session

SUMMARY RECORD OF THE TWO HUNDRED AND SIXTEENTH MEETING

Held at Headquarters, New York, on Wednesday, 21 April 1965, at 10 a.m.

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(b) Report of a joint meeting (Paris, 8-12 June 1964) of statistical and customs experts from international organizations, national statistical offices and customs administrations on the international exchange of external trade statistics (E/CN.3/313)
PRESENT:

Chairman: Mr. BJERVE Norway
Rapporteur: Mr. ARCHER Australia
Members:
Mr. DUFFEIT Canada
Mr. JUI China
Mr. PALANGLE France
Mrs. MOD Hungary
Mr. MAHALANOBIS India
Mr. NAIR Ireland
Mr. McCARTHY Japan
Mr. MORITA Panama
Miss QUESADA
Mr. MARCHIB Ukrainian Soviet Socialist Republic
Mr. VOLODARSKY Union of Soviet Socialist Republics
Sir Harry CAMPION United Kingdom of Great Britain and Northern Ireland
Mr. BOWMAN United States of America

Representatives of specialized agencies:
Mr. RILEY International Labour Organization
Mr. KHAMIS Food and Agriculture Organization
Mrs. BARRETT United Nations Educational, Scientific and Cultural Organization
Miss KIRKPATRICK International Civil Aviation Organization
Dr. LOGAN World Health Organization

Representatives of regional economic commissions:
Mr. DAVIES Economic Commission for Europe
Mr. VISWANATHAN Economic Commission for Asia and the Far East
Mr. LOEB Economic Commission for Latin America
Mr. EL-TAWIL Economic Commission for Africa
Present (continued):

Representatives of inter-governmental organizations:

Mr. ZHILEV  
Council for Mutual Economic Assistance

Mr. BERTRAND  
Organization for Economic Co-operation and Development

Representatives of non-governmental organizations:

Category B:

Mr. PARKS  
Inter-American Statistical Institute

Secretariat:  

Mr. LOFTUS  
Director, Statistical Office

Mr. FLEETNER  
Chief, International Trade Statistics Centre

Miss GROSSMAN  
Secretary of the Committee
ADDITION OF THE AGENDA (E/CN.3/310/Rev.1) (continued)

The CHAIRMAN introduced a revised provisional agenda prepared by the Secretariat in accordance with the wishes of the Commission.

The provisional agenda, as revised, was adopted.

EXTERNAL TRADE STATISTICS

(a) PROGRESS REPORT ON THE INTERNATIONAL TRADE STATISTICS CENTRE (E/CN.3/312)

Mr. FLEXNER (Chief, International Trade Statistics Centre), introducing the Progress Report on the International Trade Statistics Centre (E/CN.3/312), recalled that the Centre had been established in accordance with the resolution (11 (XII)), adopted by the Statistical Commission at its twelfth session, on the centralization of external trade statistics. The Commission had foreseen that the volume of data would be so great that it would have to be processed by electronic computer and that the Centre would have to provide data in mechanical form, such as punched cards or magnetic tape. Annex I of the report listed the ninety-two countries which had sent data to the Centre and indicated at what level and by what means such data were reported. The inflow of data amounted to about 600,000 punched cards a month but varied greatly from country to country. The output was totally unpredictable. The shortage of good computer programmers made it essential to have a planned series of programmes so that incoming data could be processed without re-programming. Details of the programmes were to be found in paragraph 8 of the report.

The main problem was how to make that enormous mass of data available. As it was impossible to print it all, the Centre would like the views of the Commission on what type of data it considered should be made available. The publication Commodity Trade Statistics comprised about 8,000 pages a year and appeared in the form of two or three 250-page booklets a month. The processing took less than two weeks at the 4-digit level of the SITC under 625 commodity headings when transactions of less than $100,000 were eliminated. The United Nations did not have the resources to publish any other extensive array of those figures. The co-operation of a commercial publisher in New York City had been sought for the publication of a yearly World Trade Annual containing data up to the 5-digit level of the SITC for twenty-two reporting countries, with a lower limit of $50,000 per item.

/...
Mr. DUFRENET (Canada) said that the work of the International Trade Statistics Centre was a very welcome development in the field of international statistics. It was important that other international agencies should make full use of the central resources of the Centre in order to avoid duplication.

Referring to paragraph 4 B of the report, he pointed out that the data for Canada were at the 4-digit rather than the 5-digit level. He expressed his country's interest in the universal classification proposed in annex III, but stressed that any classification must reflect the economic characteristics and needs of each country.

Mr. MORITA (Japan) said that since 1963 Japan had been supplying the Centre with data for 1962 onwards in the form of magnetic tape. For the year 1964, import data had been supplied at the 5-digit level and export data at the 4-digit level of the STIC, Revised, but from 1965 onwards both would be supplied at the 5-digit level.

He said that his delegation interpreted Commission resolution 11 (XII) as implying that the external trade data of any country would, if stored in the Centre, be available to any other participating country in the form of magnetic tape, which would be supplied at the expense of the requesting country. He would like that point to be confirmed at the present session of the Commission.

He would also like the Centre to study the technical possibilities of collecting and storing external trade data according to the original national classification of the countries currently reporting data by magnetic tape, and of providing countries which so requested with data more detailed than the 5-digit level of the STIC, Revised. He also urged the Centre to try to collect trade data from countries of importance in world trade which had not yet reported to the Centre, and to examine the possibility of all countries which had reported to the Centre being included in the World Trade Annual.

Sir Harry CAMPTON (United Kingdom) recalled the three main aspects of the Centre's work, as established in the three operative paragraphs of resolution 11 (XII), and welcomed the progress that had been made in implementing that resolution. Although his country had had some difficulty in supplying
information on magnetic tape because it was in the process of changing over to the use of electronic computers, it would try to be more prompt in the future.

Referring to paragraph 2 of the report, he expressed the hope that January-March data for 1965 could be made available.

As the quarterly data mentioned in paragraph 4 A did not include the 2-digit level, the information at that level had to be obtained from OECD. Because differences did occur from one international agency to another, he would welcome the possibility of getting all the necessary information from one place. Discussions between the United Nations and OECD concerning the publication and collection of data would be desirable.

It did not seem advisable for Governments and international agencies to take the responsibility for publishing regional aggregates and commodity aggregates, as suggested in paragraph 6; it would be preferable if one international agency were to undertake that responsibility.

While his delegation would welcome a classification on the lines suggested in paragraph 7, countries should be consulted on the classification before it was implemented.

He hoped that the large amount of data referred to in paragraph 13 would be used by the Secretariat as a tool for the analysis of international trade. It should be possible, for example, to study how far those figures reflected seasonal movements and how far they could be adjusted.

Mr. BOWMAN (United States of America) said that although the work of the Centre was just beginning, he wished to compliment the Statistical Office on the progress reflected in the report. He strongly supported the suggestion in paragraph 7 for the arrangement of trade data according to broad economic classes, and, subject to several technical amendments which would be submitted by him in writing to the Statistical Office, he expressed approval of the scheme outlined in annex III of the report for defining those classes. He urged that the programme for implementing that suggestion should be developed promptly so that data arranged according to those classes could be published in the near future.
He recommended the following changes in the publications programme of the Statistical Office:

(a) Quarterly publication in Commodity Trade Statistics of data for all major trading countries classified by reporting country, by 1-digit SITC section and by partner country, on the one hand, and by reporting country, by economic class and by partner country on the other hand.

(b) Publication of detailed data in Commodity Trade Statistics at the 5-digit SITC level for each reporting country (or at the 4-digit level if more detailed statistics were not available) and at the 2-digit and 3-digit levels on a semi-annual basis. The publication of data should be according to reporting country classified by the SITC groupings and partner country, individual entries valued at $50,000 or less being omitted. In his view, the suggestion for publication of 5-digit data did not necessarily conflict with publication at a later date of 5-digit data in a commodity by reporting-country by partner-country arrangement in a World Trade Annual.

He asked that consideration should be given to the following recommendations made by his delegation to the Meeting of Experts on the International Exchange of Trade Statistics: that partner aggregates should regularly be shown for western Asia, that keys between national classifications and the SITC should be published from time to time, and that 2-digit division data should be added to the publications programme. He also recommended regular publication in Commodity Trade Statistics of the exchange rates used for conversion of trade data from national value units to United States dollars.

In conclusion, he suggested that the use of the Centre's data bank might be encouraged if the price of tapes containing standardized data which could be rented or purchased by participating Governments was publicized.

Mr. PALANGIE (France) asked whether the Secretariat could inform the Commission when the additional programmes referred to in paragraph 9 of the report would be available.
Mr. NAIR (India), commenting on paragraph 5 of the report, said that the Commodity Trade Statistics tabulations should be enlarged to include the developing countries and that, if necessary, the lower limit of $100,000 on individual transactions should be lowered to make that possible.

With regard to the classification of trade data according to broad economic classes, he recommended that the SITC 2-digit divisions 03, 07, 21, 42 and 61 should be included in the list in annex III.

Mr. ARCHER (Australia), referring to the need to eliminate duplication in the reporting of data to international agencies, suggested that the Statistical Office should prepare a report summarizing what had been done in that respect thus far to implement Commission resolution 11 (XII).

He informed the Commission that Australia had begun sending import data for the March quarter to the Statistical Office on magnetic tape. As from the September quarter of 1965, the new Australian import commodity classification would be based on the 5-digit SITC, Revised, and beginning with the September quarter of 1966, all reports would be sent on that basis. Australia had also decided to use the Brussels Tariff Nomenclature and although it had not yet been ratified by Parliament, it should be in operation as from 1 July 1965.

At the Joint Meeting of Statistical and Customs Experts, which had been held in Paris in June 1964, his delegation had suggested that 5-digit annual data to be produced in published form might be assembled in reporting-country order, rather than - if not as well as - commodity order. Such a system would have the effect of speeding up publication, since it would not be necessary to wait until all data had been reported before publication could begin. He supported the United Kingdom representative's suggestion that it would be preferable for the publication of other commodity data to be undertaken by the Centre.

With regard to the suggestion in paragraph 7 concerning the classification of trade data according to broad economic classes, it was not clear to his delegation whether the list in annex III was intended for use by the Centre, as suggested in the note on item 4 (a), in document E/CN.3/L.61, or for use as an
international classification. While such a classification would certainly be of interest, it should be given careful consideration and not be drawn up on an ad hoc basis for one specific purpose. Countries should have an opportunity to study the classification and comment on it, for otherwise it might come to be regarded as an international classification without ever having been fully examined.

Mr. McCarthy (Ireland) said that, from the point of view of the reporting countries, it was very important that duplication in questionnaires, particularly those from the specialized agencies, should be eliminated. Information was for the most part provided at the 5-digit level, but certain users, including international agencies, wanted greater detail which the Centre was unable to supply. An attempt should therefore be made to satisfy their needs through the Centre. For example, extra data on agricultural commodities were required beyond the 5-digit level, and countries might be willing to do the extra work involved in obtaining such data if they could thereby dispense with FAO questionnaires.

The United States representative had referred to the question of publishing revised historical data, and in that connexion he himself would like to ask what steps were being taken to publish revised quarterly figures. Ireland included corrections of data for previous quarters in the cumulative data covering six, nine and twelve months and it was, therefore, impossible to derive correct quarterly data from the cumulative figures. The Centre should engage in further analysis, and the method suggested in paragraph 7 and annex III was to be welcomed. He did not, however, understand what exactly was the status of the suggested classification at that stage and would hope that countries would therefore have some opportunity to make suggestions before such a classification became case-hardened.

Mr. Bertrand (Organization for Economic Co-operation and Development) said that OECD had decided to modify the country classification it had hitherto used for external trade statistics in order to bring it into line with the classification used for balance of payments purposes. Unfortunately, the new classification no longer coincided with the partner country groupings shown in annex II. The classification by broad economic classes adopted by OECD was very close to that presented in annex III; a further effort at co-ordination would, however, be necessary in order to eliminate the differences.
The Commission was rightly concerned to avoid duplication in the work of the various international organizations concerned with statistics. A clear distinction should, however, be drawn between the establishment of data libraries by such organizations and the actual reporting of statistics by national offices. Since 1951, OECD had built up an extensive library of external trade statistics which, so far from duplicating the activities of the Centre, might well serve to facilitate the work of obtaining detailed information from national statistical offices. The OECD had in fact suggested that requests for information regarding various countries should be addressed to it on an experimental basis, and it was presently negotiating an agreement to that effect with the United Nations. The OECD placed no restrictions on the availability of the statistical data in its libraries and hoped that the Centre would make its data similarly accessible.

Mr. PARKS (Inter-American Statistical Institute) said that, thanks to the Centre, it would be possible to eliminate duplication in the initial compilation of statistics and to reduce the number of requests for information sent out to individual countries. He considered that the commodity trade statistics published by the Centre, which would be used by the Institute and the Technical Secretariat of the Organization of American States, should contain more data on individual Latin American countries. He also hoped that more of the Latin American countries would report to the Centre than the eight at present doing so.

Mr. KIAMIS (Food and Agriculture Organization) said that FAO was not one of the agencies which requested the full range of trade statistics, its requirements being limited to data on external trade in food and agricultural items. However, it required more detailed information in that limited area from as many countries as possible. Mindful of the need to eliminate the duplication of requests to national offices, FAO had held consultations on the subject at Geneva with other members of the United Nations family and had later referred the matter to the FAO Statistical Advisory Committee at that body's first session. The Director of the United Nations Statistical Office had been present at that session, and an agreed statement had been drafted to the effect that FAO would use the data made available by the United Nations to the maximum extent possible but...
would still need to obtain some data directly from countries. The need to 
eliminate duplication of requests had been raised again at the Paris meeting on 
the international exchange of external trade statistics, where further progress 
had been made. The situation was now satisfactory. FAO generally needed to send 
requests only to those countries which reported late or not at all to the 
International Trade Statistics Centre. He pointed out that there was already 
inter-agency machinery within whose competence fell problems such as those on 
duplication, if they arose.

Mr. FLEXNER (Chief, International Trade Statistics Centre) thanked the 
members of the Commission for their interest in the Centre's work.

The Canadian representative's questions had perhaps already been answered by 
the representatives of inter-governmental organizations and specialized agencies 
who had spoken in the meantime, and it could be seen that the United Nations 
Secretariat was indeed anxious to co-operate in reducing the number of requests 
for information sent out to Governments. He welcomed the suggestion that more 
detailed information should be collected in areas of particular interest to the 
agencies; the financial implications would presumably be discussed at a later 
stage.

The broad economic classes put forward in annex III were intended to serve 
as a provisional basis for tabulation, pending agreement on more permanent 
commodity classifications. Although it might be some years before any such 
agreement was achieved, no real difficulty would arise, since the material could 
then be reclassified retrospectively.

Because of the abnormal budgetary situation, the Centre would not be able to 
process data for the first quarter of 1965. However, data at the 2-digit level 
could be included in Commodity Trade Statistics if desired, since their inclusion 
would not increase the number of pages beyond the foreseen maximum. The aggregates 
for western Asia could also be shown, as suggested by the United States 
representative.

The Indian representative's suggestion that the lower limit on individual 
transactions should be reduced from $100,000 to $50,000 would be very expensive 
to put into effect, since it would greatly increase the number of pages; the 
financial implications would therefore have to be carefully examined.

Several representatives had spoken of the need to begin using the statistics 
for analytic purposes. The printing programme described in paragraph 8 D was a
step in that direction. One obstacle to analytic work was that, statistics never being sufficiently up to date, estimations had to be made. So long as such estimations had had to be produced manually, the degree of detail had been greatly limited. Now, however, the Centre was experimenting with the use of computers for that purpose, and as a result it should be possible greatly to increase the range of detail and the number of regions covered in analytic work.

Mr. Loftus (Director, Statistical Office) confirmed that the difficulties which had arisen in relations between FAO and the United Nations had largely been overcome and that FAO was now making maximum use of the Centre. The same was true of IMF, GATT and the regional organizations. He noted the suggestion, put forward by the Irish representative, that more attention should be paid to data below the 5-digit level with a view to bringing about a further concentration of such work in one place.

Technical co-operation within the United Nations family was facilitated by the administrative relations already in existence. It was not so easy to establish links with organizations outside, and the working out of the details of such inter-organizational co-operation was bound to take time. He was nevertheless confident that the present difficulties would eventually be overcome. Meanwhile, the library of data which the Centre was building up was completely at the disposal of his colleagues in the specialized agencies and other organizations concerned.

In reply to the question put by some representatives about the attitude of the Centre to requests for the provision of magnetic tapes, he said that the Centre was concerned to achieve centralization of data collection and to publish arrays of statistics that would meet the general needs of countries and organizations. If individual countries should ask for tapes containing the entirety of the Centre's statistics, it would face a difficult policy decision. Not only would such an operation be very expensive in terms of the Organization's financial straits but it would also mean that the Centre was in effect being duplicated in another place. In a sense the problem would be simpler if all countries were in a position to use the full range of the Centre's statistics and asked for them to be made available. As that was not the case, the Centre had to decide on what terms it should provide information to the few Governments which were in a
position to use it. That problem, too, would eventually be solved. Meanwhile, the Centre's policy would be that it would provide data on individual regions to countries in the region concerned but would itself continue to be a central agency for the provision of tabulations and analytic arrays.

As to the question of publications, the Organization's budgetary difficulties made it necessary for the Centre to concern itself with minor matters such as the number of pages it could afford to publish. He hoped that that, too, was a temporary difficulty; meanwhile, the Centre was examining ways of reducing its publication costs in order to make room for more data.

Mr. BITTORI (United States of America) stressed the importance of flexibility in the work of the Centre, the need to eliminate duplication in the reporting of basic data and the need for improved arrangements of data for the purposes of international comparability and economic analysis. Above all, there was continuing need for the co-ordination of statistical activities, and each country or organization should remember that its request was only one among many.

The development of electronic data processing and tape libraries would transform the arrangements by which analysis carried on research in the fields of economics and sociology. In the United States, things had reached the point where Federal agencies, universities and similar bodies all wanted to build up libraries of magnetic tapes. While that was not an unreasonable desire, it raised all kinds of problems, such as the extent to which one agency should make its tapes available to other agencies. The only solution was to remain as flexible as possible and to avoid hard and fast conclusions.

He hoped that in the field of publications, too, the Centre would continue to display flexibility.

Mr. MORTERA (Japan) said that, as he understood it, the Commission had established the principle, in operative paragraph 3 of its resolution 11 (XII), that full trade statistics should be made available by the Centre. If circumstances at the present time made it difficult to carry the principle into effect, he could understand the need for reasonable flexibility. However, the principle itself was surely not in question.
The CHAIRMAN, speaking as the representative of Norway, said that the reason why national statistical offices were faced with so many requests for detailed information was usually that their own Governments had advanced such requests in international technical committees on which they were represented. The countries themselves could thus reduce the number of such requests by better co-ordinating their national and international activities. His own country had made it a rule that any Norwegian representative on a technical committee must consult the national statistical office before asking for additional data on any subject.

A similar rule might profitably be introduced on the international level: before a technical committee initiated data collection in any field, the Secretariat should consult the Centre to see whether arrangements could be made to avoid duplication of effort.

Mr. IOFFUS (Director, Statistical Office) said that that was an excellent suggestion. It would, however, have to be explored through administrative channels to have any chance of success. As members were aware, relations between commodity specialists and statisticians in the various organizations had long been somewhat remote, and a suitable recommendation by the Commission to that effect would be helpful.

The CHAIRMAN, summing up the discussion, noted that members of the Commission were agreed that the International Trade Statistics Centre should be complimented on its rapid implementation of Commission resolution 11 (XII). It was also agreed that the establishment of the Centre represented an important development in international statistics, inter alia, because that kind of central processing enabled more information to be obtained from a given set of data than was otherwise possible.

In regard to publications policy, two questions had been discussed: how much data should be published, and what kind of tabulations should be published. The Secretariat had pointed out the budgetary limitations which must be complied with, and reference had been made to the need for flexibility.

There was general agreement that the classification by broad economic classes presented in annex III was useful, but some countries wished to study it and
express their views before it was finally adopted. The Chief of the Centre had suggested that, since it would be several years before final agreement was reached on commodity classifications, the Centre should start preparing tabulations on a provisional basis.

Several members had expressed the desire to obtain data from the Centre in detail going beyond the 5-digit level for certain sectors.

Many members had emphasized the need to avoid duplication in the collection of data, and representatives of international and regional bodies had expressed willingness to co-operate to that end. It had been suggested that a report should be produced on progress in that direction, inasmuch as the avoidance of duplication was one of the major reasons why the Centre had been established.

Sir Harry CAMPTON (United Kingdom) said that the Secretariat should obtain the views of countries on the classification contained in annex III of the report because once that classification had been in use for some years, it would be difficult to alter. He also hoped that the tabulation of the estimates referred to in paragraph 9 D would be centralized in the Centre so as to avoid duplication and the production of different estimates by different agencies.

Mr. MABALANOBIS (India), also referring to annex III, said that his country's experience with a planned economy designed to achieve rapid industrial advance showed the importance to the developing countries of an operationally useful and sufficiently detailed tabulation of the kind of aggregates listed. In the original discussions of the SITC, the Soviet Union representative had emphasized that it was not suitable for production planning. The United Nations might therefore seek information on the classification used by the Soviet Union for economic planning, as distinct from that used merely for trade purposes. Some classification other than the SITC was required by the developing countries. He therefore welcomed the United Kingdom suggestion, subject to the reservation that information might be sought from the countries with centrally planned economies so that the developing countries could benefit from their experience.

Mr. VOLODARSKY (Union of Soviet Socialist Republics) replied that his country classified products according to the various fields of activity. Specific types of industrial production were subdivided into the production of means of
production and the production of articles of consumption; they were further broken down into the different branches of industry. There was also a breakdown into products for trade and for other purposes. Work was in progress on a single classification of production for trade and for other needs for use in planning and the procurement of supplies. That, however, presented difficulties associated with the classification of individual products according to various purposes. The suggestion by the Centre in annex III would require study and certain changes, but the present discussion was a useful beginning.

Mr. NOKITA (Japan) suggested that the final report of the session should include confirmation of the principle that the data collected by the Centre were freely available for consultation.

(b) REPORT OF A JOINT MEETING (PARIS, 8-12 JUNE 1964) OF STATISTICAL AND CUSTOMS EXPERTS FROM INTERNATIONAL ORGANIZATIONS, NATIONAL STATISTICAL OFFICES AND CUSTOMS ADMINISTRATIONS ON THE INTERNATIONAL EXCHANGE OF EXTERNAL TRADE STATISTICS (E/CN.3/313)

Mr. FLENNER (Chief, International Trade Statistics Centre) introduced the report by the Secretary-General on the joint meeting held in Paris in June 1964 (E/CN.3/313). The meeting had been called by the French customs administration with a view to making external trade statistics more generally available. Because such statistics were based on customs data, it was very useful to have a joint discussion between statisticians and customs officials. The principal suggestions were contained in paragraph 5 of the report. As was apparent from paragraph 6, the question of minimizing duplication in the reporting of trade data to international organizations had also been discussed. It had also been felt, as noted in paragraph 11, that similar meetings should be held periodically in various parts of the world.

Sir Harry CAMPION (United Kingdom) said that he supported the recommendation in paragraph 5 that the Statistical Office should prepare draft recommendations for the treatment of the main categories of commodities in the inward and outward flows in international trade. Presumably the Statistical Office would invite countries to report on their methods and would subsequently prepare a document containing recommendations for discussion at a meeting. In preparing
the study recommended in the last part of paragraph 5, the Secretariat would no doubt work partly through the Customs Co-operation Council, but it would have to find another procedure for dealing with countries which were not members of that Council. With regard to the experimental collection of more detailed data referred to in paragraph 7, he would prefer that less stress should be laid on that matter; the value of such work would depend upon what the Centre could extract from it. Similarly, he would not give high priority to the request outlined in paragraph 9. He believed that there was a case for further meetings as referred to in paragraph 11.

Mr. LOWMAN (United States of America) felt that the Paris meeting had been useful. He would, as recommended in paragraph 5, favour a study regarding inward and outward flows in international trade and a study of the possibility of bringing together the common elements of national customs declarations to form a uniform international section for use in all customs declarations. As the United Kingdom representative had suggested the Statistical Office might provide a study paper on those subjects. In regard to paragraph 6, he endorsed the publication of keys between national classifications and the SITC. As to paragraph 9, the United States was working to co-ordinate its national system of transport statistics with the Standard Industrial Classification. He agreed that the Centre might usefully collect data in greater detail than the SITC provided, but he did not think that members should add to its burden when it was having difficulty in publishing the data it already received.

Mr. MOSITA (Japan) said that he was in favour of a study of national systems of treating external trade statistics, as recommended in paragraph 5. The proposal, referred to in paragraph 9, for obtaining data on the insurance and freight component of the value of commodities moving in international trade was a good one but might be difficult to implement in view of the dependence on customs statistics for trade data from each country. Insurance data on imports would have to be obtained from each partner country. He expressed support in principle for the proposal that the Centre should experiment in the collection of more detailed customs data. He also agreed with the proposal that similar meetings should be held periodically for further exchanges of view.

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Mr. DUFFETT (Canada) agreed that the Paris meeting had been helpful but took exception to the priorities implied by its report. For example, the collection of detailed information beyond the fifth digit should not be allowed to hamper the provision of data in general. The recommendation in paragraph 5 concerning the treatment of flows was important, and the work on that topic might take as its starting point document E/CN.3/142, which had been prepared in 1952. In his view, the use of computer methods as mentioned in paragraph 8 had yet to be proved particularly effective. He supported the proposal in paragraph 9 and stressed the need for urgent measures before countries committed themselves to action inconsistent with desirable international practice. He agreed that future meetings between statisticians and customs experts would be valuable, but advance preparation by small working groups would be needed in order to give the best results.

Mr. PALANGE (France) expressed support for the conclusions of the Paris meeting and stressed the value of further meetings of statisticians and customs experts. If such meetings had been held in the past, the duality of the Brussels Tariff Nomenclature and the SITC could probably have been avoided.

Mr. ARCHER (Australia) said that his country had found the Paris meeting useful and would favour future meetings on appropriate topics. With regard to paragraph 9, the development of transport statistics for external trade was a matter of close concern to his country and was to be reviewed with the aim of introducing an improved statistical service. Although he supported the idea that countries should report the full details of their national classifications to the Centre in order to meet requirements for more detailed information, he did not believe that the SITC should be extended on an ad hoc basis, even if the supply of additional data was optional. If there was a case for extending the SITC, it should be considered formally by Governments. Furthermore, Governments should be invited to bear in mind the difficulties of international comparability when submitting their requirements for information beyond the 5-digit level.

Miss QUESADA (Panama) said that the Paris recommendations were valuable because they recognized that a co-ordination of activities between customs experts and statisticians was needed in order to obtain full information. While supporting the recommendations in paragraph 5, she felt that agreement on a
uniform international section for use in all customs declarations would require
time because of the different practices in each country. The comments on
duplication were valuable, and the work required in that regard should be done
by the Centre. The proposal to set up international standards for transport
statistics was a useful one for both international trade and other spheres. She
agreed with the proposal in paragraph 11 that frequent meetings of the sort
carried out in Paris should be held in future.

Mr. Davies (Economic Commission for Europe), referring to paragraph 9,
said that extensive work on European regional standards for statistics on goods
moving in international trade had been done by the Inland Transport Committee of
ECM. The question of the reliability of transport statistics as a source of trade
movement statistics was receiving considerable attention, for as tariffs were
reduced, the possibility of customs networks disappearing became increasingly
imminent. A standard classification of goods moved by standard forms of
transport had been devised on the basis of the SITC for road, rail and canals;
the three classifications were co-ordinated. Statistics were already being
collected from some of the countries concerned, and the Statistical Office might
usefully take that work into account.

The Chairman said that there was general agreement on the usefulness of
the joint meeting. Members of the Commission were agreed that future meetings
of that kind should be held but had emphasized that full preparation should be
made for them by a small group. Several speakers had shown interest in studies
of the kind indicated in paragraph 5 and had pointed out the relationship between
those and previous studies. There had been great interest in the suggestion that
the Centre should experiment in the collection of data beyond the 5-digit level.
Several members had expressed interest in international standards for goods
moving in international trade, but some doubt attached to the priority the matter
merited.

Mr. Loftus (Director, Statistical Office) said that with regard to the
United Kingdom comment on a study of methods used in the preparation of external
trade statistics in each country, he would suggest that the Office should start
with the report referred to by the Canadian representative and should then draw up
drafts of the practice in each country and send them to the relevant countries to
be checked.

The meeting rose at 12.50 p.m.
STATISTICAL COMMISSION

Thirteenth Session

SUMMARY RECORD OF THE TWO HUNDRED AND SEVENTEENTH MEETING

Held at Headquarters, New York
on Wednesday, 21 April 1965, at 2.30 p.m.

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PRESENT:

Chairman:
Mr. BJERVE  Norway
Mr. ARCHER  Australia
Mr. DUFFETT  Canada
Mr. JUI  China
Mr. PALANGIE  France
Mr. PETER  Hungary
Mrs. MOD  }
Mr. MAHALANOBIS  India
Mr. McCARTHY  Ireland
Mr. MORITA  Japan
Miss QUESADA  Panama
Mr. MARKIN  Ukrainian Soviet Socialist Republic
Mr. VOLODARSKY  Union of Soviet Socialist Republics

Sir Harry CAMPION  United Kingdom of Great Britain and Northern Ireland
Mr. BOWMAN  United States of America

Representatives of specialized agencies:

Mr. RILEY  International Labour Organization
Miss BARRETT  United Nations Educational, Scientific and Cultural Organization
Miss KIRKPATRICK  International Civil Aviation Organization
Dr. LOGAN  World Health Organization

Representatives of regional economic commissions:

Mr. DAVIES  Economic Commission for Europe
Mr. VISWANATHAN  Economic Commission for Asia and the Far East
Mr. LOEB  Economic Commission for Latin America
Mr. EL-TAWIL  Economic Commission for Africa

/...
PRESENT (continued):

Representatives of inter-governmental organizations:

Mr. ZHELEV Council for Mutual Economic Assistance
Mr. BERTRAND Organization for Economic Co-operation and Development

Secretariat:

Mr. LOFTUS Director, Statistical Office
Mr. FLEXNER Chief, International Trade Statistics Centre
Mr. LUKACS Chief, Industrial Statistics Section
Miss GROSSMAN Secretary of the Commission
EXTERNAL TRADE STATISTICS (continued)

(c) PRELIMINARY KEY BETWEEN THE STANDARD INTERNATIONAL TRADE CLASSIFICATION,
REvised, AND THE COMMODITY CLASSIFICATION OF THE COUNCIL FOR MUTUAL ECONOMIC
ASSISTANCE (CMEA) (E/CN.3/514)

Mr. PLESNER (Statistical Office) said that the key between the Standard
International Trade Classification, Revised, and the commodity classification of
the Council for Mutual Economic Assistance (CMEA) was very difficult to establish,
because of the different ways in which the economic systems of the different
countries worked. In the countries with centrally planned economies it was
almost always possible to ascertain the end use of goods, but that was not the
case in the other countries. In order not to overburden the translation services,
an electronic computer had been used for the translation of the Russian text of
the CMEA classification headings into English, an operation which had been made
possible by the generosity of the Thomas J. Watson Research Laboratory of the
International Business Machines Corporation (IBM). It was the first time in the
United States, if not in the entire world, that statisticians had been able to
establish bilingual translations in a single operation using two different
alphabets (Latin and Cyrillic).

Sir George MILLIN (United Kingdom) said, with reference to paragraph 3
of the report (E/CN.3/514), that it was doubtful whether the countries with
centrally planned economies always knew the end use of each consignment of goods
which they exported.

Mr. KUSNERSKII (Union of Soviet Socialist Republics) stressed the
importance of the report, which provided the key to a whole series of problems.
With reference to paragraph 3, he emphasized that in the countries with centrally
planned economies such factors as production, imports, exports and so on were
taken into consideration at the different stages of planning. At the same time,
the end use of imports and exports was clearly defined on the basis of existing
trade agreements. In that way it was possible to decide upon the allocation of
the various goods. Within the framework of CMEA, a joint classification enabled
member countries to obtain essential keys. At the world level, the report
constituted a first step in the same direction, and the Soviet Union delegation
hoped that the United Nations Statistical Office and the statistical services of
CMEA would continue in the task they had undertaken. Reverting briefly to item 4 (a) of the agenda, he agreed with the Chairman that an effort should be made to avoid duplication in the collection of external trade statistics, and felt that that was a task for the United Nations Statistical Office. For each product entering external trade, the USSR published statistical data which could be used for that purpose.

Mr. Peter (Hungary) likewise felt that the report represented a very significant achievement. Hungary used either the CMEA classification or the Standard International Trade Classification (SITC) for international trade, according to the destination of the goods exported; it also used a third classification, for domestic purposes. Hungary's own difficulties made it easy to imagine the difficulties encountered in solving at the international level the problems involved in linking the various classifications and nomenclatures. Paragraph 3 of the document was not completely accurate in the sense that while, in Hungary, statistics might be established for production, exports, imports and so forth, the figures obtained did not automatically correspond and hard work in all economic fields was necessary in order to make them coherent.

Mr. Volodarsky had stated that his country was encountering the same difficulties. Accordingly, at the international level, every effort should be made to find a common language for all countries, i.e. to elaborate a joint classification. He was sure that the divergencies between the various classifications were only partly due to differences in ideology. The situation in the countries with centrally planned economies was not always so different from that in the other countries; for example, in Hungary it was not always possible to specify the end use of an imported product, especially in the case of coal or electricity which were used both for industrial and for domestic consumption. Finally, it might be necessary to go still further and not confine the linkage between classifications merely to the field of international trade; Hungary would support any effort to harmonize all the classifications used.

Mr. Bowman (United States of America) felt that all those who had taken part in the preparation of the report should be congratulated. Whatever the differences between classifications might be, they always had a common factor and it was more important to link the various classifications than to elaborate a single international trade classification which would be adopted by everyone.
Mr. Loftus (Director, Statistical Office) agreed with the representative of Hungary that it was desirable to establish as close a link as possible between the SITC and the CMEA classification. The divergencies between the classifications were partly due to ideological or methodological differences, and all arbitrary divergencies could and should be eliminated. The regular publication of statistical data was of help in the task of unification. The classification proposed by the United Nations represented a remarkable effort, as it covered 80 per cent of the products entering international trade and it would be difficult to improve on that.

Mr. Zhelev (Council for Mutual Economic Assistance) drew the Commission's attention to work done by CMEA in the field of classifications. The members of CMEA had adopted a standard external trade classification into which each country introduced its own sub-divisions. The standard classification covered all the trade between members, and simplified and facilitated their trade relations. That classification could not of course always remain the same, if only because of technical advances which made it necessary to amend the list of products. Consequently, the Permanent Statistical Commission of CMEA had worked out and approved techniques for revising the classification. The member countries requested CMEA to allocate code numbers to new products. The classification made it possible to compare external trade statistics and to assess the level and rate of growth of the socialist countries' external trade. Finally, he stressed the interest of his organization in the establishment of a key between the SITC and the EITNT.


Mr. Flexner (Statistical Office) recalled that the United Nations Conference on International Travel and Tourism had sought the views of the Commission on the definition of the term "tourist" proposed by the Conference. That definition did not differ very markedly from that suggested by the League of Nations in 1937. It might perhaps be wise, before establishing an internationally agreed definition, to define methods whereby the flow of tourists could be measured and analysed and data collected. It would be for the Commission to decide on that point.
Mr. MORITA (Japan) said that, if the comparability of tourist statistics was to be improved, the definitions proposed by the Conference must be clarified. In the case of Japan, it was impossible to assemble tourist statistics which did not include excursionists. Nor could it be hoped to obtain exact information on tourist expenditures. The Secretariat should pursue investigations in that field.

Mr. DUFFETT (Canada) considered that it was of prime importance to exclude from tourist statistics persons who travelled to a country, other than that in which they had their usual place of residence, in order to engage in paid occupation there. That difficult problem affected Canada, which had a frontier 3,000 miles long with the United States. That frontier was frequently crossed by nationals of both countries in the exercise of their professional activities, and their expenditures were not distinguished from those of tourists in the balance of payments.

Mr. PALANGIE (France) said that tourist statistics and balances of payments interpreted the term "tourist" differently. The terminology must therefore be unified.

Mr. McCarthy (Ireland) considered that the problem of tourist statistics must be considered in the wider context of all international movements of persons. It seemed difficult to approve a definition which dealt only with certain categories of traveller; but it was far from easy to find a set of definitions which would be appropriate to all categories, and those definitions also had implications in regard to the balance of payments. The definition proposed was unsatisfactory because of its lack of precision: the term "temporary visitor" was undefined and with the increased international mobility of persons it was often difficult to determine the usual place of residence of certain types of traveller. The adoption of international definitions therefore seemed to be premature, and the problem could be properly solved only with the collaboration of the regional or international organizations (especially in the case of the latter, OECD) directly concerned.
Sir Harry CAMPION (United Kingdom) agreed with the representative of
Ireland. Collection of detailed information from tourists was practically
impossible in the high season (July-August). The definitions proposed by the
Conference were valuable, but it was above all necessary to establish whether
it was possible to collect the necessary figures. The problem of the collection
of data was being studied by OECD.

The CHAIRMAN, speaking as the representative of Norway, agreed with the
views expressed by the representatives of Ireland and the United Kingdom. It
would be unwise to approve an incomplete definition covering only certain
categories of traveller. The abolition of passport control between the
Scandinavian countries rendered still more difficult the co-ordination of tourist
statistics with other statistics regarding persons crossing national frontiers -
particularly Customs statistics, which were themselves incomplete. It would
therefore be preferable to study, first of all, methods of collecting data on
tourism.

Mr. BOYMAN (United States of America) welcomed the Chairman's remarks
and emphasized the importance of not increasing obstacles to travel. The
collection of data on tourism was the real problem on the Commission's agenda.
He noted, however, that travel statistics generally were poor and recognized the
need for efforts to improve them. He, therefore, supported the suggestion in
paragraph 6 of document E/CN.3/515 that the subject be studied by an expert.

Mr. LOFTUS (Director, Statistical Office) said that the United Nations
Conference on International Travel and Tourism had been attended mainly by
representatives of tourist organizations, which attached great importance to the
definition of the term "tourist". Nevertheless, one field for research remained
open - that of statistics on international travel. It was possible to collect
interesting data from shipping companies, airlines and surface travel companies,
without having to question travellers. Such inquiries could also cover the number
of nights spent in hotels or other similar establishments. Such statistics would
be of great interest, although they were not directly connected with tourism.
The CHAIRMAN observed that the Commission seemed to be agreed that it would be premature to adopt a definition.

Mr. BERTRAND (Organization for Economic Co-operation and Development) said that OECD's Committee on Tourism assembled and published data on tourism. The secretariat of that Committee had acquired some experience in that field, and OECD would be very willing to collaborate with the Commission.


Mr. HUKACS (Statistical Office) presented the report on the classification of commodities by industrial origin (E/CN.3/307) and the summary of the comments received from various countries on that subject up to the end of January 1965 (E/CN.3/308). Since the latter date, six further countries had transmitted their observations.

The object of the report was to show the ISIC group (three digits) which corresponded to each of the SITC sub-groups (four digits) or, where necessary, items (five digits). When several ISIC groups corresponded to a SITC item, details were given in the appendix. The object was thus to classify commodities entering world trade according to the industries from which they flowed - an achievement which would be of particular use in industrial censuses.

Australia had observed that, as the number of sub-divisions adopted was very considerable, it would subsequently be very difficult to make the various national classifications of commodities by industrial origin correspond with the international standard classification. It would be possible, however, when correspondence was established in the opposite direction (i.e. when it was established between the International Standard Industrial Classification and the Standard International Trade Classification) to regroup those sub-divisions into wider categories, so as to have a single category of classification by industrial origin corresponding to each of them.

Those various questions were now before the Commission for its consideration, and it would be particularly desirable that there should be a decision on whether
or not to publish the present report and to revise the International Standard Industrial Classification. The latter question would also be raised in connexion with the SNA.

Mr. BOUMAN (United States of America) referred to the importance attached in the United States to the national Standard Industrial Classification (US SIC), which had originally been used in production statistics and had more recently been adopted in new work.

Industries were largely defined in terms of their corresponding products, and in many branches the data relating to the various products gave an approximate picture of industrial production; it was therefore useful to classify products entering world trade in terms of their industry of origin, so as to facilitate comparison with many data regarding industry, such as investments, payrolls, the employment situation, etc. The various statistics relating to exports and imports had been reclassified to make them correspond with the nomenclature adopted in the United States Standard Industrial Classification.

In the United States, export and import statistics had recently been reorganized so as to facilitate their use in connexion with both the SITC and the United States industrial classification. Close harmony was thus being established between the two systems, and comparisons were being facilitated thereby.

The classification of commodities by industrial origin provided a valuable source of information serving a variety of purposes, for example, to evaluate the importance of United States foreign trade in world markets and in the economy of the United States itself, to plan export programmes, and to facilitate market studies and the analysis of inter-industry relationships.

Thus, classification of commodities by industrial origin was already widely used in the United States, which supported the conclusions drawn in the summary.

Mr. DUFFEIT (Canada) said that the draft referred to in the document before the Commission was most interesting. The introduction could usefully have given some examples illustrating the various uses to which classifications of commodities by industrial origin were put nationally and internationally. Dual classifications like the present one were particularly valuable since they made
it possible, for example, to assess the consequences of a change in Customs
duties and to identify the industries affected.

The proposal in paragraph 10 of document E/CN.3/308 that the reverse
relationship between the two classifications should be shown deserved consideration;
however, the differences in industrial structure between countries might greatly
limit its value.

Sir Harry CAMPION (United Kingdom) said that the United Kingdom employed
a standard industrial classification which differed in places from the international
classification but it followed the international classification of trade statistics
almost precisely. The terminology adopted in the classifications submitted to the
Commission seemed to him to be useful. In some cases, however, similar headings
might cover different contents. In the classification of spare parts, some
categories might contain too many items, and other categories too few.

He endorsed the conclusions set out in paragraphs 7 to 10 of document
E/CN.3/308, but he for one did not consider it very important to prepare a key to
the reverse relationship between the two classifications.

Mr. MORITA (Japan) said that the Secretariat was to be commended for the
admirable document submitted to the Commission. He believed a linkage between the
Standard International Trade Classification and the International Standard
Industrial Classification to be of great value and hoped that it would be put to
wider use. It would be desirable to continue the study of relationships between
different classifications, particularly those establishing a link with input-output
tables.

Miss QUESADA (Panama) regretted that her country had not been able to
provide precise answers to the questions which had been asked concerning the
document before the Commission (E/CN.3/307). That task had presented some
difficulty as the questionnaire had been drafted in English only.

Panama therefore wished to submit new comments to the Secretariat at a later
stage. The study in document E/CN.3/308 was a most useful one and she endorsed
the proposals made in document E/CN.3/308 regarding the establishment of the
reverse relationship between the two classifications and the revision of the
SITC. There were, however, a few unfortunate gaps in some sections of the main
document and a different classification should be adopted for certain items.
The descriptions provided in the supplement were not always entirely clear.

Mr. Loftus (Director, Statistical Office) expressed regret that the
Spanish translation had not been ready in time; its preparation was a lengthy
task, however. The Secretariat would be glad to receive the comments of the
Panamanian delegation in due course.

Mr. Voledarsky (Union of Soviet Socialist Republics) said that the
Central Statistical Office of the USSR was at present preparing a single
classification for industry and trade. That project was a major undertaking.
The classification of commodities adopted in the USSR differed from the
Standard Classification. It was based on the fundamental idea of distinguishing
commodities by production sector rather than in terms of intended use. It would
be desirable to improve the comparability of the SITC so as to bring it as close
as possible to the industrial sector approach employed in the USSR. The intended
use of commodities was of less significance than the industry of origin.

It would also be useful to establish a broader classification accompanied by
a more general list of commodities. Such a document would be particularly useful
to the developing countries in connexion with their development efforts.

Mr. Archer (Australia) expressed support for the standardization of
classifications. He felt that the study submitted to the Commission contributed
to that end. However, Australia would find it virtually impossible to adopt the
SITC as a basis for classification of production commodity items at the present
time. A detailed list of commodities had been evolved in Australia, which
differed considerably from the SITC. The list could not be revised as that would
nullify much of the work done and destroy comparability over time for a large
part of the commodity list. Extensive subdivision would be impracticable because
of reporting difficulties which would be encountered and confidentiality problems
which would be involved in publishing data for sub-divided items. Moreover, any
large-scale sudden change in the existing list would rupture the good relations
with informants which had been painstakingly built up over many years.
Mr. LOEB (Economic Commission for Latin America) said that a working group in the ECLA region had prepared a classification of manufactured products related to the ISIC and to the SITC. The work was at present in progress, and no final results were yet available. ECLA continued to work in close cooperation with the staff at Headquarters, and with the Inter-American Statistical Institute.

Mr. ŁUKACS (Statistical Office) said that he wished to draw attention to two fundamental points. First, as was mentioned at the end of the introduction, many questions had been raised regarding the ISIC and the Indexes thereto. However, the Statistical Office had been asked only to establish a connexion between the two classifications and not to revise the ISIC or the Indexes, although some of the comments received mentioned the possibility of a revision. Secondly, since national statistics of industrial commodities were not always classified by sector, the Indexes had in most cases been prepared in relation to the ISIC. It would certainly have been desirable to provide in the introduction a more detailed explanation of the methods and basic principles employed, but it was not, in any event, the intention of the Statistical Office to induce countries to change their own classifications. The developing countries had repeatedly asked for the preparation of a list in which industrial establishments would be classified by commodity and branch. The Statistical Office was considering the possibility of publishing a revised edition of the ISIC.

The CHAIRMAN observed that the members of the Commission were unanimous in recognizing the usefulness of the study submitted to them.

Speaking as representative of Norway, he expressed the hope that a similar study covering services might be prepared. The Central Statistical Office of Sweden had commenced preparation of a standard classification of services; that seemed to be a most useful project which might also be taken up at the international level.

The Secretariat should revise the present study in the light of the comments submitted to it and the discussion in the Commission, after which the study should be published. It would seem premature, however, to revise the standard international classification. If there was no objection, he would take it that
(The Chairman)

the conclusions set forth in paragraph 9 of document E/CN.3/306 were adopted by the Commission.

It was so decided.

Mr. LOFTUS (Director, Statistical Office) said that there was certainly also a need for an international standard classification of services. That question might be reverted to when the Commission took up the item: national accounts.

The meeting rose at 4.45 p.m.
STATISTICAL COMMISSION

Thirteenth Session

SUMMARY RECORD OF THE TWO HUNDRED AND EIGHTEENTH MEETING

Held at Headquarters, New York,
on Thursday, 22 April 1965, at 10 a.m.

CONTENTS

External trade statistics:

(a) Progress report on the International Trade Statistics Centre (E/CN.3/312) (continued)

Study of the major uses of, and requirements for, industrial statistics, including the types of primary data and the indicators derived therefrom (E/CN.3/316) (continued)

Progress report on industrial statistics (E/CN.3/318)
PRESENT:

Chairman:
Mr. BIERVE  Norway
Mr. ARCHER  Australia
Mr. DUFFIE  Canada
Mr. GOLDERS  China
Mr. PALANGIE  France
Mrs. MOD  Hungary
Mr. MAHALANORIS  India
Mr. McCARTHY  Ireland
Mr. MORITA  Japan
Mr. YAMA  Panama
Miss QUESADA  Paname
Mr. MARKIN  Ukrainian Soviet Socialist Republic
Mr. VOLODARSKY  Union of Soviet Socialist Republics
Sir Harry CAMPION  United Kingdom of Great Britain and Northern Ireland
Mr. BOWMAN  United States of America

Representatives of specialized agencies:
Mr. RILEY  International Labour Organization
Mr. KHAMIS  Food and Agriculture Organization of the United Nations
Miss BARRET  United Nations Educational, Scientific and Cultural Organization
Miss KIRKPATRICK  International Civil Aviation Organization
Mr. CARRE  General Agreement on Tariffs and Trade

Representatives of regional economic commissions:
Mr. DAVIES  Economic Commission for Europe
Mr. VISWANATHAN  Economic Commission for Asia and the Far East
Mr. LOEBE  Economic Commission for Latin America
Mr. EL-TAWIL  Economic Commission for Africa
REPRESENT (continued):

Representatives of inter-governmental organizations:

Mr. ZHELEV  
Council for Mutual Economic Assistance

Mr. BERTRAND  
Organization for Economic Co-operation and Development

Secretariat:

Mr. LOFTUS  
Director, Statistical Office

Mr. LUKACS  
Chief, Industrial Statistics Section

Miss GROSSMAN  
Secretary of the Commission
EXTERNAL TRADE STATISTICS:

(a) PROGRESS REPORT ON THE INTERNATIONAL TRADE STATISTICS CENTRE (E/CN.3/312)

(continued)

Mr. CARRE (General Agreement on Tariffs and Trade) said he regretted that circumstances had prevented him from attending the discussion at the 216th meeting, since the Centre provided most of the basic statistics required by GATT for its annual report and projects in the field of economic analysis. His only comment was to express the hope that the statistics could cover more countries and that the time-lag for the publication of figures could be reduced.

STUDY OF THE MAJOR USES OF, AND REQUIREMENTS FOR, INDUSTRIAL STATISTICS, INCLUDING THE TYPES OF PRIMARY DATA AND THE INDICATORS DERIVED THEREFROM (E/CN.3/316)

Mr. LUKACS (Chief, Industrial Statistics Section) introduced the report on major statistical indicators of industrial activity (E/CN.3/316). He said that although some of the items in the list in the annex related to primary data, the main emphasis was on derived figures. Countries might find the list useful in reviewing their national systems even though it did not represent a recommended minimum or maximum. Some indicators were included despite the fact that in many countries it would not be feasible to collect the necessary information. However, from the broad viewpoint of development planning it had not seemed possible to exclude them. If, after considering the list, the Commission thought it should be published, its status as a guide rather than a set of formal international recommendations should be emphasized.

Mr. JUI (China) believed that the report was comprehensive enough for circulation to States for their comments and for use as a guide. He suggested that in the penultimate sentence of paragraph 19 the words "Laspeyres and Paasche" should be deleted, since in the paper Index Numbers of Industrial Production (1950), Studies in Methods, Series F, No. 1, only the Laspeyres or modified Laspeyres formula was recommended; the Paasche formula was only occasionally used. In paragraph 20, the wording of the last sentence should be altered to make its meaning clearer.
Mr. YAHAI (Japan) said that in measuring industrial activities it was important to collect primary data and to derive secondary statistical indicators by processing those data. While the annex to the report was a useful reference list of all the international recommendations relating to such indicators, some points, particularly those under the heading "efficiency", could be improved. If the intention was to list major financial indicators, those now listed, e.g. 5.15 and 5.31, were not adequate, and the criteria for their selection should be further examined. Although there were no international recommendations on the indicators concerned with efficiency, a more detailed description in each case would help users.

In his view, the Secretariat should revise the report in the light of the comments made during the discussion, and then publish it. It might first consult the report now being prepared by ECAFE entitled "Basic statistics for formulating and implementing plans of economic and social development in countries of Asia and the Far East", in which the use of statistical indicators was discussed.

Mr. GOLDBERG (Canada) said that the report was interesting though the general nature of the discussion on uses rather detracted from its value. No attempt was made to relate usefulness to considerations such as the degree of geographical detail required, the cost of data collection, feasibility of response and the degree of accuracy required. Individual countries must of course take such factors into account. Furthermore, although uses were classified as practical or statistical, the crucial distinction appeared to be the level of detail at which the data were used. The report, and particularly the annex, would benefit if some general priorities were indicated for countries in various stages of economic development and those with different social systems.

The list of indicators included a number of items which would be very difficult or impossible to collect regularly in his country even though it had made an annual census of industry for many years. Those included some of the items under the heading "natural resources and fixed assets" and items, such as 5.1, that would be extremely difficult to collect where establishments produced a number of products but did not keep sufficiently detailed records. Furthermore, it would be difficult to allocate office staff on a product basis.

/.../
The title of the paper did not quite fit its contents, which included not only a summary of indicators, but also, at least by implication, a programme for the collection of basic data. With regard, therefore, to the additional items of basic data referred to in paragraph 21, not only should their scope, coverage and contents be explored, but also their feasibility and usefulness for different types of economies. It might also be worthwhile to explore alternative indicators such as the so-called diffusion indicators. Meanwhile, it would be premature to publish the list as a guide.

Mr. VOLODARSKY (Union of Soviet Socialist Republics) said that the report provided an interesting basis for discussion. He would begin with specific comments, particularly on the annex. Section 5 included indicators which were not directly related to efficiency. Items 5.16, 5.17, 5.19 and 5.29-5.31 related to the utilization of material resources for production, and item 5.18 to the level of material production for industry; they should therefore be transferred to section 4. If however, they were to remain in section 5, the section should be given a new heading. Furthermore, item 5.36 should be placed in section 3, and items 5.32, 5.33 and 5.39 in section 6. Items 5.34 and 5.35 might well be placed in a new section on technical progress in industry, but if the number of sections was not to be increased, they should be put in section 1. Items such as 5.19 and 5.28 were expressions of the cost of production; comments on them from other members of the Commission would be welcome. A seventh section might be drawn up dealing with costs of production and profitability.

The actual text of the document should avoid generalities; in the second sentence of paragraph 10, for example, the list of factors could be omitted. In paragraph 14, he would prefer the third sentence to say that the "over-all picture" was needed both by countries where national development plans were used for co-ordinating the activities of individual economic units with the national economy as a whole for the most effective utilization of resources, and by countries where the individual economic units had to take their own decisions as to future trends and the economic life of their country.
Turning to general comments, he said that the list might be supplemented by indicators grouping the means of production by type of ownership and, especially for the benefit of the developing countries, by indicators describing the level of development of industry in each country. The developing countries might also be helped if recommendations on how to obtain more reliable data on the volume of industrial production were included.

It would be useful also to indicate that, in the preparation of indices of industrial production, cost indicators expressed in particular currencies could be determined on a current price as well as a constant price basis. Which price was used would depend on the specific task in hand.

Mr. McCARTHY (Ireland) said that the topic dealt with in the report was of great interest to all countries. However, although the Statistical Office's mandate had been quite specific, the report as it stood was disappointing. The annex, which was its core, was little more than a preliminary check list of indicators, many of which were not of major importance or would be impossible to collect. By contrast, a number of other indicators could well have been included. Furthermore, no real consideration had been given to the ways in which the indicators could be used, although they had already been put to many practical uses and there had been many theoretical studies. He hoped that the Secretariat would broaden and deepen its examination of the subject. At that stage, however, no purpose would be served by publishing the list.

Mr. PALANGIE (France) said that the list was a preliminary one needing further study. It was not a summary of indicators, as the representative of Canada had mentioned, but a maximum programme towards which countries should tend. He felt that a distinction should be made in the list between the two fundamental categories of primary data and derived figures. Also, the list would be much simpler in form if the primary data could be classified according to the type of reporting unit. For example, financial data were collected from enterprises, labour data from local authorities, and technical data from technical units.
Sir Harry CAMPION (United Kingdom) said that what the Commission had wanted to know was how the various kinds of industrial statistics fitted together, what were the requirements for, as well as the uses of, such statistics, and what kind of industrial data a central statistical office should collect as a matter of priority. As to the last point, it was unlikely that a central statistical office would, for example, collect from firms the kind of information referred to in items 3.12 and 3.13. Furthermore, item 5.34 could not be recommended to a country as a basis for collecting industrial statistics, for it concerned a question of detail of interest only to individual firms. Items 3.2 and 3.3 would not be suitable for advanced countries until they had been revised; the report had perhaps attempted too much by covering both industrialized and developing countries. Among other items which he considered should not be recommended to countries were those relating to utilization of machine capacity and output per capita by major individual products. As a final point, the document did not make clear the significance of the brackets around some of the plus signs in the frequency columns.

Mr. Bowman (United States of America) said that the Commission had imposed a very heavy task on the Secretariat; the report which had resulted was useful but did not justify extensive circulation. The evaluation of the need for industrial statistics was too general in its approach, and should concentrate more on the uses of and requirements for such statistics in different circumstances. For example, national accounts had to be based on industrial statistics, but much of the data collected involved ratios, frequencies, etc., which were not required for national accounts. Industrial firms, like countries, resented an excessive burden of reporting, and it was essential to be selective.

Mr. NAHALANORTS (India) congratulated the Secretariat on the report, which, from the point of view of the developing countries, represented a significant step forward. As an attempt at a comprehensive framework for industrial statistics, it was particularly valuable for countries in need of industrialization.
The suggestion made in paragraph 7 that the collection of data would not necessarily be made through normal censuses and would probably be handled through special inquiries was operationally a sound one, and it would be worth while for the United Nations to recommend to advanced countries that they should initiate such inquiries.

He welcomed the statement in paragraph 10 regarding the advantage of presenting information in statistical form but stressed that attention should be drawn to the question of the validity of the material and the margin of error. That point needed to be emphasized for the sake of the developing countries, where statistics which had received the "official" stamp tended to be accepted as infallible, irrespective of the validity of the information.

It was clear that the advanced countries had a very different opinion of the value of the report, and he was fully aware of their disappointment. The different reactions were largely due to the differing extent of industrialization as between developed and developing countries.

There had been much discussion of the uses of and requirements for industrial statistics, but the vital point was by whom they were needed and by whom they should be used. The criticisms levelled against the report by the representatives of some of the advanced countries were admittedly both valid and cogent from their point of view. Although data on many of the items listed in the annex would be quite useless to the advanced countries, such data might still be very significant and very useful to developing countries. The uses of, and requirements for, industrial statistics should not be evaluated in the light of the short-term development of industry in industrialized countries, but by taking a long-term view on the international level.

The developing countries would particularly welcome the kind of information referred to in items 2.5, 5.32 and 5.33.

It might not be necessary for the advanced countries to have information on the number of scientists, engineers and technicians in relation to the total number of employees, but in the developing countries, which needed to train engineers for the establishment of new projects, it was essential to know how many engineers and technicians would be required. That kind of information, which was available in any advanced country but had not been collected or tabulated, could be of very great value to the developing countries.
Of even greater importance was the question of research and research personnel. The relationship between research and production and between research expenditure and national income was now being discussed in a number of advanced countries. In order to develop its exports and international trade, every country, however under-developed, had to utilize its own resources in the most economical way, and research was necessary to make full use of those resources. Research, which might be described as the vitamin of economic development, could overcome many apparent difficulties and deficiencies in national resources. Although the establishment of a base of research was perhaps the most fundamental problem of industrialization, little or no information on that subject was available.

He requested that the report should be circulated, at least to the developing countries, and he addressed a plea to the advanced countries to supply the developing countries with part of their great store of untapped information. The cost of providing such information was trivial by comparison with the cost of the foreign aid needed to produce the same results in five or ten years' time. It was within the power of the statisticians of advanced countries to supply that gift, and he appealed to them to do so.

**Miss GUESADA** (Panama) expressed her delegation's appreciation of the report. Before hearing the statements made by other representatives, she had intended to urge that the report should be published. It now seemed, however that the Secretariat should embark on a more intensive study of the major statistical indicators of industrial activity, in the light of the observations made in the Commission and in consultation with regional organizations and individual countries.

**Mr. MARKIN** (Ukrainian Soviet Socialist Republic) recalled that, at the twelfth plenary session of the Conference of European Statisticians, a group of delegations had proposed that a study of the problems of making international comparisons of the absolute levels of industrial production, as distinct from changes in those levels, should be undertaken by an appropriate body. His country, for its part, had a very full range of data at its disposal on industrial production at all levels, and would be glad to make such data available to the
various groups of users mentioned by previous speakers. He therefore requested that the Commission, in recommending further work on the indicators of industrial activity, should lay particular stress on the importance of achieving international comparability in the absolute levels of production.

His delegation regarded the report as a definite step forward, notwithstanding the critical comments of some delegations, and paid a tribute to the hard work obviously put into it by the Secretariat.

The CHAIRMAN, summing up the discussion, noted that there was general agreement as to the importance of the subject. Many members were of the opinion that the report on major statistical indicators of industrial activity (E/CN.3/316) was not ready for publication as it stood; many suggestions had been advanced which would help the Secretariat to improve the document.

Speaking as the representative of Norway, he said that he was not altogether happy at the division of uses for industrial statistics into "practical" and "statistical" uses, for there should be no conflict between theory and practice. He felt that classification by major users of industrial statistics would be more suitable, since the kind of data required by different groups of users varied greatly. Similarly, the Commission should not be satisfied with the conclusion, stated in paragraph 16, that it would not seem profitable to deal with scientific-theoretical uses and requirements in the present context.

It might also be useful to define "industrial statistics" in such a way as to reduce the number of items which must be included in the list. Reference might be made, for example, to the type of basic statistical unit employed - industrial statistics could be limited to establishments and enterprises and exclude series where the tables referred to other units, such as persons. Most of the series listed in the annex to the report would satisfy that criterion, with the exception, of course, of those on individual earnings.

Mr. MAHALANOBIS (India) said he welcomed the suggestion that industrial statistics should be classified by groups of users because the real problem was that the developed and the developing countries looked to industrial statistics to satisfy two quite distinct sets of requirements. In particular, the developing countries had an urgent need for information about industrialization. Such
information might be of little interest to the advanced countries, but only they were in a position to provide it. As the suggestion for classifying the material in terms of users offered a way out of that dilemma, he hoped that the Secretariat would develop its study of the major statistical indicators of industrial activity along those lines.

Mr. Loftus (Director, Statistical Office) said that the problems facing the Secretariat were even more acute than might be inferred from the previous speaker's suggestion, for it had found itself under pressure from a third group of users - the economists - whose special needs had also to be taken into account.

As the Indian representative had said, the developed and developing countries had such distinct requirements that the Secretariat had found it very difficult to decide what sort of information should be collected. The large amount of data available would certainly be easier to manage if the Secretariat could concentrate in the first instance on those indicators which were of most use to the developing countries, if such was the wish of the Commission. He acknowledged the prescience of the Indian representative who, ten years earlier, had urged study of what were now generally known as pre-investment areas, and he regretted that it had not been possible to take up that representative's proposals at the time. He thanked other delegations, too, for their comments, which would help the Secretariat to make a fresh approach to the subject.

PROGRESS REPORT ON INDUSTRIAL STATISTICS (E/CN.3/318)

Mr. Lukacs (Chief, Industrial Statistics Section) introduced the progress report on the 1963 World Programme of Basic Industrial Statistics (E/CN.3/318). He said that in carrying out the 1963 World Programme, it was clear even at the present early stage that several problems had been generally encountered. Two of them related to the enumeration of the quantities of selected individual commodities produced. The first problem arose because there were no international recommendations specifically relating to that field. It would thus be worth while to try to establish some, in which case a list of 250 to 350 individual commodities might be involved. The second problem was the need for a change in the international recommendations more generally related to that field: the data
should not be confined to the quantity produced for shipment or sale but should, in
the case of selected important intermediate products, refer to the total production,
both intermediate and final. The international publications were at present
providing commodity data (e.g., for steel and yarn) on that basis. The new
recommendations might also deal with data on the consumption of individual selected
materials.

The other problems mentioned in the progress report were the value of the
total stock of fixed assets and depreciation; the classification of establishments
by size; and the relationship of basic data to current statistics and national
accounts. The Commission might wish to express its views on those questions.

The Statistical Office had begun work on the compilation of the census results
and intended to publish the national data as soon as possible. The material
published would thus be a continuation of the Growth of World Industry, 1938-1961,
National Tables; to date there were seventeen countries for which the census data
were available. He noted that a basic survey did not yet mean, for all countries,
the coverage of all establishments. The appendix clearly indicated that a number
of the countries participating in the 1963 World Programme had been able to cover only
the large establishments. In addition, the construction sector was sometimes
omitted altogether.

He recalled the Economic and Social Council’s recommendation that a basic
survey should be undertaken every five years if feasible, and in any event at least
every ten years. Although it should certainly be possible for the industrialized
countries to observe the five-year interval, ten years might have to be the minimum
in the less industrialized countries. The Commission might therefore wish to ask
the Council to recommend a World Programme of Basic Industrial Statistics for 1968,
under which all industrialized countries would be encouraged to cover all
establishments, and the less industrialized countries which had not conducted a
basic inquiry covering all establishments since 1960 would also be encouraged to
participate.

Mr. Yanai (Japan) said he was glad that as many as ninety-two countries
had participated in the World Programme. He thanked the Secretariat and regional
economic commissions for their efforts in carrying out the Programme, in which his delegation placed great hopes. He agreed that there should be a 1963 World Programme and that the Secretariat should be requested to make the necessary preparations.

As the items to be considered under the 1968 Programme would be entrusted to a group of experts, he would at that stage, confine his remarks to some of the problems affecting the collection of data on individual products as suggested in paragraph 10 of the progress report. As to the proposal for investigating the value and quantity of intermediate products which were produced and consumed as materials within the same establishment, the Japanese Census of Manufactures did not investigate intermediate products which were processed further within the same establishment because it was designed to give priority to value added by establishment. For example, of pig-iron produced in a foundry, only that volume which was shipped in the form of pig-iron was reported under that heading, while the volume which was processed further into steel products within the same establishment was not reported.

In Japan, monthly statistics were published on the production activities of mining and manufacturing industries in regard to important individual products, and it would hence be easy to provide the figures suggested in the progress report. That would not, however, be so simple for countries whose industrial censuses were designed mainly to assess value added by establishment. It might accordingly be necessary to investigate the circumstances in each country on an individual basis.

Mr. Davies (Economic Commission for Europe) drew attention to two elements of the 1965 European Regional Programme which had not been included in the World Programme. The first had been the collection and tabulation of information on the quantities of selected important products, as mentioned in paragraph 9 of the progress report. In addition, the Conference of European Statisticians had worked out two sets of completely parallel recommendations for data relating to establishment-type units and enterprise-type units respectively, thus dealing with a problem which had complicated discussions in the past. It had also drawn up a set of principles for the classification of enterprises, which represented a new step in that field.
With respect to the matters discussed in paragraph 13 of the report, the Conference of European Statisticians had already held two meetings to discuss the optimum utilization of the results of the 1963 inquiries in the revision of index numbers of industrial production, and had drawn up a series of recommendations for the revision and updating of the recommendations adopted by the Conference in 1950 for the standardization of index numbers of industrial production. Discussions had also taken place on the utilization of basic data for weights and series and on the practical problems of compilation.

Mr. PALANGIE (France) pointed out, with respect to paragraph 10 of the report, that the 1963 Industrial Census in France had included certain products which were considered fundamental, such as textiles, even where they formed part of a vertical process of production. He was uncertain whether France would be able to take a further industrial census in 1968, since it would be occupied with a distribution census in 1967 and possibly with a population census in 1968. If, however, it was decided to recommend a World Programme for 1968, the Secretariat should bear in mind the necessity of issuing its recommendations at an early date in order to allow countries sufficient time to prepare for an operation of such scope.

Sir Harry CAUTION (United Kingdom) was glad to note that the 1963 Programme had been so successful. The main difficulty in arranging a further industrial census in 1968 was that some countries apparently worked on a ten-year programme. Although the United Kingdom, for its part, would be in favour of another World Programme in or near 1968, he doubted whether one should be organized unless there was an assurance that a large number of countries would participate. The type of information to be sought would depend on an evaluation of the results of the 1963 Programme, which would take some time. On the other hand, the United Kingdom would have to be informed of the final decision on the form of the census not later than the spring of 1967, owing to the legal requirement that notice must be given to enterprises not later than three months before the beginning of the year in which the census was to be held. He pointed out that the 1963 Census of Production in the United Kingdom had been on an establishment basis throughout, and not on an enterprise basis, as stated in the appendix to the report.
Mr. BOWMAN (United States of America) noted with satisfaction the almost universal attempt by countries to compile basic data on industry at the time indicated. Document E/CN.3/313 was an excellent report which, in general, showed that the recommendations previously made by the Commission, including the options to omit selected small establishments and the construction sector, had been sound.

The report indicated that important work remained to be done, especially in connexion with the further development of lists of individual products and the development for the first time of standardized lists of the most important materials consumed, probably on a regional basis. It also showed that information on the value of the total stock of fixed assets and the depreciation of fixed assets was best collected through special surveys. Reference was also made to the Commission's earlier recommendation that the collection of basic industrial statistics would furnish an excellent framework and base for gathering and compiling annual and more current data on industrial units. His delegation therefore recommended that two agenda items - one entitled "Work to be done on the development of lists of individual products and standardized lists of important materials consumed" and the other entitled "Use of the basic industrial statistics work as a base for annual or more current surveys" - should be discussed at regional conferences and at future sessions of the Commission in connexion with a World Programme for 1968, which the United States favoured.

His delegation fully agreed with the comment on the construction sector in the last sentence of paragraph 15 of the report; indeed, it would go even further and suggest that construction statistics should be made the subject of separate international, regional or Statistical Commission meetings. Among the reasons which made a separate approach desirable were: the neglect which that topic had suffered when discussed in conjunction with other sectors, the fact that special problems were involved in measuring construction and the further fact that the statisticians most familiar with construction statistics in some countries were not those responsible for statistics of other industrial sectors.

The appendix to the report was most enlightening, but there were some errors in the United States entry which he would bring to the attention of the Secretariat for correction. He hoped that the Statistical Office would keep the information in the appendix up to date and that it would urge countries which had not completed all sections to do so.
He would inform the Secretariat of the status of the results of the 1963 census in his country. Despite the use of electronic data processing and other technical improvements, the United States was still not satisfied with the time taken to collect and tabulate data and to put them in usable form, especially for the compilation of input-output tables.

Mr. VOLODAPSKY (Union of Soviet Socialist Republics) said that the item under discussion was of great importance, owing to the fact that the developing countries in particular still had much to do in the field of industrial statistics and the taking of industrial censuses. The USSR collected comprehensive information at frequent intervals on industrial enterprises, large and small, and thus had available at all times the data it needed on industrial activity as a whole and on individual sectors.

As a participant in the Conference of Asian Statisticians in December 1964, he fully appreciated the importance of the problem, referred to in paragraph 14 of the report, of classifying establishments by size. Although it was difficult to recommend standard criteria valid for all countries, each country should at least determine its own criteria on the basis of the number of workers, the number of motors, and/or various other factors. He hoped that the documentation for the 1968 World Programme, if it was decided to arrange one, would refer to that problem more fully than the report now before the Commission.

Mr. ARCHER (Australia) complimented the Secretariat on the success of the 1963 World Programme. He expressed agreement with the representative of the United Kingdom that an assurance of wide support should be obtained before any decision was taken on a full-scale programme for 1968. Australia would have no difficulty in that connexion, since it took industrial censuses on an annual basis. He agreed with the United States representative that it might be desirable to formulate a separate set of recommendations for the construction sector. The mining and the electricity and gas sectors were also perhaps sufficiently different from most manufacturing activities to warrant the preparation of a special set of recommendations within the over-all framework.

The meeting rose at 12.45 p.m.
UNITED NATIONS
ECONOMIC
AND
SOCIAL COUNCIL

STATISTICAL COMMISSION

Thirteenth Session

SUMMARY RECORD OF THE TWO HUNDRED AND NINETEENTH MEETING

Held at Headquarters, New York,
on Thursday, 22 April 1965, at 2.40 p.m.

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Progress report on industrial statistics (E/CN.3/318) (continued)

Study of the industrial statistics of selected countries (Japan,
India, Ghana, Brazil) (E/CN.3/309)

Construction statistics: concepts and methods of collection and
compilation (E/CN.3/305 and 306)
PRESENT:

Chairman: Mr. DJERVE Norway
Rapporteur: Mr. ARCHER Australia
Members: Mr. DUPTETT Canada
Mr. JUI China
Mr. PALANGIE France
Mrs. MCD Hungary
Mr. MAHALAWIS India
Mr. McCARTHY Ireland
Mr. YANAI Japan
Miss QUESADA Panama
Mr. MARKIN Ukrainian Soviet Socialist Republic
Mr. VOLODARSKY Union of Soviet Socialist Republics
Sir Harry CAMPION United Kingdom of Great Britain and Northern Ireland
Mr. BOWMAN United States of America
Mr. MARTINEZ Uruguay

Representatives of specialized agencies:
Mr. RILEY International Labour Organisation
Mr. KHAMIS Food and Agriculture Organization
Mrs. BARRETT United Nations Educational, Scientific and Cultural Organization
Miss KIRKPATRICK International Civil Aviation Organization
Dr. LOGAN World Health Organization
Mr. CARRE General Agreement on Tariffs and Trade

Representatives of regional economic commissions:
Mr. DAVIES Economic Commission for Europe
Mr. VISWANATHAN Economic Commission for Asia and the Far East
Mr. LOEB Economic Commission for Latin America
Mr. EL-TAWIL Economic Commission for Africa

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PRESENT (continued):

Representatives of inter-governmental organizations:

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<td>Mr. Zhelev</td>
<td>Council for Mutual Economic Assistance</td>
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Secretariat:

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<td>Mr. Loftus</td>
<td>Director, Statistical Office</td>
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<td>Chief, Industrial Statistics Section</td>
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<td>Miss Grossman</td>
<td>Secretary of the Commission</td>
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PROGRESS REPORT ON INDUSTRIAL STATISTICS (E/CN.3/318) (continued)

The CHAIRMAN, speaking as representative of Norway, said that in his view the last sentence in paragraph 14 of document E/CN.3/318 was too categorical. It was certainly most useful to have different criteria for grouping establishments by size but the selection of the criteria must always be subordinate to the degree of stability of the relations which it was hoped to establish. Paragraph 14 might therefore be amended along those lines, account being taken of the remarks of the representative of the Soviet Union. With regard to the carrying out of a World Programme of Basic Industrial Statistics for 1968, it should be noted that many countries carried out industrial or other censuses every ten years and less detailed surveys every year. That frequency was an established fact, and a five-year interval between world programmes would oblige certain countries, including Norway, to change the existing machinery. In order to increase the possibilities for countries to accept recommendations for a World Programme for 1968, it would be preferable to restrict the field and scope of the 1968 census to, at most, an expanded type of annual survey wherever annual surveys were firmly established.

Miss QUESADA (Panama) said that 1968 seemed too close at hand for a new World Programme of Industrial Statistics. Certain Latin American countries had not yet completed their economic censuses, while others were to complete them in 1965. Moreover, in June 1964 the working group on industrial statistics of the Central American Economic Co-operation Committee had recommended the countries concerned to carry out an economic census in 1970 and, if necessary, expanded surveys in 1969. It seemed difficult to reconcile those recommendations with participation in the World Programme for 1968. It was therefore essential to seek to achieve co-ordination in that field and it seemed necessary to consult countries and regional bodies before taking a decision.

Mr. LUKACS (Statistical Office) suggested that in making recommendations concerning the World Programme the Commission should not specify the date on which the Programme should be carried out, as that would be determined in the light of the wishes of the countries concerned. With regard to the classification of establishments by size, it would certainly be better to use as a basis the total amount of energy consumed, rather than the amount of electricity used and the value added. Unfortunately, data regarding total energy consumption were not always available.
Sir Harry CAMPION (United Kingdom) observed that if the Economic and Social Council decided that a World Programme of Industrial Statistics was to take place in 1968 that would oblige countries which, for one reason or another, could not participate in the Programme to give an explanation for their non-participation.

Mr. LOFTUS (Director, Statistical Office) said that the requirement was not so much to make recommendations to the Economic and Social Council as to enable countries which were behind in that field to catch up with those which were ahead of them.

Mr. BOWMAN (United States of America) considered that it was important to make it clear that the Commission had not made any recommendation regarding the World Programme at the present stage of its work.

STUDY OF THE INDUSTRIAL STATISTICS OF SELECTED COUNTRIES (JAPAN, INDIA, GHANA, BRAZIL) (E/CN.3/3/309)

Mr. YANAI (Japan) said that the experience his country had gained in the collection of statistics relating to small industrial establishments might be useful to developing countries. Of the 492,000 manufacturing establishments recorded in Japan in 1962, 50 per cent employed three persons or less. Nevertheless, the small establishments were of relatively little importance. They employed only 6 per cent of the total labour force, and their production represented less than 2 per cent of the total value of Japanese industrial production. As far as the frequency of censuses of manufacturing industries was concerned, the yearly frequency advocated by the Commission seemed to be the most appropriate. A similar annual survey, covering at least the large establishments, also seemed to meet the needs of the developing countries whose industry was growing and changing as rapidly as Japan's. In the case of small establishments, an interval of several years (ten years at the most) appeared to be appropriate. The use of sampling methods for the infrequent collection of data, as suggested in the report by the Secretary-General (E/CN.3/3/309), would present certain technical problems, however, such as the difficulty of establishing a reliable directory, the inaccuracy of area sampling methods, etc. In certain cases, therefore, the method of complete enumeration could be used with advantage instead of the sampling method, even if that appeared to necessitate elimination of certain establishments below a certain minimum size. If such elimination was necessary, the very small establishments could be enumerated in a population census or other similar survey.
In industrial censuses, the distinction between agriculture and manufacturing industry or between manufacturing industry and the retail trade was very important. In Japan, establishments which sold their products directly to consumers were excluded from the census of manufacturing industry and were enumerated in the biennial trade census. There were nearly 120,000 such establishments in Japan, and their exclusion considerably facilitated the carrying out of censuses of industry.

The division between agriculture and industry was made as follows: farmers who engaged in industrial activities using mainly raw materials acquired by themselves were excluded from the census of manufactures; they were included, however, if they operated an independent working place using employees. The collection of data concerning fixed capital involved difficulties in Japan as elsewhere. Such data were not collected from establishments employing less than nine persons. In fact, it had been decided not to collect such data from establishments employing between ten and nineteen persons for the 1965 census of manufactures because of the lack of precision of the data supplied by small establishments and the desire to lighten the task of respondents while at the same time accelerating the tabulation of the statistics. Data on industrial equipment (in physical units) and basic data on the capacity of such equipment were collected through special inquiries, since the required type and frequency of data varied appreciably from industry to industry.

Mr. MAHALANOBIS (India) considered that the conclusions of the report (E/CN.3/509, para. 37) might be modified so as to emphasize the importance, along with large establishments, of certain small enterprises in the machinery industry (factories producing ball-bearings, machine tools, etc.). A separate determination of the production of such establishments, which played an important part in economic growth, might be recommended. Developing countries had nothing to gain from imitating industrialized countries in carrying out censuses which were less than essential. In many cases sample surveys could be usefully substituted for industrial censuses. With reference to paragraph 36, he observed that the collection of current statistics by means of special inquiries or sample surveys with as brief a questionnaire as possible was greatly preferable to general-purpose inquiries. It was not essential for inquiries concerned with industrial structure to be carried out at very short intervals.
Mr. LUFFETT (Canada), referring to paragraph 5 of the report, said that classification of establishments made it possible to separate large and small enterprises and to single out the latter for less detailed questionnaires. However, where small enterprises accounted for a sizable proportion of total production, it was necessary to send them a fairly complete questionnaire as well.

When an annual inquiry was made with the establishment used as the basic unit, agricultural activities had to be treated separately. In Canada, for instance, some farmers also engaged in forestry, and the competent authorities sent then a separate questionnaire, which provided a way out of the difficulties created by the choice of the establishment as the statistical unit.

Where content was concerned, questionnaires in industrial censuses should not be overburdened with questions on inventories, fixed assets and replacement of equipment. The Statistical Office might perhaps provide some guidance on methods of evaluating statistics relating to those factors.

The Indian representative had mentioned the usefulness of the suggestions regarding the periodicity of inquiries (E/CN.3/309, para. 37). A yearly inquiry made it possible gradually to train career statistical personnel and to accustom respondents to the procedure, which was bound to improve the quality of responses. It might also be desirable to spread a given inquiry over several years, as had been suggested by the Norwegian representative.

Mr. VODDARSKY (Union of Soviet Socialist Republics) said that it was natural for statisticians in developing countries to seek to collect the largest possible volume of statistics, as they constituted the indispensable basis for planning economic and social development, and particularly for industrial development; it was also important that the statistics should be processed as rapidly as possible. The Indian representative’s remarks concerning the periodicity and scope of censuses were very pertinent. The competent authorities in the USSR were prepared to give developing countries the benefit of their experience in the enumeration of industrial enterprises and could transmit to the Secretariat a statement of the results of censuses carried out in that country.

Each country would include items of varying degrees of complexity in its censuses, depending on the personnel and facilities available to it. Generally speaking, it seemed advisable to include items on the cost and distribution of means of production.
With respect to the valuation of inherited assets (E/CN.3/309, para. 24), it might be useful for the Statistical Office to develop a method whereby either the current value or the initial value would be used.

The Japanese representative had been quite right in his comment on the periodicity of industrial censuses; excessively long intervals would present a number of disadvantages.

Mr. LOFIUS (Director, Statistical Office), replying to a question, said that no date had yet been fixed for the preparation of a revision of Index Numbers of Industrial Production. When the question came up again in connexion with the five-year programme, the Commission would have to assign a suitable priority to the project.

Mr. PALANGIE (France) said that he had been particularly interested in the Japanese representative's observation concerning the scope of industrial statistics in Japan.

The same problem existed in France: producing units which offered their products directly to households were not covered by industrial statistics. Those concerned (butchers, pork butchers, bakers, etc.) were questioned in the course of trade surveys in which the tradesman was viewed from a sociological standpoint. They looked on themselves, moreover, as tradesmen.

Mr. LUKACS (Statistical Office) said that the Commission appeared generally to endorse the conclusions set forth in the report. He had noted the suggestions for changes or for emphasizing certain points. Once the appropriate alterations had been made, the document could be transmitted to statistical offices in the developing countries and generally to all interested countries. In particular, the detailed references to fixed assets might be omitted and a separate study made on that subject could be prepared at a later date.

CONSTRUCTION STATISTICS: CONCEPTS AND METHODS OF COLLECTION AND COMPILATION (E/CN.3/305 and 306)

Mr. LUKACS (Statistical Office) introduced the documents which the Statistical Commission, at its twelfth session, had requested the Secretariat to prepare. Unfortunately, it was impossible to apply to construction the same statistical techniques as in other industrial sectors. Consequently, the time was not yet ripe for the formulation of recommendations either for the choice of the ...
statistical unit or the kind of data to be collected, which depended to a large extent on the definition of the statistical unit. However, the Commission could recommend that the enterprise should be taken as the unit, at least for basic inquiries. Out of the sixty-three countries mentioned in annex I (a) of document E/CN.3/305, sixty-one had adopted that solution although it sometimes made it difficult to identify units and to assess the amount of work done by establishments or private individuals which did not belong to the construction sector.

The Commission might also recommend that the report should be revised in the light of the present debate and comments received later, and that the index numbers of production should be published for a larger number of countries in the next United Nations Statistical Yearbook. The number was 12 in 1963 and 17 in 1964; in might be possible to increase it to 24 in the next Yearbook.

Mr. ARCHER (Australia) felt that the publication of the main study (E/CN.3/305), once it was revised and re-examined by the Commission, would be most useful because that was a difficult field of statistics and existing documentation was scanty.

In addition to the comments of the Australian Government incorporated in document E/CN.3/306, one general observation should have been included: the purposes of the statistics and the statistical practices which would be desirable to meet those purposes must be clearly borne in mind. Discussion of that kind was at the heart of formulation of national policies regarding allocation of resources to various kinds of statistical work. Certain data were necessary in particular countries whereas they were of little value in others but, nevertheless, an authoritative discussion should be of interest and value.

The revision suggested in recommendation (i) should be made in consultation with the countries concerned. It was advisable not only to establish a borderline between manufacturing industries and the construction sector but also to distinguish carefully between the different branches within each sector. With reference to recommendation (ii), the difficulties involved in the definition of the statistical unit would be considered in Australia in connexion with the planning of the first census of the construction industry.

The extension of the annexes suggested in recommendation (iii) appeared desirable. He supported recommendations (iii) and (iv).
Mr. YANAI (Japan) stressed how difficult it was to obtain reliable and comprehensive construction statistics. Such statistics were much less developed than those in other sectors, particularly in Japan. Furthermore, in Japan, industrial buildings had undergone rapid changes which made the collection of statistics even more difficult.

The comments which had been made by several countries seemed pertinent but it was perhaps wiser not to insist too much on theoretical exactitude, for that would only increase the difficulties. On the other hand, it would be useful to provide guidelines, particularly for the developing countries, concerning the priorities to be followed with respect to the various components of construction statistics.

The report submitted to the Commission was very useful and it should be published later in the Statistical Papers Series.

Mr. PALANQIN (France) pointed out that in France the preparation of construction statistics involved a monthly inquiry by organizations in the construction field and an annual inquiry by the Government regarding workers employed, wage levels, investments, number of buildings constructed, etc.

Enterprises had been questioned exhaustively for the first time during the 1963 census; as a result, construction statistics had been thoroughly overhauled. The document would therefore be extremely valuable and, when it had been revised, would certainly constitute the reference work in that field.

Mrs. MOD (Hungary) stressed the value of the Secretariat's study, which constituted the first complete description of the techniques used in construction statistics. In view of the growing importance of the construction sector, it was urgent to improve statistics in that field and to take into account new developments in the revision of the ISIC.

It was also essential to elaborate techniques for identifying construction carried out by enterprises belonging to other branches and to collect data on machines, labour, and time expended on construction work.

Mr. MARKIN (Ukrainian Soviet Socialist Republic) said that on the whole he supported the recommendations made in the document before the Commission.

In the Ukraine, construction statistics were based on planning patterns and financing methods. Construction was carried out by State enterprises, by co-operatives with the help of State funds or funds advanced from the capital of
enterprises, by units of agricultural production such as collective farms, or
directly by individuals, using their own resources or State aid.

Statistics were prepared by the State in co-operation with the bodies
concerned. There emerged a considerable volume of statistics comprising a series
of indicators, the main ones being the utilization of resources and the level of
investments. The statistics were processed at the various statistical institutes
by means of tabulating machines and finally assembled at the central office. The
results were published in very detailed bulletins. Thus, the implementation of
the programme recommended would give rise to no difficulties for the Ukraine.

Miss GUESADA (Panama) said that her country had held its first building
census in 1963, taking as the statistical unit for the actual enumeration the
enterprise rather than the establishment, as recommended by COINS. While inquiries
for the purposes of continuing statistics should be confined to those aspects of
construction which were of the greatest interest to individual countries, they
should also cover related industrial activities. The thoroughness of the
enumeration was extremely important, because the quality of the results of the
inquiry depended upon it; careful attention should therefore be given to the
major difficulties in that connexion, including the lack or deficiency of financial
records, the fact that financial years did not always coincide with base periods,
and the enumerations of sub-contractors. It was important to classify apprentices
separately, showing the trade for which they were training. With reference to
the tabulations recommended in document E/CN.3/306, it would be desirable, in
addition to preparing a minimum list and an expanded list of topics and concepts,
to present models of the tabulations in a form which would indicate more clearly
what kind of international comparability was sought in the publication of the
data. The idea of including some questions on construction in sample household
surveys was welcome and might be the subject of further study.

Mr. BOWMAN (United States of America) apologized for the failure of the
United States agencies to submit their comments on the study entitled "Construction
Statistics" (E/CN.3/305). He promised to have them sent to the Secretariat along
with certain corrections which should be made in annex III of the study.
Construction activity had to be distinguished from the activity of the branch (or
industry) whose major activity was construction. Construction statistics, because
of the wide variety of establishment units which engaged in construction, mainly
measured the construction output without stressing the characteristics of the primary industrial units responsible. Thus, because of the variety of establishments engaged, emphasis was placed on the measurement of the products from all establishments rather than the production of those establishments classified in the construction industry. Statisticians were interested not only in the volume of construction but also in its geographical distribution, facts which could not be obtained on the basis of a list of establishments whose major activity was construction.

Sir Harry CAMPTON (United Kingdom) indicated, with reference to annex III, that since the war the United Kingdom had been preparing detailed construction statistics relating not only to output, expenditure and employment but also to type of construction and types of enterprises. The study expressed, to a certain extent, the thinking of United Kingdom statisticians in that field, and in addition their doubts. Although it was not perfect, it was deserving of publication since it might serve as a very useful tool for many countries. With reference to paragraph 25 of document E/CN.3/306, he stressed that the opening of new mines, the working of open-cast mines and other similar activities were still being included in the coverage of construction statistics. Again, difficulties were being encountered in the matter of large companies which had construction facilities of their own. Finally, there was reason to ask oneself how much of maintenance and repair work should be included in the statistics. It was often difficult to tell whether manufacturing activity or construction was involved. The recommendations or suggestions in paragraph 25 were reasonable. As to the annexes, annexes III and IV especially should be included, since they were more useful than the other two annexes. In conclusion, he said that it was useful to have statistics indicating future activity in the construction industry, notwithstanding the difficulty there was in obtaining data from enterprises and in making figures compatible.

Mr. VOLODARSKY (Union of Soviet Socialist Republics) stressed the importance of the report, which, for the first time, provided an over-all picture of the techniques employed in various countries in compiling construction statistics. The work undertaken should be continued, because there were quite a number of problems which could not be solved in the immediate future. To increase the usefulness of construction statistics, it would be necessary to continue the work along several lines:
First, the statistical units and the various activities coming under the heading of construction would have to be defined more closely. The list which appeared in the report covered only work carried out by enterprises or organizations engaged solely in construction. If coverage were restricted to such enterprises or organizations, the total value of the resources devoted to construction might be seriously underestimated. Furthermore, it was necessary to define the coverage of the different types of statistical observations. The methods of combining construction agencies would have to be studied, with a view to ensuring a reasonable distribution of resources.

It would also be necessary to compile statistics on expenditure devoted to construction. The pattern of such expenditure was indicative of the efficiency of construction, and was therefore very important.

Finally, there must be statistics of material resources available to countries for developing their construction industry and indices of output and the productivity of labour in that sector.

The Soviet Union considered construction as an independent sector which should be separated from industrial production. Related industries (cement works, factories producing parts, etc.) had to be classified as industrial production.

Mr. W AHALANOBIS (India) also considered the study on construction statistics most useful and said that it should be continued. The problem mentioned by the United States representative was important: it had to be decided whether attention should be focused on the enterprise or on production. Most of the under-developed countries had only a few enterprises, with which they concluded contracts or sub-contracts for the construction of dwellings and factories; for such countries, statistics by establishments were not very useful, except in the case of old-established enterprises. On the other hand, it was important for such countries to be able to estimate the expenditure necessary for construction, and the share of construction in capital expenditure and capital formation. In India, great importance was attached to that indicator of the efficiency of construction. The representative of the Soviet Union had raised an interesting point when he had asked whether cement and steel, for example, should be included under industrial production. If cement was not included in the over-all value of production, the point should:be studied in greater detail. It was practically impossible, as far as the under-developed countries were
concerned, to include in construction statistics maintenance and repair work on
dwellings in rural areas: in most cases local materials were used without recourse
to any enterprise. In conclusion, he said that the study was of great interest,
but a large part of it was not of any immediate utility to many developing countries.
That was the case, for example, with the census inquiries by mail mentioned in
paragraph 6.13 of document E/CN.3/305; such an advanced method was quite
impracticable in India. In saying that, he was not making a purely negative
criticism. More thought should be given to the problem and use should be made,
for example, of the indications provided by building permits granted by
municipalities; there should also be a preference for sampling procedures.

Mr. RILEY (International Labour Organisation) pointed out that if the
study was published, it should be consistent with the international standards
recommended by the ILO with respect to hours of work, conditions of employment,
etc., and with the relevant recommendations of other specialized agencies.

Mr. McCARTHY (Ireland) said that he thought the study was very useful
and should be published. However, the possibilities of compiling statistics on
future construction should be examined, in view of the long period of gestation
required to develop such statistics. Only Japan and the United Kingdom were
collecting data on construction projects about to be started. Ireland had also
made an attempt to do the same thing. It would be very useful to develop a
statistical technique to be applied whenever, in a given country, construction
was not covered by an over-all plan.

The meeting rose at 5.10 p.m.
Statistical Commission

Thirteenth Session

Summary record of the two hundred and twentieth meeting

Held at Headquarters, New York,
on Friday, 27 April 1965, at 10 a.m.

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Construction statistics: concepts and methods of collection and compilation (E/CN.3/305 and 306) (continued)

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Developments in compilation and other aspects of the work on national accounts (E/CN.3/326)

Statistics of the distribution of income (E/CN.3/323)
PRESENT:

Chairman: Mr. DJERWE Norway
Rapporteur: Mr. ARCHER (Australia)
Members:
- Mr. YOUNGMAN Australia
- Mr. GOLDBERG Canada
- Mr. JUI China
- Mr. PALANGIE France
- Mrs. MOD Hungary
- Mr. MAHALANOBIS India
- Mr. NAIR
- Mr. McCARTHY Ireland
- Mr. MORIYA Japan
- Miss QUESADA Panama
- Mr. NARKIN Ukrainian Soviet Socialist Republic
- Mr. VOLODARSKY Union of Soviet Socialist Republics
- Sir Harry CAMPION United Kingdom of Great Britain and Northern Ireland
- Mr. BOWMAN United States of America
- Mr. MARTINEZ Uruguay

Representatives of specialized agencies:
- Mr. RILEY International Labour Organization
- Mr. KHANIS Food and Agriculture Organization of the United Nations
- Miss BARRETT United Nations Educational, Scientific and Cultural Organization
- Miss KIRKPATRICK International Civil Aviation Organization
- Dr. LOGAN World Health Organization

Representatives of regional economic commissions:
- Mr. DAVIES Economic Commission for Europe
- Mr. VISWANATHAN Economic Commission for Asia and the Far East
- Mr. LOEB Economic Commission for Latin America
- Mr. EL-TAWIL Economic Commission for Africa

/...
PRESENT (continued):

Representatives of inter-governmental organizations:

Mr. ZHELEV Council for Mutual Economic Assistance

Mr. YAGER Organization for Economic Co-operation and Development

Secretary:

Mr. LOFTUS Director, Statistical Office

Mr. AIDENOFF Assistant Director in charge of National Accounts, Finance and Prices Branch

Mr. LUKACS Assistant Director in charge of General Economic Statistics Branch and Industrial Statistics Section

Mr. LINNAMO Acting Chief, Economic Projections Section, Economic Development Branch

Miss GROSSMAN Secretary of the Committee
CONSTRUCTION STATISTICS: CONCEPTS AND METHODS OF COLLECTION AND COMPILATION
(E/CN.3/305 and 306) (continued)

Mr. Goldberg (Canada) associated himself with the favourable comments made at the previous meeting in regard to the study on construction statistics (E/CN.3/305), and supported the suggestion, in paragraph 26 of document E/CN.3/306, that the study should be published after suitable revision. Some of the references to Canada needed correction, and his delegation would communicate its suggestions to the Statistical Office.

While he supported the suggestion in paragraph 25 (i) of document E/CN.3/306 concerning a possible general revision of ISIC, he also endorsed paragraph 4.4 of the study on construction statistics to the effect that own-account construction should continue to be classified to the appropriate industry groups but that, in addition, as many items pertaining to own-account construction as possible - and, as a minimum, employment and the value of work done - should be shown separately. That procedure would facilitate the compilation of comprehensive series pertaining to aggregate construction activity, both in the construction industry proper and in other industries of ISIC.

Although the figures on construction published by Canada were at present confined to the total activity concept, the possibility of developing separate statistics for the construction industry in accordance with ISIC was being explored as part of a broader investigation aimed at improving construction statistics in order to satisfy the requirements of input-output tables, industry output indexes and other uses of construction data.

Mr. Khamis (Food and Agriculture Organization of the United Nations) said that the study on construction statistics (E/CN.3/305) was a welcome addition to the methodological studies produced by international organizations. The subject was of interest to FAO in so far as agricultural construction was concerned.

According to the present SNA, construction activities of farmers were included under agriculture, and the present study conformed to that procedure, as already indicated by the Canadian representative. On the other hand, the Commission would shortly be considering, under another item, proposals for the revision of SNA, including a recommendation for the transfer of own-construction to the construction
sector. It would therefore be useful if the revised version of the study took into account any such changes so as to ensure consistency between different methodological studies. It should also enumerate in greater detail the type of agricultural activities coming under the heading "construction", such as terracing, fencing, irrigation works, construction of temporary sheds, and so forth. He endorsed the observations made by the United States representative in that connexion.

His organization was prepared to co-operate fully in further work on construction statistics relating to its field of special interest.

The CHAIRMAN, speaking as the representative of Norway, said that he endorsed the conclusions in paragraphs 24 to 26 of document E/CN.3/306 but felt that the list referred to in paragraph 25 (iv) should be indicative only. It would be a mistake to encourage countries to start gathering statistics in such a difficult field on too comprehensive a basis; it was better to start modestly and avoid disappointment.

Mr. MONTA (Japan) noted that paragraph 25 (i) of document E/CN.3/306 implied that further work on the study of construction statistics might involve a general revision of ISIC. He felt that any changes should be kept to a minimum, since ISIC had been widely accepted as a workable standard and had to function as a stable basis for the time-series comparison in any duration of time.

Mr. LUKACS (Secretariat) said that the foregoing discussion would be of great help to the Secretariat in revising the study on construction statistics. The general agreement which now seemed to have been reached that construction should be treated separately from manufacturing was a real step forward. As, however, the construction industry was highly complex, it was understandably difficult to make clear recommendations. He thanked the Norwegian representative for sounding a note of caution about the comprehensiveness of the data-collection activities recommended to Governments in the field of construction. He thanked the Indian representative, too, for showing that the study might be too sophisticated, and perhaps failed to take the needs of developing countries sufficiently into account.
Own-account construction was a very important question, for it comprised as much as 25 or 30 per cent of all construction activity in many countries. That fact presented special difficulties in the compilation of data pertaining to total construction activity, and he welcomed the solution advanced by the Canadian representative.

The CHAIRMAN, summing up the discussion, noted that there was agreement that construction statistics had been neglected in the statistical systems of most countries. It was important for many reasons to expand such statistics, e.g., the need to develop input-output tables and to improve the quality of national accounts. As construction statistics presented special difficulties, work on the international level might greatly facilitate national efforts. It was the Commission's conclusion that high priority should accordingly be attached to further international work in that field, to be carried out in close connexion with a possible revision of SNA.

MEASURES OF ECONOMIC GROWTH (E/CN.3/321, 338 and Add.1)

Mr. AIENHOFF (Secretary) introduced the documents.

Mr. GOLDBERG (Canada) said that a discussion of the statistical aspects of the work of assessing economic growth would be very useful. There were many series available for such a study, and the time might be opportune for a systematic exploration of the essential data and methods required. Much emphasis should be placed on longer-term supply considerations. The statistical series and studies referred to in paragraphs 16 to 32 of document E/CN.3/321 were particularly relevant.

Also needed were: data covering a considerable period of the past in order to make possible a study of variations in the economic growth rate in different countries and circumstances; and a study of regional variations within individual countries. At the international level, the Statistical Office could make a substantial contribution by further promoting intensive study of the problems which arose in comparing levels of income and output in different countries. The projected programme to measure the comparative purchasing power of different countries was also of great importance.
Turning to a detailed consideration of document E/CN.3/321, he said that the last sentence of paragraph 13 was not very clear, the second half of the sentence appearing to be unrelated to the first. Although he had no objection to the investigation referred to in the last sentence of paragraph 14, the importance of comprehensive sets of national accounts in the study and planning of economic growth must not be over-emphasized, since some of the most important questions turned on determining effective ways of achieving high rates of output in relation to input. He welcomed the recognition in paragraph 20, that "for many of the uses of data on the total product, valuation at market prices seems preferable". Lastly, the conclusion stated at the end of paragraph 26 might be questioned, for different inputs could surely be expressed in different units of measurement.

Sir Henry CAMPION (United Kingdom) felt that there was need for more information on the work of the Economic Projections and Programming Centre. He would like to know whether the Commission was discussing the question of growth measurement as projected for all countries or for the developing countries only; what period was covered by the projections; what the relations were between the Statistical Office and the Centre; and what was the purpose of the seminar referred to in paragraph 6 of document E/CN.3/338.

Mr. MAHALANOBIS (India) asked how, in the opinion of the Secretariat, the projections described in the documents before the Commission were specifically intended to benefit the developing countries.

Mr. LINNAMO (Secretariat), replying to questions put by representatives, said that the models published by the Centre were highly aggregative. They covered three types of national economies: developed market economies, centrally planned economies and developing market economies. The economic activities described were also highly aggregative. Among the variables were gross domestic product, gross investment, savings, exports and imports. The special characteristics of the projection sub-model for developed market economies were its dependence solely on internal variables, existing stocks of fixed capital and the projected labour force. The sub-model for centrally planned economies
contained one external variable - the projected growth of the labour force - but otherwise only internal variables.

The production sub-model for the developing market economies contained an external variable - the gross domestic product of the developed market economies and the centrally planned economies - to explain fluctuations in the demand for export products from the developing countries.

A special characteristic of the projection model for the developing countries was its over-determinacy, the number of equations exceeding the number of variables. That made it possible to take into account the restrictions placed on growth in the developing countries by a limited capacity to import and insufficiency of domestic savings.

The new sectoral model under preparation in the Centre broke down the aggregative model discussed above in two directions by increasing both the number of regions and the number of economic activities.

The Centre was concentrating on projections concerning the developing countries. No new projections for the developed market economies or centrally planned economies were contemplated. The Centre was, however, closely following the projections work done by other agencies in order to reformulate the value of external variables relevant to the developing countries.

The statistical data and the technological and behavioural parameters had been compiled by countries, but the projections would be made by sub-regions consisting of a number of countries. The collection of data by countries was necessary in order to secure flexibility in setting up regions on the basis of geographical units, economic similarity and forms of economic co-operation.

The projections were long-term, covering a period of about ten years. The cyclical element, a necessary aspect of short- or medium-term projections, had not been expressly taken into account.

The models involved some explicit policy parameters. An example of such a parameter might be refusal by a developing country to import goods donated by other countries. The growth model of the centrally planned economies involved domestic policy variables, such as the "technological factor" in production. The sub-model for the developing countries contained two types of policy parameters. The one, affecting external variables, included the trade and capital flow
variables applied by the developed market economies and the centrally planned economies; the other, affecting internal variables, included changes in the production structure, the impact of imports consumption and the functional distribution of incomes.

As to the seminar to be held in August 1966, the participants would mostly be from the developing countries. There would be eight lectures by speakers from different geographical regions on special aspects of the topic. Methodological aspects would be emphasized, but empirical results on regional and sectoral levels would also be touched on.

Mr. OECD (Organization for Economic Co-operation and Development) said that the OECD Secretariat had been instructed by the Economic Policy Committee of the Ministerial Council to review the progress being made towards the 50 per cent growth target set by OECD for the present decade. That review would focus on the policy problems already met or likely to be met by members in achieving a satisfactory growth rate. Statistical sources would be used, and an econometric model would not be built. Countries were being asked to prepare projections up to 1970, and the Secretariat would try to draw up projections for countries unable to do so. It was hoped to fit the assessments into a consistent pattern for member countries as a whole so that policy problems over the next five years could be evaluated.

Mr. FAO (Food and Agriculture Organization of the United Nations) said that the topic was relevant to the FAO's work during the next two years on the preparation of an indicative world plan for agriculture in relation to world food requirements. The difficulty was not the type of model to use but the accuracy of the available data. Since in many cases non-linear models had been adopted, errors were unpredictable in their effect; most current work did not take account of their magnitude or effect. Maximum and minimum criteria might usefully be drawn up according to the magnitude of the error expected. The problem was a serious one when international agencies had to plan for regions and the world as a whole, and co-operation between the agencies and governments was indispensable.

He believed, as did the Canadian representative, that more readily usable currency conversion factors were urgently needed. The FAO was planning to undertake work along those lines in the sphere of agriculture, and an attempt was being made to improve weighting and comparability between countries.
Mr. MAHAJANOBIS (India) said that although the question of error should be borne in mind, the use of a number of indicators meant that the concept of growth was generalized. A given indicator showed only one dimension. Estimates were bound to differ until growth could be described by one measure.

He favoured the continuation of the study but felt that the time had come to make a cautious critical appraisal of the types of indicator that were of particular use to the developing countries. The over-all indicator provided by gross domestic project would be important in such countries but it could be misleading in two instances: first, when crops failed, and, secondly, when crops were good but, because of falling prices, were consumed at home. A country might be faced with the paradox of falling prices in a very good season so that growth appeared to rise very little although the people were much better fed. That point did not arise in a fully monetized industrial country. The Statistical Office might consider it in providing a guideline for developing countries.

Sir Harry CAMPION (United Kingdom) said that he was still unsure whether the Centre was making projections for individual countries. He would, moreover, assume that there was a close relation between the Statistical Office and the Centre.

His country was preparing projections, the statisticians collaborating closely with economists and treasury officials. Such work had to be done on electronic computers so that models could be altered and the effects of changes of policy could be reduced to numerical terms. The end purpose of the projections affected the kind of statistics collected.

Commenting on the ten-year period for projections, he said that there was a big difference between short-, medium- and long-term projections. His country had found that planning for educational investment was practicable only for eight or nine years ahead. Different periods would have to be used, and no specific period could be laid down.

While the report on measures of economic growth (E/CN.3/321) raised familiar questions, the problem continued to be how to measure the various items. The
difference of half of one per cent in a growth rate had very important implications. There was likewise considerable argument about how to measure production potential, and it would be interesting to see how the Centre would tackle that question for the 1966 seminar. With regard to data on the average productivity of labour or capital-output ratio, he asked whether the actual depreciation deducted would be measured from what companies said they had deducted or from what was allowed for taxation purposes or would be determined by empirical methods.

The work called for very close co-operation between the Centre and the Statistical Office, and if work was done in individual countries, more than the figures now available would be required. The field was very complex, and his country would be happy to help.

Mr. LOFTUS (Secretary), replying to the United Kingdom representative's comment on the participation of the Statistical Office in the work of the Centre, said that the Commission had referred in its last report to the need for active participation in the Centre's work. That work was at an early stage and was confined to taking projections from the developed countries and attempting to take projections for the developing countries by groups and regions. The Statistical Office was providing the basic data, and the usual statistical problems had arisen. There was nothing more to report on detailed participation because of the early stage of the work.

Mr. VOLODARSKY (Union of Soviet Socialist Republics) noted that in the report on measures of economic growth (E/CN.3/321) the word "capital" was used in the third and fourth sentences of paragraph 2 and in the third sentence of paragraph 27. If "capital" was used as a synonym for basic funds, he would have no objection; otherwise the latter term should be substituted. In paragraph 22, mention was made of the differing uses of indicators of gross output and of real net material product in the centrally planned economies. The paragraph required
clarification, for in the Soviet Union, for example, the growth rate was calculated in terms of both gross and net production. With regard to services, his country was setting up an accounting system for the volume of services and already had data for the past few years. Services were not included in the national income because they represented the redistribution, and not the creation, of such income.

In his view, the meeting of experts from different ECE countries referred to in paragraph 10 of document E/CN.3/338/Add.1 would be extremely useful.

Mr. Bowman (United States of America) said that the problem, while difficult at the national level, was even more difficult at the international level, but work on it should be encouraged and the place of statistics in it clearly indicated. The report on measures of economic growth was useful and raised no serious issues. He endorsed the view that the measurement of growth should include capacity and its utilization as well as output. Because of the increasing interest in the subject of capacity and its numerous statistical and conceptual problems, it ought to be given attention by the Statistical Office and regional bodies.

With regard to paragraph 13 of document E/CN.3/321, per capita gross domestic product at constant prices was, of course, a useful supplement to the total product measure, but was not necessarily an appropriate measure of the efficiency with which manpower was employed. Furthermore, because of the importance of capital as a variable in economic growth measurements, more emphasis might have been given to the need to develop measures of the stock of tangible capital.

Commenting on the report concerning the Economic Projections and Programming Centre (E/CN.3/338), he said that while analytical work of the type done by the Centre often required sounder basic data than were available, the problems described in paragraph 5 should provide the necessary pressure for improvements. Whether or not the work was suitable for international comparisons depended on the models being used. It was difficult for data from tabulations to be used in models, especially in the case of net or gross capital where differences might depend, for example, on the practices of individual firms with regard to depreciation.

The conversion of gross product to internationally comparable units continued to be a basic problem. The recommendation in document E/CN.3/326 for a programme of study on the problem gave added emphasis to paragraph 5 (c) of document E/CN.3/338.

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Mr. LINNAMO (Secretary) said, in reply to the United Kingdom representative, that the Economic Projections and Programming Centre was not attempting to make projections by countries. It dealt with some fifteen regional economic units, all of which contained more than one country. The Centre was not trying to measure production potential. That concept would not be discussed at the 1966 seminar because in quantitative terms it was too vague and there were too many combinations or assumptions for it to be handled in a practical way.

Mr. YOUNGMAN (Australia) said that he was still not entirely clear on whether or not the Centre was doing studies for individual countries, since paragraph 10 of document E/CN.3/538 referred to models at the country and sectoral levels. He believed that the Commission should proceed cautiously with problems of particular countries. In his country, the statistical services were not responsible for forecasting and projecting; their role was confined to co-operating with the treasury department and economists, discovering their needs and trying to adapt statistics to their purposes.

Document E/CN.3/521 made it clear that there were many factors involved in the question of economic growth but indicated a desire for some simple measure of it. A similar desire had been expressed in some of the statements during the discussion. He would like to point out that there were considerable dangers in that kind of approach; it was not the task of official statisticians to draw up a table of growth rates showing the relative standing of the various countries. Australia had produced an official White Paper which demonstrated the conceptual and practical shortcomings of the use of gross national product at constant prices as a measure of the rate of economic growth. In the case of countries whose age structures and therefore proportions in the work force were changing, it was difficult to make adequate comparisons. Also the process of converting gross national product to constant prices often involved assumptions which affected its usefulness as a measure of growth. Much more specific information was required before the subject could be discussed adequately.

It was pointed out in paragraph 5 of document E/CN.3/538 that there were many areas in which national statistics were inadequate for projection purposes. He would like to point out the grave danger of pressing available statistics beyond
the stages at which they were relevant, and that arbitrary adjustments of statistics were even more dangerous at the international than at the national level.

Mr. LINNAMO (Secretariat) said that he agreed with the representative of Australia that the wording of paragraph 10 in document E/CN.3/321 was ambiguous. He explained that the country level involved only those country statistics that were relied on to make a flexible grouping for regions. The question of the statistical quality of the data supplied by countries was a very important one. The Centre did not produce statistics, but it tried to handle data with appropriate care and tried not to draw conclusions from unreliable and inappropriate data.

DEVELOPMENTS IN COMPILATION AND OTHER ASPECTS OF THE WORK ON NATIONAL ACCOUNTS (E/CN.3/326)

Mr. ADENMÖPP (Secretariat) introduced document E/CN.3/326 and invited suggestions from the Commission on ways of improving the present publication of national accounting data and on the proposals for expanding current work on the compilation of such data.

Mr. BOWMAN (United States of America) congratulated the Secretariat on the publication of the Yearbook of National Accounts Statistics, which was a major development in the field and an indication of what could be done in a co-operative effort of that kind. He was particularly pleased that more material was to be provided in the Yearbook and that a more useful arrangement of the tables was to be introduced.

The report raised the general question of improvement in the current presentation of national accounting data by the United Nations. The proposals did not concern a broad review of the present format - which would hinge on basic changes in SNA - but related rather to a few supplementary tables for individual countries and to ways of improving international comparisons of output or expenditure. With regard to individual country presentations, the main suggestion was for a reconciliation table to show differences between the Yearbook figures and the officially published individual country figures, and that suggestion appeared to be both feasible and worth-while. On the question of improving the international comparability of product and expenditures, a programme to measure comparative purchasing power of national currencies would be helpful. Under the
approach recommended in paragraph 15, however, the price series in different countries would have to be studied with regard to their comparability in coverage, detail and weights in order to determine their applicability for the purpose. Until that was done, it was difficult to evaluate the merit of the proposal.

The question of comparisons in a single currency was a difficult one but would have to be dealt with. The paper did not go into the differences between the method based on a few commodity prices used all over the world and the Gilbert-Kravis method. He would like to have more information on what differences appeared when those two methods were used.

Mrs. NOD (Hungary) said that the COME countries had made a comparison of total national incomes, using a method similar to that of Gilbert-Kravis, and that the result of that experience indicated that it was absolutely impossible to carry out such work on an international scale. Simpler and cruder tools must be sought, and one such tool might be the restricted basket system. It was essential, however, to be clear on the uses to which that system could be put; it was, for example, too crude to be used for comparing volumes of national product. The second major problem was the composition of the basket - what kind of goods should be used. In countries with a centrally planned economy, for example, there was a systematic difference in the price level between consumer and accumulation goods, and it would be of little use to such countries if the basket was made up of consumer goods. If, therefore, the restricted basket system was to be used, its exact purpose must first of all be determined; only then would it be possible to consider what its contents should be.

Mr. MORTA (Japan) said that he was grateful to the Secretariat for its work in compiling the Yearbook of National Accounts Statistics and other publications. He hoped the tables would remain unchanged pending a drastic re-examination when revision of SNA was completed.
While he favoured the principle of presenting the data in the form of world or regional aggregates, he felt that further investigation should be made on the co-ordination of concepts and definitions and that computations should include the aggregates of non-member countries so that the resulting aggregate could be used for analysis of the world economy.

As to the question of an international or uniform standard, a study of the ways of measuring the purchasing power of each country's currency should be initiated. In order to determine the specific contents of the basket of goods and services, the question of whether they should vary according to the aggregate or according to the purposes of comparison must be further considered. The possibility of applying a common basket to all countries at different stages of economic development should also be investigated. It might, for example, be possible to classify countries into chained groups according to the stage of economic development and obtain the final results by linking each of the aggregates of those groups.

Sir Harry CAMPION (United Kingdom) congratulated the Secretariat on its work in publishing the Yearbook and said that he particularly appreciated the publication of the national accounts practices of different countries.

Referring to paragraph 5 of the report, he said that he would like to see more details of government transactions included in the Yearbook. The relationship between gross national product and government and other expenditures was a very important one, and at present United Kingdom statisticians had to use an OECD publication for breakdowns of the figures. Also of importance was the distinction between social security contributions and direct taxes.

With regard to section III of the report, he felt that purely regional totals were not particularly useful. It was obviously of interest to have the different aggregates of developing and developed countries, but where a regional group was made up of different types of countries, such information would be of little value.

He welcomed the studies recommended in paragraphs 14 and 15. Although he did not know what results had been obtained from the Yale study, the work done by the Conference of European Statisticians had revealed that there was considerable difficulty in that work, particularly on the question of the value of services. One example was the question of medical services in the United States and in the United Kingdom. In the United Kingdom, they were not part of personal consumption but part of government expenditure.
Mr. KHAMIS (Food and Agriculture Organization of the United Nations) said that the question of the comparability of aggregates was of great importance to FAO, which was already doing work in that field in co-operation with the Conference of European Statisticians. The approach being used by FAO was a simpler one. It reduced the methods outlined in paragraphs 12, 13 and 14 to a single method and avoided the assumption that there was a correspondence between the price structures of different countries. The work being done by FAO was closely related to that of the United Nations and the International Monetary Fund, and he felt that there should be closer co-operation with FAO and with the Conference of European Statisticians. He said that a document was planned by FAO on that subject.

Mr. DAVIES (Economic Commission for Europe) said that the problem of comparability was a difficult one, particularly as between a market economy country and a country with a centrally planned economy. In addition to the joint United Kingdom-Hungary study, a joint study was at present being made of Austria and Poland in the field of personal or household consumption. It involved a comparison of the levels of consumption of 3,000 to 4,000 commodities, with agreed adjustments for levels of comparison. While he was not sure whether it would be possible to publish the results in terms of figures, the study should yield interesting methodological results.

Mr. YOUNGMAN (Australia) expressed his gratitude to the Secretariat for its publication on national accounting practices in sixty countries. He pointed out that some of the statements on Australia in that publication were based on a system that had since been changed and were therefore incorrect. The Yearbook itself was a most valuable contribution, much more so than the development of regional and world aggregates comprising groups of widely differing countries.

Mr. GOLDBERG (Canada) said he was pleased to note that the publication National Accounting Practices in Sixty Countries was eventually to be reissued in an expanded and revised version, since a study of methods would help to overcome the difficulties arising from differences in the methods used and the data collected by various countries. He strongly endorsed the idea of establishing a programme to measure the comparative purchasing power of national currencies, but regretted the use of the word "limited" in that connexion in paragraph 16 of the report. He presumed that it reflected a scarcity of resources rather than a
reluctance to carry forward that work on a broader scale. To judge from the appendix to the report, some of the information submitted by Canada had apparently been received too late to be tabulated in the 1963 edition of the *Yearbook of National Accounts Statistics*.

Mr. Powman (United States of America) asked whether mutually comparable national accounts figures from 1954 onwards were available in the Secretariat for reference purposes, even if they were not to be published. He also asked whether the index of output less services to be included in the 1964 *Yearbook* would take into account the work done by OECD on the comparability of data for countries using the SNA system and for those with centrally planned economies, or whether the figures would simply be rough estimates.

Mr. Aidemoff (Secretariat) replied that the questionnaire for the 1963 *Yearbook* had requested mutually comparable data from 1950 onwards. To the extent that countries had complied with that request, the data for 1950, and then for each year from 1953 onwards, would be published in the 1964 *Yearbook*. The figures for output less services would relate to trends, and not to levels. In the light of the study being carried out on East-West links under the auspices of the Conference of European Statisticians, it was feasible only to define broad categories which were excluded from production in the system of accounts used by the centrally planned economies and to try to subtract those figures from the data for countries using SNA.

Mr. Markin (Ukrainian Soviet Socialist Republic) said that the use of the year 1950 as a starting point for the data published in the *Yearbook* was acceptable to his country, especially as 1950 had been the base year for a five-year plan. The changes in the *Yearbook* made it better suited to the purposes for which it was compiled.

Mr. Yager (Organisation for Economic Co-operation and Development) said that, in his view, a complete revision of the Gilbert-Kravis comparisons was certainly not feasible for all countries, or even for a substantial number of countries at any one time, because of the limited resources available. The real question was whether a study of comparability in the matter of national estimates should be confined to a few countries or whether a rough method of comparing the
estimates of a large number of countries should be sought. The Development Centre of OECD was already conducting a pilot study of real income comparisons, which it intended to restrict to a small number of countries – perhaps four or five – representative of various stages of economic development. In other words, what the representative of Japan had described as the "chain-link" approach was being used. The work would proceed in close consultation with national statistical offices and regional institutes and would be co-ordinated with similar work planned by the European Economic Community. In order to avoid any wasteful duplication, he suggested that the Commission might wish to see the results of the OECD pilot project before recommending another study.

Mr. Bowman (United States of America) said that he had found much to agree with in the statement by the representative of Japan. He was not convinced that the compilation of world aggregates would be as formidable a task as had been suggested by the representative of OECD on condition that it was made at intervals of five or ten years rather than annually. He agreed with the general principle that the best comparisons were between countries having similar systems and similar levels of economic development. However, links would have to be established with other countries at some stage, and the material at present available could provide some comparisons between about forty countries.

Mrs. Mec (Hungary) said that the "chain-link" approach, by proceeding from neighbour to neighbour, might give the impression that there were no very great differences between countries. If world or regional indexes were wanted, the necessity of attempting to compare things which were not really comparable must be recognized. The approximate nature of the results would then have to be accepted, for perfection would never be attainable.

Mr. Morita (Japan) said that, in order to avoid any misunderstanding, he wished to emphasize that the "chain-link" method was for regional and not time comparisons and that a study of that kind must be undertaken with caution.

Statistics of the Distribution of Income (E/CN.3/323)

Mr. Maharjanobis (India) said that, as he would be unable to attend the next meeting, he wished to comment on the Secretary-General's report (E/CN.3/323) before it had been formally introduced.
While appreciating the excellence of the report, he must emphasize that, for most purposes in the developing countries, the distribution of consumers' expenditure by size was usually more important than income. As indicated in paragraphs 24-35 of the report, the income concept was extremely difficult to measure, and although expenditure also had its intangibles, it was usually more concrete than income in the poorer countries. Income-tax data were completely useless in a country like India, where less than 2 per cent of the population paid taxes. In view of the further difficulties which arose where a household included an unmarried taxpayer, the sample survey approach would be preferable in the developing countries.

Turning to specific points in the report, he suggested in connexion with paragraph 20 that expenditure elasticity would be more meaningful in the case of the developing countries than income elasticity for the purpose of determining the demand for specific goods and services. He strongly supported the idea, mentioned in paragraph 52, of classifying income into intervals based on an even division of the total frequency. In the same connexion, he emphasized that the developing countries were apt to waste resources by undertaking parametric analysis in great detail, especially on the basis of sample surveys. If sample surveys were used, as they must be in such countries, there were great advantages in using inter-penetrating samples as a means of compensating for errors.

Paragraph 53 touched upon a very important point, for India had found that the price index number could differ widely between different groups of the population. For instance, whereas the price index of the weighted average of all food grains had increased by about 55 per cent over a period of two years, the increase had been nearly 80 per cent for the poorest 10 per cent of the population as against only 15 per cent for the wealthiest group. The question, however, was not only one of technique, but of the interpretation and utilization of the material.

The list of Indian official publications in the appendix to the report might have been more selective, and he would arrange for a suitable list to be forwarded to the Secretariat.

The meeting rose at 12.55 p.m.
STATISTICAL COMMISSION

Thirteenth Session

SUMMARY RECORD OF THE TWO HUNDRED AND TWENTY-FIRST MEETING

Held at Headquarters, New York, on Friday, 23 April 1965, at 2.30 p.m.

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Mrs. MOD
Mr. FAIR
Mr. MCCARTHY
Mr. MIYATA
Miss QUESADA
Mr. MARKIN
Mr. VOLODARSKY
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Representatives of specialized agencies:
Mr. RILEY
Mr. KHAMIS
Miss BARNETT
Miss KIRKPATRICK
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Norway
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France
Hungary
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Japan
Panama
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Union of Soviet Socialist Republics
United Kingdom of Great Britain and Northern Ireland
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International Labour Organisation
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Representatives of inter-governmental organizations:

Mr. SHELEV  Council for Mutual Economic Assistance
Mr. JAFFE  Organization for Economic Co-operation and Development

Secretariat:

Mr. LOFTUS  Director, Statistical Office
Mr. Almenoff  Chief, National Accounts, Finance and Prices Branch
Miss GROSSMAN  Secretary of the Commission
STATISTICS OF THE DISTRIBUTION OF INCOME (E/CN.3/523) (continued)

Mr. AIDENOFF (Statistical Office) said that the report by the Secretary-General (E/CN.3/523) was intended to furnish a basis on which the Commission could consider the action to be taken in order to provide guidance for countries having the intention of establishing statistics in that field and to promote the exchange of experience at the international level. Two income recipient units were to be distinguished: households and individuals. The statistical methods to be used, and frequently the sources of information, differed according to the unit studied. The Secretariat had reached the conclusion that it would be preferable, in income distribution studies, to use the statistics on income per household, which were an integral part of national accounts. The measures recommended in paragraph 99 should therefore be modified accordingly.

Mrs. MOD (Hungary) said that for a long time economic statistics were a requirement much more urgent and necessary than social statistics; now fortunately the latter were also coming into the limelight. So far as the document before the Commission was concerned, she was not altogether sure that priority should be given to household income, since the whole question depended on the type of study undertaken. If the study was concerned with productivity, it would be necessary to give primary consideration to individual income. If, on the other hand, the study was concerned with welfare or the pattern of spending, greater importance should be attached to household income. If household income were studied, it would be better to use actually existing households as a basis, without standardizing the recipient unit which they constituted. In Hungary, studies had been made of the incomes of families belonging to different economic groups and had revealed that certain large families of unskilled workers with many earners had an income higher than that of smaller families of skilled workers with fewer earners. Obviously, if those studies had been carried out on the basis of a standardized family unit, that difference would not have come to light. What should be done was to study first the distribution of income among the various families, and then the factors responsible for that distribution. She did not agree with the opinion stated in paragraph 43 that "reduction to a per capita basis would not appear to be relevant" for the analysis of patterns of spending and saving. It had been observed in Hungary that families

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which had the same per capita income had similar spending patterns, whereas when families having the same total income had different per capita incomes their spending patterns likewise differed very considerably. Moreover, the expression "real income" had been used in two different senses in the report: that of purchasing power, which was its true meaning, and that of available income. As for the sources of information which could be used to establish statistics on income distribution, income-tax returns could not be used as the main source particularly in countries where income was very low, such as India, where only about 2 per cent of the population paid taxes. It was also very difficult to collect information on income during a population census. In Hungary, the work had been done in two stages: first, a population census had been carried out, and thereafter a sampling procedure on a sample representing 0.5 per cent of the population, a fraction of the people which the investigators had carefully studied before questioning it. Although a considerable amount of work had been involved, it had enabled valuable information to be obtained on workers and on peasants, members of co-operatives, who together represented 85 per cent of Hungary's population.

Mr. VOLODARSKY (Union of Soviet Socialist Republics) considered that there were two aspects to the question: the distribution of national income from the standpoint of production on the one hand, and the quantitative distribution of individual income and individual spending by social groups on the other. In the USSR, the total amount of income for the population as a whole and for the various groups of the population was evaluated, and variations in individual income and in income per recipient were then determined. He agreed with the representative of Hungary that it would be better to establish statistics of per capita income, rather than what was recommended in paragraph 43. In order for the data to be comparable, they must be expressed in monetary units; but account must also be taken of income in kind, which must be estimated, and of social services (social security, crèches, etc.). All data should be calculated in current prices and then reduced to constant prices, so as to establish indices of the population's income.
Statistics on income distribution also involved study of the relation between the spending and the activity of certain social groups. Thus, in the USSR, family budget statistics had been established on the basis of sampling procedures applied to 51,000 families belonging to various groups (industrial workers, transport workers, building workers, technicians, engineers, office workers, etc.).

The document before the Commission was very useful; but it was open to the criticism that it advocated classification on the basis of the family, irrespective of the number of its members - a procedure which might give a false idea of the income, spending and standard of living of the various groups of the population. The conclusion of paragraph 45 was not justified, for if income was linked with spending the number of people in the families must be taken into account. It would be much better to take the various categories of workers, rather than the family, as the unit. Moreover, the document did not take sufficient account of the experience acquired by several socialist countries, particularly so far as the estimating of income was concerned.

Sir Harry Catto (United Kingdom) considered, in connexion with the measures recommended to the Commission (document E/CN.3/525, para. 99), that it would be rather premature to establish international standards for income distribution statistics, given the large number of different methods used. He also pointed out that the bibliography on income distribution statistics did not mention the Annual Report of the Board of Internal Revenue, which was the principal source of such information in the United Kingdom. Information was also obtained from surveys into expenditures on food and housing. He did not think, on the other hand, that it was possible to obtain information on income in the course of population censuses when interview methods were not used. Quite apart from the possibility of evasion, income-tax returns had the disadvantage that a substantial part of the population was not covered by them. In the United Kingdom, two main sources of information were used: personal returns by recipients of income, and returns by employers. Over a million such returns were studied every five years. Details were obtained not only of the income distribution (by region, sex, profession, number of dependants, etc.) but also the sources of income - all of which constituted very
valuable items of information, from the social standpoint. In addition, special
studies were made regarding small incomes, and the way in which such incomes were
affected by taxation changes was analysed. Finally, use was made of the annual
surveys on expenditure which included statistics on the various categories of
income and supplemented the information obtained from income-tax returns.

Mr. MORITA (Japan) thought that sample surveys of households were better,
as a source of basic information on income distribution, than income-tax returns
or population censuses. It would therefore be desirable for the Secretariat to
study in greater detail the technical problems arising in connexion with such
surveys. Various sample surveys on household income and expenditure were used to a
large extent, in Japan, with a view to assembling basic data on income distribution.

It seemed premature to formulate international guidelines for the establishment
of income distribution statistics, if only because the theoretical and practical
problems arising at the national level had not been sufficiently studied. Further
research, for example, was needed to co-ordinate the general principles applied in
income statistics with the concepts and classifications used in national accounting
systems. In that respect, the comparative analysis proposed in paragraph 99 of the
report would be very useful.

It seemed very difficult at the present time to evolve a standard international
classification for the socio-economic status of heads of households, as the
situation varied considerably from country to country. A start could however be
made forthwith on the evolving of criteria for purposes of standardization.

Mr. BOUMAN (United States of America) said that the United States
statisticians had for a long time been giving attention to the distribution of
income by size - even earlier than major attention to the national accounting income
concept. The best course would doubtless be to use the over-all concepts employed in
the national accounting system as the aggregate to be distributed among house-
holders by size. The measures recommended to the Statistical Commission
(E/CN.3/323, para. 99) called for a number of comments. In the first place, the
study laid stress on the macro-economic aspects of income distribution by sector.
The time had come, however, to pay attention to the micro-economic aspects of the
problem and to determine the factors which influenced inequality in distribution,
such as level of education, the region inhabited, any racial, religious or political
discrimination of which the earner might be a victim, state of health, the
importance of the various forms of social assistance, etc. Study of the influence
of those factors on distribution called for very detailed information on a
household's earners. In the United States, such information had to be assembled at
the State and county levels. That showed that the problem of "under-development"
arose not only at the international level but also in certain regions of the
United States. Secondly, it would be useful for data on income distribution by
amount of income to be supplemented by information on size distribution of assets.
Among the sources of information on income distribution in terms of size of income
in the United States, mention might first be made of the decennial population
census. It was not the best method of assembling data, but the quality of the
replies was improved with the aid of a sampling process bearing on 25 per cent of
the households. The size of the sample was explained by the desire to obtain
reliable information on States, counties and the larger towns. The questions on
income were, generally speaking, well received by those questioned. However,
the information obtained might be a source of error, as it bore on the income for
the year preceding the census and did not reflect changes in the family structure
which might have taken place during the census year itself. Moreover, the data
assembled related only to cash income.

Sample surveys - another source of information - bore on 35,000 households
annually. They were one of the best sources of data but provided no information
regarding States and counties. The data on income were gathered at a date near
that of the submission of income-tax returns, with a view to avoiding errors due
to faulty memory.

Finally, the decennial consumer expenditures survey secured information on
income and, simultaneously, on the pattern of saving and spending. An effort was
made to determine the margin of error - always considerable - by checking
information in records of savings institutions.

In many cases, the figures obtained by extrapolation of the results of the
samplings did not coincide with reliable aggregates. In order to remedy that
shortcoming, the Office of Business Economics in the United States had for some
years been estimating income distribution by size of income for the personal income
series in the national accounts. Such estimates involved many special problems not
yet completely solved.

...
Mr. YOUNGMAN (Australia) said that he supported the measures recommended to the Commission. In Australia, study of income distribution in terms of size was rendered more difficult by the fact that the income recipient unit was the individual. Married couples did not return joint declarations of income. Tax evasion, on the other hand, was not regarded as a major obstacle. At present, Australian statisticians were concentrating their attention increasingly on the household as a unit. Problems under study included that of the questions to be asked of those interviewed, for the purpose of obtaining income data of the greatest possible accuracy, and that of the use of population censuses to secure information on income distribution.

Mr. McCARTHY (Ireland) said he agreed with the United Kingdom representative that it would be premature to lay down international guidelines at the present stage. In Ireland, the data were primarily needed for policy decisions in the fields of welfare and income redistribution. The basic unit adopted for studying the pattern of spending should therefore be the household, and special surveys seemed essential. Data derived from income-tax returns were unsatisfactory as tax laws and definitions did not conform to economic concepts. The tax authorities often came into contact with only a very small proportion of the population, for instance in Ireland income from agriculture was exempt from income tax. Moreover, households often included two or three earners, and it was difficult to relate individual returns to the income of the household. Population censuses were not, in the circumstances of his country, well adapted to supply the necessary data for a study of income distribution. Not only, in certain cases, were those interviewed reluctant to furnish the information asked for, but the farmers, who often did not distinguish between current expenditure and investment, would have no clear idea of the amount of their income unless they kept formal accounts, which they infrequently did. In short, only household surveys provided a means of determining, adequately, all the constituent elements of income.

Mr. GOLDBERG (Canada) said that he had no wish to discourage anyone from doing work of the type concerned, which provided a very useful basis for the solution of economic and social problems. He regretted, however, that the various countries involved had not been asked to describe their own efforts and the difficulties they had encountered in compiling statistics of the distribution of income. Canada had received no such request, and the bibliography appended to the report did not mention the five household expenditure surveys which in recent ...
years had been carried out in his country. That omission as well as others should be rectified when the first of the proposals made to the Commission was being implemented.

Paragraphs 84 and 85 gave the impression that population censuses did not provide sufficiently useful income data. However, such a conclusion appeared somewhat premature in the light of the few trials so far made. It was perhaps not known that in Canada questions concerning wage income had been asked in the various population censuses held since 1911. In the 1961 census, moreover, data on monetary income of all kinds had been collected from a sample representing 20 per cent of the non-agricultural population. The results had been most encouraging: the population censuses (like the housing censuses) provided a broad range of information on socio-economic characteristics (degree of literacy, occupation, housing conditions, family composition, etc.), which could usefully be collated with income data, particularly if the sample was large enough to cover the various regions of a single country. If it was difficult to obtain income data by the direct questioning of respondents, the latter could be given carefully prepared questionnaires for sealed delivery to the enumerator during a subsequent visit. That method had been used in Canada during the last census.

On the question of the definition of income, to be used for such inquiries, he felt that it was not very realistic to want at all costs to determine the income of persons, as defined in SNA. The SNA definition included income from all sources, including income in kind, the distribution of which was very difficult to estimate. It was easier and also useful, for many purposes of analysis and for administrations, to consider only monetary income at the initial stages of data development.

Consequently in developing the guidelines mentioned in paragraph 99, sub-paragraph (2), the SNA definition of income should be regarded as an ultimate and not an initial objective, and proceeding by stages, the requirements of the various countries should be taken into account. Recomputation tables could be prepared for comparison of the aggregates obtained from income distribution statistics with those obtained from national accounts.

Mr. PALMIERI (France) said that the document which had been submitted to the Commission was most useful. Nevertheless, the development of international standards would still require long and patient efforts.

/...
The use by the Office of Business Economics of combined sources of information was mentioned in paragraphs 68 and 89. Similar work had been done in France, where, moreover, sampling of the tax returns for 1956 and 1962 had been carried out in order to obtain information on the association of various incomes within single households, various adjustments being made so as to allow for tax evasion. Distribution-keys were thus developed which could be used for the breakdown of large amounts of income the total of which was determined from other sources within the national accounting framework.

At the request of the Government, his country's statistical services were devoting particular attention at present to the question of income distribution.

The CHAIRMAN, speaking as representative of Norway, said that he wished to refer to a matter which constituted the main purpose for the compiling, in his country, of statistics of distribution of income, namely the income policy. If a country desired to control the strength relationships between the various interest groups for purposes of distribution of the national income, it needed first to determine the structure of the national income, i.e., the income distribution.

The use of census data in the analysis of income distribution appeared to offer many advantages. There were two possible methods: to have the census enumerators ask questions concerning income - which had not yet been done in Norway - or to establish a relationship between the census data and the tax returns. The latter method had been used several times in Norway; the tax authorities had been requested to indicate the total income of each person included in a previously determined sample. Norway was also seeking to mechanize the collation, and for that purpose the same identification numbers would be used in the census registers and in the direct taxation rolls.

With regard to the relationship between income distribution statistics and national accounts, the Norwegian statistical authorities had sought in 1958 and 1962 to determine the relationship between incomes as defined in each of those two fields, not only in terms of amount but also in terms of the economic and social group to which the recipient belonged. That had proved an extremely difficult undertaking, because the data were supplied in the first case from tax returns and in the second mainly from production statistics. An attempt had been made to overcome the difficulty by dividing up the income concept in each case into comparable elements - which sometimes necessitated arbitrary evaluations and
bold assumptions. It was not yet known what the results of the project - a very costly one, incidentally - would be, as it was not yet completed.

It appeared desirable for the Statistical Office of the United Nations to continue its work in that field. He therefore supported the proposals made in paragraph 99, to the extent that an effort was made from the outset to develop international standards. However, it should be possible to go a little further in the detailed comparative analysis of problems and to request the countries concerned to report also on available plans for statistics of income distribution to be collected in the future.

Replying to a question from the Japanese representative, he said that, in Norway at least, the comparison of census data with tax returns gave rise to no legal problems.

Mr. NAIR (India) thanked the many members of the Commission who had signified their agreement with the views expressed earlier by the Indian representative.

Although they had recognized the importance of sampling errors, the United States and Irish representatives had pointed out that non-sampling errors were generally of a more serious nature. Since 1950 his country had been conducting a National Sample Survey in which the data were collected by the technique of Inter-Penetrating Network of Sub-samples (IPNS) in order to get an estimate of the margin of error comprising both sampling and non-sampling errors. The results were tabulated for each sub-sample separately so that the differences between the sub-sample estimates provided them with an estimate of the all-inclusive margin of error.

In his country, as in the United States, it had been felt necessary to take into account the geographical distribution of income within the country. The importance of sample surveys at the national level was recognized, but various household consumption surveys had also been made in several of the States. For the purpose of the Five-Year Plan, it had been necessary to obtain growth indicators for small geographical units each of which comprised approximately 100 villages. The list of studies published in the field of income distribution, which had been submitted by India, was not up-to-date and would be supplemented in due course.

A special committee to study the distribution of income had been set up at the request of the Indian Government. It had made a detailed fractile analysis of...
the data provided by the annual sample surveys of household consumption conducted by
the Indian National Sample Survey Organization. The report of that committee, a
unique document of its type, was to be published. The committee's findings showed
that annual surveys of consumption expenditure, concerning which some doubt had been
expressed, were indeed useful.

Tax returns covered only a small proportion of the population, and fraud was
inevitable. The Indian Minister of Finance had granted some tax relief to taxpayers
who reported previously non-declared income, but, on the whole, a survey of
expenditure was still the best method of ascertaining the distribution of income.

Mr. MARKIN (Ukrainian Soviet Socialist Republic) said that, in studying the
distribution of income, his country used the same methods as those of the USSR. He
merely wished to say that, like the Hungarian and USSR representatives, he felt that,
in analysing consumption and savings habits, the concept of individual income should
not be abandoned. Where different members of a single family each had a separate
income, each one did not use his income separately; for a given average personal
income, the spending pattern varied according to the family composition. That
applied in the case of both income from private enterprise and wage income.

The meeting rose at 5.5 p.m.
STATISTICAL COMMISSION

Thirteenth Session

SUMMARY RECORD OF THE TWO HUNDRED AND TWENTY-SECOND MEETING

Held at Headquarters, New York,
on Monday, 26 April 1965, at 10 a.m.

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Reapporteur: Mr. ARCHER (Australia)
Members: Mr. YOUNGMAN Australia
Mr. COLEDBERG Canada
Mr. JUI China
Mr. GRUBSON ) France
Mr. PALANGIE)
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Mr. LATH India
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Mr. MORITA Japan
Miss QUESADA Panama
Mr. MARKIN Ukrainian Soviet Socialist Republic
Mr. VOLODARSKY Union of Soviet Socialist Republics
Sir Harry CAMPION United Kingdom of Great Britain
and Northern Ireland
Mr. BOWMAN United States of America

Representatives of specialized agencies:
Mr. RILEY International Labour Organization
Mr. KHAMIS Food and Agriculture Organization
Miss BARRETT of the United Nations
United Nations Educational,
Scientific and Cultural
Organization
Miss KIRKPATRICK International Civil Aviation
Organization
Mr. HICKS International Monetary Fund
Dr. LOGAN World Health Organization

Representative of the Contracting Parties to the
General Agreement on Tariffs and Trade:
Mr. CARRE
PRESENT (continued):

Representatives of regional economic commissions:

Mr. DAVIES  Economic Commission for Europe
Mr. VISWANATHAN  Economic Commission for Asia and the Far East
Mr. LOEB  Economic Commission for Latin America
Mr. EL-TAWIL  Economic Commission for Africa

Representatives of inter-governmental organizations:

Mr. ZHELEV  Council for Mutual Economic Assistance
Mr. BERTRAND  Organisation for Economic Co-operation and Development

Secretariat:

Mr. LOFTUS  Director, Statistical Office
Mr. AIDENOFF  Assistant Director in charge of National Accounts, Finance and Prices Branch
Miss GROSSMAN  Secretary of the Commission
NATIONAL ACCOUNTS:

(a) GENERAL (E/CN.3/319)

(b) EXTENSION AND REVISION OF A SYSTEM OF NATIONAL ACCOUNTS AND SUPPORTING TABLES (E/CN.3/320)

Mr. Loftus (Secretariat) suggested that the Commission might best discuss the item in four separate stages: scope of the review of the systems of national accounts and balances, and sequence of steps proposed for such review; revision of SNA, MPS; and links between MAP and SNA.

Mr. Aldenoff (Secretariat) introduced the report by the Secretary-General (E/CN.3/319) and the proposals for the revision of SNA, 1952 (E/CN.3/320). He said that the Commission might also find it useful to refer to the report of the Working Group on National Accounts and Balances (Conf.Eur.Stats/WG.22/7), in particular sections VI and VII. He then gave details of the series of consultations which was scheduled to follow the Statistical Commission's present session and would culminate late in 1966 or early in 1967.

Mr. Bowman (United States of America), supported by Sir Harry Campion (United Kingdom), asked that the time-table just described by Mr. Aidenoff should be made available in writing.

Mr. Loftus (Secretariat) said that although that would certainly be done, the Secretariat had simply wished to indicate the sequence of proceedings envisaged for the next two years, as an introduction to the substantive discussion. Such discussion might very well transform the picture, so there was no question of a concrete time-table as such.

In reply to a question put by Mr. Youngman (Australia), he said that consultations would continue on the technical level with the International Monetary Fund - as, indeed, with all other interested organizations - throughout the whole programme of work.

Mr. Bowman (United States of America) said that he had two questions concerning document E/CN.3/319. First, it was stated in paragraph 4 that "national and sector balance sheets and tables on income distribution statistics are not
included. Also omitted are the related subdivisions of the income and outlay account of households...". He was not clear as to the difference between "tables" and "accounts" in that context and would like to know whether two different kinds of income distribution were being referred to. Secondly, paragraph 9 stated that "it is intended that the complete drafts will include tables, and perhaps accounts, on income distribution and related statistics". Again, he would like to know what kind of income distribution was referred to.

Mr. AIDENOFF (Secretaryat) said that there was no need for tables on income distribution provided the income and outlay accounts were subdivided in the way referred to in the last sentence of paragraph 4. In many cases, however, the practice was to provide tables showing only a few aggregate flows of income and distribution.

With regard to paragraph 9, he said that when the Secretariat was drafting the report, it had thought it might be possible to include tables and input/output accounts classified by income size and socio-economic status in the draft on the revised SNA in time for consideration by the Expert Group. However, there were now doubts as to the feasibility of such a course.

Mr. GRUCON (France) said that he was in general agreement with the proposals for the revision of SNA put forward by the Expert Group (E/CN.3/320). These proposals, which reflected the progress made in national accounting systems over the past fifteen years, were a considerable advance over the present SNA. On the other hand, although the general conception was acceptable, many points of detail, which had yet to be thoroughly discussed, might substantially modify it. He had the impression that the Secretariat perhaps attached insufficient importance to the work of the various groups of rapporteurs scheduled to meet over the next two years. The final decisions would be taken by the Statistical Commission at its fourteenth session. That session should, however, be preceded by a meeting of the Expert Group during which all the detailed solutions arrived at in the interval could be brought together as part of the total conception.

One of the items requiring further technical study was depreciation, a highly elusive concept. It was not taken properly into account in the tables of document E/CN.3/320; yet it should be mentioned explicitly at every stage of the accounting process.

...
Another difficulty was the lack of symmetry in the accounting structure proposed by the Expert Group. The reference in paragraph 33 of the report of the Working Group on National Accounts and Balances showed that France was not alone in having reservations in that regard. Another point of detail on which unanimous agreement had yet to be reached was the treatment of banks and insurance companies. Those were all points which urgently required further technical discussion, and the results of such discussion could be expected to modify the proposals for a revised SNA as a whole. The Commission was not, therefore, in a position to accept all the implications of those proposals at the present stage.

Mr. MORTDA (Japan), commenting on paragraph 3 of document E/CN.3/319, said that national balance sheets and income distribution should not be included in SNA at the present time, since the question of their inclusion needed further examination. Commenting on paragraph 11, he said the system should include only a table of employees classified by industrial sectors and that there should be further investigation of the other items in order to set up an appropriate international standard.

As to the application of the system to the developing countries, the special circumstances of those countries made it imperative to indicate the priority of the accounts of the revised SNA which they were required to compile. At the same time, they should be given technical assistance in the systematic development of basic statistics so as to be able to compile the SNA accounts and tables. As to the timetable for the revision of the SNA, the Statistical Office would seem to be placing an excessive burden on itself by attempting to complete the revision in too short a time.

Sir Peter CAMPION (United Kingdom) said that he supported the point of view set out in the paper but felt that there was some danger that the revision of the SNA was becoming too extensive in scope. The SNA was already being widely used. The intention was not to replace it by a new system, but to revise it in light of suggestions that had been made, particularly by including input/output tables and financial transactions. It should not include at that stage national balance sheets, income distribution, or labour or demographic statistics. He hoped that the amount of work to be expended on the revision would not hamper efforts to
improve the existing national income figures. There should be an exchange of experience between different countries and between the secretariats of regional organizations in order that the number of different systems used by countries and regional groupings might be reduced. Also, the figures for developing countries should be linked and brought together within the same framework.

Although he favoured a general revision of SNA and its adaptation to the circumstances of the developing countries, he was not sure how far that should be done through the regional organizations. He also welcomed the efforts being made to define a common ground and to establish links between SNA and MPS and agreed that such efforts should be carried out under the auspices of the Conference of European Statisticians.

Mr. ECKMAN (United States of America) said that he was in favour of the general outline of the work programme. He had interpreted document E/CN.3/319 as merely a note by the Secretary-General. It was helpful in setting out what had been done so far and what remained to be done, but no action could be taken on it by the Commission until it had reviewed the basic document E/CN.3/320 and related papers. The revision of SNA was a large and important undertaking, not to be embarked upon hastily.

He pointed out that when Mr. Aidenoff had quoted paragraph 9, he had changed the date of the proposed meeting from late in 1965 to early 1966.

Mr. GOLDBERG (Canada) said that as Canada had not participated in the discussions on national accounts either at Geneva or in New York, he would at a later stage comment on document E/CN.3/320 at some length and also touch on several points in document E/CN.3/319. In the meantime, he wished to endorse the French representative's view that when certain elements of document E/CN.3/320 had been developed in further detail, the approach to the general structure of the proposed revision might well undergo some change.

Mrs. MOD (Hungary) said that analysis of changes in the economy was essential in order to cope with new problems as they arose. The best way of doing that was to develop and improve statistical systems, and particularly the national accounts system, since it was the most comprehensive. The discussion in Europe of
the two different national accounts systems, MPS and SNA, had been extremely valuable because it had enabled the countries using them to see their own systems through different eyes. MPS countries had been given some new ideas in connexion with financial balances, which had been developed in theory but had not been much used in practice. Similarly, some features of the new SNA had drawn on the experience of MPS. Thus, in the proposals for the revision of SNA, there was a greater stress on real flows than before. With regard to institutional differences, breakdowns went beyond sector breakdowns - for example, the distinction in the government sector between health and non-health expenditure - and as a result meaningful aggregates were made possible.

Such an exchange of views produced an awareness of the real demands of statistical work. Although what had been accomplished so far was only a first step, it was possible for the two systems to develop along parallel lines and in close conjunction with each other. With regard to the question of timing, she felt that some general decision could be taken by the Commission at that stage. It would be useful if the Commission should decide that the revision of SNA and the delineation of MPS should be ready at the same time, since that would enable the Statistical Office to publish them both simultaneously and give countries the opportunity to choose between the two systems. At the same time, stress should be laid on the necessity of co-ordinating the two systems and continuing with the work of the linking programme. That programme was known as the "European Programme", a term which was accurate enough in relation to its origin but which ultimately would be inadequate, since such a programme would have a world-wide and not merely a European frame of reference. It would also be useful if the Commission could come to some agreement concerning the different nomenclatures now being used for sectors that were common to both systems.

With regard to data on income distribution and population, there was much to be said for their inclusion in a national accounts system, possibly in a supplementary system, giving somewhat detailed information. Data on the population and labour force had a great bearing on the question of economic growth and would increase the usefulness of national accounts, but, for a coherent system, it was necessary to have a meaningful selection of such data. There was one
element in MPS, for example, relating to manpower balance: the division of manpower among the different branches of the economy. That was a very useful part of the system but by no means exhausted the whole question; in SNA it was not even present.

The initial topics to be investigated might include: the employment level of the population, an analysis of the economically active population, the direct and indirect correlation between labour and production results, the relationship of income and consumption to social conditions, and the grouping of social strata according to different criteria.

The widening of the standard systems to include data on income distribution and population would further investigation in the field of micro-economic analysis, referred to by the representative of the United States, and would be useful as an example of how to arrive at a deeper understanding of economic processes. With regard to the problem of systematizing that information for such purposes as the Yearbook of National Accounts Statistics, it should be remembered that a considerable part of it was already available and, in many fields, already unified. The final development of a supplementary system could not, however, be the concern solely of national accounts statisticians but would require the co-operation of experts in all fields. A further advantage of a system of that kind dealing with the correlation between the economy and population was that there was no need for two variants. With some adjustments, it could constitute the first element of a balanced system uniformly applicable to all countries.

Mr. McCarthy (Ireland) said that some limit on the work of revising SNA would be necessary if it was to be completed in a reasonable time. He therefore hoped that the Commission would endorse the recommendation of the Expert Group to defer work on balance sheets, income distribution and demographic statistics. While these subjects were important for the future, the revision of SNA could not go beyond the present ability of countries to provide data. In the demographic field, a system of "flow" and "stock" accounts was needed parallel to the system of national accounts; it might start with data on flows relating to the educational system. Similarly, work on MPS and its links with SNA should not form part of the revision but should continue on a parallel basis. The Commission should not attempt more work than it could complete.
Mr. McCArthy, Ireland)  

The Commission must decide on a comprehensive planning schedule. If it was to meet in 1966 and 1968, it should bear in mind that the revised SNA could not be ready in its final form before 1968. The Expert Group had simply made a preliminary review of the structure of the system, going only into such detail as was possible in the time available to it. Future changes in detail could, of course, affect the general structure. The Expert Group should not be convened again until further detailed work had been done by the Conference of European Statisticians and other such bodies. He hoped that the Commission would give general approval to the proposals for the revision (E/CN.3/320) and fit the rest of the programme of work to an over-all time schedule.

Mr. Markin (Ukrainian Soviet Socialist Republic) said that the proposed new SNA marked an advance over the 1952 version with regard both to the correlation of individual elements of the balance and to increased comparability between the main indicators of SNA and MPS. The recommendations dealt with such questions as the allocation of goods and services, the social aspect of income, and the outlay of households. Among the drawbacks, however, were the absence of indicators of labour resources, the lack of statistics on basic funds and national property, the insufficiently clear division between the production of goods and of services, the failure to stress the social aspects of indicators and the treatment of certain methodological questions.

Considerable work still had to be done on the revision of SNA. Work was also in progress on the improvement of MPS, particularly as dealt with in the document General Provisions on the Compiling of the National Economy Balance, referred to in paragraph 13 of the Secretary-General's report (E/CN.3/319). As that document treated of many relevant topics, it could serve as a detailed presentation of the concepts of MPS and as a link - where possible - between the classification of production and types of activity according to MPS and their equivalents in SNA. That would certainly lead to an improvement in comparability between countries.

Miss Quesada (Panama) said that she noted from document E/CN.3/319 that the proposals for the revision of SNA (E/CN.3/320) were provisional and that it was intended to prepare a manual. The comments of the developing countries would be very important in that respect.
Her country had been using the first revised edition of *A System of National Accounts and Supporting Tables* (Series F, No. 2, Rev.1) in preparing its national accounts. Although it had not yet received the second revised edition (Series F, No. 2, Rev.2), it had presented comments on the first edition which should be taken into account in revising the second edition.

Countries such as her own had difficulty in collecting data. When Panama had first introduced SNA and the national accounts had been drawn up with United Nations assistance, gaps in the basic data had been revealed. Improvements had since been made, and better data were now being obtained. An economic census which had finally been taken in 1963 had yielded much information for the national accounts. Her country had also benefited from scholarships and technical assistance for the training of the necessary personnel.

Panama had solved some difficulties, but others remained. For example, no information on farm income had been obtained as recommended in table IV of the first revised edition of the document (Series F, No. 2, Rev.1), since lack of education often made it hard for farmers to provide information. In compiling the net income of families, data on interest on debts had also been very hard to get. It had likewise been difficult to assess the value of construction. Although a construction census had been taken in 1962 for the first time, the information was fragmentary and difficult to use in national accounts. There had also been difficulty in interpreting paragraphs 169 and 177 of the document with regard to the inclusion or exclusion of the cost of land. Those points should all be dealt with in the forthcoming revision of SNA if they had not already been taken into account in the second revised edition (Series F, No. 2, Rev.2). In so far as the developing countries were concerned, the revised SNA should take into account their lack of basic data. Information calling for much time and expense should not be required.

Mr. YOUNGMAN (Australia) said that he was substantially in agreement with the Canadian representative's remarks. His country, after giving its views on possible revisions of SNA to the Expert Group, had received the proposed revised version. It had expected to make further comments, and it assumed that document E/CN.3/319 was intended to provide the framework within which Governments could submit their comments.
Mr. VOLODARSKY (Union of Soviet Socialist Republics) said that the balance of the national economy in his country was drawn up in the form of balance tables which provided a comprehensive view of the situation on the basis of the constituent elements. The five basic tables dealt with labour resources; production and consumption; accumulation; financial income and outlay; and basic funds. The revision of SNA should make it possible to develop international standards and to effect international comparisons of both practical and theoretical interest.

With regard to paragraph 11 of document E/CN.3/312, the Hungarian representative had already argued the importance of labour, demographic and social statistics. The need for data on labour resources and utilization had been stressed at conferences under the auspices of the International Labour Organisation, and the time was now ripe for further efforts in that direction.

As to paragraph 9, it was difficult for the Commission to state at that stage when the Expert Group should meet to review the complete drafts. He believed that the Expert Group should include members not only from the market and planned economies, but also from the developing countries, whose requirements must be taken into account in preparing a universally useful document. A very important result of the revision would be an improvement in international comparability.

The CHAIRMAN, speaking as the representative of Norway, said he agreed with the representative of France that detailed work on the elements of national accounts systems during the next few years might necessitate changes in the proposals for the revision of SNA. While agreeing with the representative of Hungary that further work on manpower balances would be justified, he felt that it would be preferable to devote attention to statistics of income distribution and balance-sheets, which were more closely related to the over-all system of national accounts. Although ideally the revision of SNA should be so thorough that no further revision would be required for years ahead, the time which could be devoted to the task was limited, as the representative of Ireland had pointed out. One practical course of action would be first to set a time-limit for the current revision, and then to achieve as much as was practicable within the period specified. If the Commission met in 1966, it would have a further opportunity to consider the scope of the work in that year, and a final decision on the revision
of SNA might be possible before the end of 1968. During the intervening period, a considerable amount of work could be done on the questions of income distribution and balance-sheets in relation to SNA as a whole. Although it might not be possible to agree on standards for those two groups of statistics, agreement on important guidelines and on the manner in which they should fit into the general system should be possible.

Mr. ZELENY (Council for Mutual Economic Assistance) said that the member countries and secretariat of CMEA had done a great deal of work on the standardization of statistical methods and indicators - including those relating to labour resources - and of classifications and nomenclatures. He hoped that the participation of CMEA in the work of the Statistical Commission would help to promote the achievement of greater comparability as between the indicators used in SNA and MPS.

Mr. KHAMI (Food and Agriculture Organization of the United Nations) said that although FAO had not participated in the work of the Expert Group in December 1964, it welcomed the proposals in document E/CN.3/320, which went far to meet the requirements of FAO in connexion with accounts for the agricultural sector. He recalled that the need for a revision of SNA and the desired lines of revision had first been implied in the recommendations of two FAO groups of experts which had met at Rome in 1961 and at Geneva in 1963. The major aspects of the proposed revisions by the United Nations were in agreement with previous FAO recommendations.

In its statistical work, FAO had always given priority to the developed countries and to basic production and census data, although recently it had begun also to place emphasis on producer price statistics. He believed that efforts to develop basic statistics and set up standard accounts might go hand in hand in the developing countries, provided that efforts were intensified for the improvement of the basic data. He drew attention to the need for the revision of some international classifications, including, in particular, the United Nations International Standard Industrial Classification of All Economic Activities. Lastly, notwithstanding the universal desire for a system of accounts which would encompass many types of statistics, it must be borne in mind that those statistics were needed for many other purposes besides national accounts; hence, concepts and definitions should
be developed in such a way as to keep in mind the important uses made of the statistics, other than those for national accounts purposes.

Mr. BERTRAND (Organization for Economic Co-operation and Development) said that OECD intended to participate actively in the work of revising SNA, firstly, because it had its own standardized system of national accounts which would have to be revised at the same time, and, secondly, because its secretariat included a number of experts who could be usefully employed, especially in the detailed work advocated by several members of the Commission.

The OECD had been publishing labour statistics for several years past, and a group of experts which had met in November 1964 had made a number of recommendations for the improvement of such statistics. If work was carried forward in that direction, it might prove possible at a later stage to include demographic and labour balances in SNA and to achieve a framework integrated with the system of balances of the national economy.

Mr. GRUSON (France) said he agreed with the representative of Ireland that any new system of standardized accounts should not be such as to require radical changes in existing statistical systems. That did not mean, however, that the revised SNA must be consistent with the existing statistical systems of all countries. Rather, it should lead to the growth and improvement of those systems. Therefore countries which could not yet provide all the data called for should be allowed time to introduce the necessary changes in their own methods. If the revised SNA had to be patterned too closely on existing systems, that would on the whole be a negative factor, since it would fail to take advantage of much of the information which was available in some countries but not in others.

Mr. McCARTHY (Ireland) observed that he had not suggested that there should be no development in the system of national accounts, but had simply questioned the extent to which new elements should be introduced if SNA was to be revised within a reasonable period of time. If the revision was to be completed by 1968, it might be possible to arrange for the inclusion of income distribution statistics, but he doubted whether the work on balance-sheets and on demographic data would be sufficiently advanced by that time to be included in the system.

The meeting rose at 1 p.m.
STATISTICAL COMMISSION

Thirteenth Session

SUMMARY RECORD OF THE TWO HUNDRED AND TWENTY-THIRD MEETING

Held at Headquarters, New York,
on Monday, 26 April 1965, at 2.35 p.m.

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National accounts

(b) Extension and revision of A System of National Accounts and Supporting Tables (E/CN.3/520) (continued)
PRESENT:

Chairman: Mr. BURKE Norway
Rapporteur: Mr. ARCHER (Australia)
Members: Mr. GROSSMAN Australia
Mr. GOLDBERG Canada
Mr. JUI China
Mr. GRUSON France
Mr. FALANGE
Mrs. MOD Hungary
Mr. MAHALAGORS India
Mr. NAIR
Mr. McCarthy Ireland
Mr. MOKITA Japan
Miss QUEZADA Panama
Mr. MARKIN Ukrainian Soviet Socialist Republic
Mr. VOLODARSKY Union of Soviet Socialist Republics
Sir Harry CANPING United Kingdom of Great Britain and Northern Ireland
Mr. BOWMAN United States of America

Representatives of specialized agencies:

Mr. RILEY International Labour Organisation
Mr. KHAIS Food and Agriculture Organization of the United Nations
Miss BARRIETT United Nations Educational, Scientific and Cultural Organization
Miss KIRKPATRICK International Civil Aviation Organization
Mr. HICKS International Monetary Fund

Representatives of regional economic commissions:

Mr. DAVIES Economic Commission for Europe
Mr. VISWANATHAN Economic Commission for Asia and the Far East
Mr. LOEB Economic Commission for Latin America
Mr. EL-TAWIL Economic Commission for Africa

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PRESENT (continued):

Representatives of inter-governmental organizations:

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NATIONAL ACCOUNTS

(b) EXTENSION AND REVISION OF A SYSTEM OF NATIONAL ACCOUNTS AND SUPPORTING TABLES
(F/CN.3/320)(continued)

Mr. GOLDENBERG (Canada) approved the logical division of the document into two parts. The ideas developed in part I did not substantially alter the conceptual framework of the SNA. The various proposals made aimed primarily to increase the value of the different statistical series from an analytic standpoint, to take account of certain practical limitations inherent in statistical work, or to enable the income and expenditure accounts to be integrated ultimately with the input-output tables, money flows tables and balance sheets. The last point was by far the most important; it involved, in fact, an extension rather than just a revision of the SNA. That work, a major intellectual undertaking, would be of great value to those countries which wished to achieve that integration. Nevertheless, care should be taken to point out in the final draft that part I constituted an outline of objectives and not a reporting system.

The distinction which was made between "real" and "financial" statistics seemed entirely justified and was, moreover, one which had been adopted by the Dominion Bureau of Statistics in Canada. On the other hand, although it was perhaps not possible to apply the same classification by branches of production to establishments and to companies, the possibility of subdividing the non-financial corporate sector into industrial groupings should not be abandoned. The new SNA should be amended to accommodate that sort of industrial classification. When referring to financial flows, it would be preferable to use the term "production flows" rather than "real flows", since the latter expression was usually applied to deflated aggregates.

It was also unwise to class certain unincorporated enterprises with non-financial corporations. Canada allocated non-financial unincorporated enterprises to the personal sector for the recording of financial flows and savings, since it was not possible to distinguish their financial activities from those carried out in a personal capacity.

With regard to input-output tables, the new SNA favoured the drawing up of square tables, whereas the rectangular tables which were being developed in Canada were proving useful and feasible. Such tables took their form quite naturally from /...
the data collected through the various censuses and inquiries in view of the fact that products were more numerous than industries.

The Dominion Bureau of Statistics was at present attempting to establish, on an experimental basis, a master matrix which would accommodate rectangular tables of commodity by industry and the square table of inter-industrial flows. Domestic production and imports were distinguished separately. He therefore preferred, for the time being, to defer any judgement on the particular input-output arrangement recommended in document E/CN.3/520 until their work in Canada was more advanced.

With regard to imputations, notwithstanding the reservations prompted by such a solution, the consumer debt interest could be considered as a service charge if that would facilitate comparisons between countries; however, he noted that table 9 (b) deducted the interest from national income and that was in conflict with what was recommended in the text. The suggestion that only depreciation, and not the net rental income on government buildings, should be imputed was also acceptable. Although in Canada, for purely statistical reasons, bank charges were not debited to enterprise accounts, they were in fact debited to consumers' accounts and government accounts and a consensus to discontinue that practice had not emerged. The importance of that imputation depended on the manner in which the cost of banking services was charged to consumers, and that varied from country to country.

With regard to the determination of gross national product, it was necessary to explain why estimation at factor cost was considered preferable from a theoretical standpoint whereas estimation at market price was considered more appropriate from a practical point of view, and why, in contradiction to that, it was stated elsewhere that it was important for the requirements of input-output analysis to estimate indirect taxes separately. Evaluation at factor cost seemed to be more appropriate for analysis of industrial structures, of the distribution of resources and of the distribution of long-term economic growth. That seemed, moreover, to be the position taken in document E/CN.3/521. The current and constant dollar series of gross national expenditure at market prices, and their components, were available for short-term, market and other types of analysis. Canada preferred to calculate the distribution of the national product by industry in terms of factor cost. He regretted the omission of the factor cost aggregates.

He noted also that the treatment of items in the Capital Finance Accounts was designed to accommodate balance sheets. That feature of its design introduced
certain restraints, e.g., all financial flows were expressed as changes in balance sheets. Finally, the separation of the income of private non-profit institutions from total personal income should be regarded as a stage in the development of statistics on the distribution of income by size and by socio-economic groups within the framework of the SNA definition of personal income.

The information presented in part II was of considerable practical value. The time had come, in fact, to revise the ISIC and, even if it were not possible to adopt a single classification unit, a thorough study could at least be made of the needs of each type of statistical compilation and, as was pointed out in chapter X, paragraph 9, account should be taken of the diverse purposes for which the classification was utilized as well as the structure of production in establishments. General classifications should be adopted which allowed for regrouping of items for various purposes, such as the national accounts and input-output tables. It was necessary to bear in mind the distinction between the classification of enterprises providing services and the classification of the services themselves, which seemed to have been confused in chapter X, paragraph 11. Perhaps what was intended there was to provide a link between the two, similar to that proposed in connexion with commodity-producing industries and their products. The classification of commodities by industrial branch, suggested in chapter X, paragraphs 12 and 15, was likewise desirable, provided that it was regarded as a special rearrangement of a more general standard classification of goods which allowed for regroupings.

With regard to financial accounts, the definition of financial institutions proposed in document E/CN.3/320 was very similar to that adopted for the flow of funds tables used in Canada. There were, of course, differences in detail. For example, the intention in Canada was to include social security funds in the financial sector, where they disposed of funds for investment and were not just administrative mechanisms for distributing transfer payments. Subdivisions within that account would inevitably vary from one country to another.

The classifications under the general heading of financial claims provided a useful working basis, but there would be some inevitable differences as between countries. In Canada, it was not possible to measure the net investment of proprietors in so-called quasi-corporate enterprise, but efforts were being made at present to record separately investment in subsidiaries and affiliated companies.
The Statistical Office of the United Nations would presumably provide some indication, in the final draft of the document, of just what tables countries would be expected to fill in regularly and the frequency with which countries would be asked to provide the information to be entered in the tables of part II. In some cases (particularly for the B accounts), an annual return could not be achieved to by all countries, while in other cases, such as the flow of funds tables (C accounts) information could be provided on a quarterly basis, eventually by some countries.

There seemed to be no justification for abandoning the table on gross national product at market prices, as the income, expenditure and capital accounts were of a national character, nor did there seem to be any justification for the use of the expression "national disposable income", which was of doubtful usefulness, in account 2. It was also regrettable that Table 1A relating to gross domestic product according to kind of industry defined the gross domestic product only at market prices; it would be difficult, moreover, to estimate the total indirect tax less subsidies for each industry in Canada annually. It would also be necessary to examine the problem created by the adoption in Table 1A (in accordance with the International Standard Industrial Classification) of the establishment as the unit of classification, for very often the total operating surplus and depreciation were only known at the enterprise level. It was interesting to note, on the other hand, that the details required for the current account of financial institutions were not the same as for the current account of the industrial sectors. The calculation of a current account for financial institutions had a very low priority in the money-flows work in Canada.

In conclusion, he approved the general working basis provided by the document before the Commission and by the list of questions for study, which had been submitted by the Conference of European Statisticians (WG.22/1, paras. 67, 68 and 69), although he did not regard that list as exhaustive. In some cases, the impression was given in document E/CH.3/520 that the items selected had been chosen not so much because of their usefulness from the point of view of analysis as because of the ease with which they fitted into the previously established framework. He also wondered whether sufficient attention had been paid to the practical aspects of implementation of the proposed system. Finally, he hoped that

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sufficiently general systems of classification would be adopted so that items could be rearranged if required, and sufficient time would be available to study adequately the various implications of document E/CN.3/320 before final decisions were made.

Mr. Egan (United States of America) said that he agreed with most of the remarks of the representative of Canada. He wished also to note his concern that attempts to develop an ideal theoretical structure, which he supported, should not result in the neglect of the analytical purpose of the system or of the data problems. It was obvious that everywhere else, including the United States, systems of national accounts had been established initially before any attempts were made to define them in detail in theoretical terms. It should also be borne in mind that a better understanding was only now being gained of certain elements entering into the tables. Even if every country adopted exactly the same system of national accounts, there would always be problems in connexion with the methods used to fit the available data into the theoretical framework which had been developed. The United States nevertheless supported the efforts undertaken with a view to setting up an integrated system of national accounts. It felt, however, that care should be exercised in dealing with the problem as a whole at that stage of development. However good the theoretical structure developed might be, it would be necessary to introduce additional tables, and therefore too rigid an approach should be avoided.

The document before the Commission (E/CN.3/320) presented in matrix form a complete series of fully integrated national accounts with input-output tables, tables of financial transactions, and the balance sheets and accounts of the existing System of National Accounts. His country wished to express reservations regarding the usefulness of such intensive attempts at integration at the present stage. A number of data points had been added, in accordance with the United States proposals, but no account had been taken of other comments made in an earlier document his country had submitted (Conf. Bur. Stats/WG.22/1/Add.7), which were still valid.

The United States still had doubts about the advisability of adopting as the standard for all countries a system of national accounts which included financial accounts and input-output tables. Principles for international standardization were still being developed, and a detailed integrated programme might seriously complicate revision of the system of national accounts.
The proposed system of national accounts would distinguish between "real" and "financial" accounts. Real accounts would comprise production accounts and capital expenditure accounts, and would be grouped only into branches of production. Financial accounts would comprise income and expenditure accounts and capital finance accounts, and would only be grouped into institutional sectors. It was difficult not to have some doubts regarding such an innovation, which ruled out in principle the presentation of data on the distribution of operating surpluses (in the form of direct taxes, dividends, interest, undistributed profits and entrepreneurial income) and financial transactions by industries. The United States considered these categories of data to be most important.

Since it was proposed to extend the SNA to further branches of national accounts, technical handbooks containing more detailed instructions for the application or revision of the SNA should be prepared.

With regard to national income and national product, he felt that there was a need for simplification; the proposed tables contained a large number of aggregates, including five different income aggregates which should only be retained if their usefulness could be shown. Furthermore, he did not agree with the opinion, expressed in paragraph 20 of chapter I, that: "In analysing the distribution and redistribution of income or the allocation of income to different outlays, a grouping by branches of production is practically irrelevant". On the contrary, such information was extremely useful for evaluating the factors influencing the distribution of income, owing to the major structural differences between industries. He likewise objected to dispensing with the imputation of bank charges, which enabled a more realistic evaluation to be made of the services provided by banks. Finally, he considered that the classification adopted for public sector income (the various types of taxes, etc.) and the grouping of public transactions other than current consumption expenditure (subsidies, transfers, etc.) left something to be desired.

As far as input-output data were concerned, the United States was in general agreement with the content of the document. Nevertheless, the revised SNA provided for certain procedures (e.g., for the sale of scrap, for by-products, and for taxes on goods) which were not necessarily the most suitable ones.

...
(Mr. Bowman, United States)

He wondered, in fact, whether it was necessary to make detailed recommendations regarding input-output data within the framework of the SNA. The report presented by the Working Group on input-output tables of the Conference of European Statisticians should be taken into account in that connexion. There appeared to be a need for further research work in that field.

In his view, while it might be desirable in principle to include flows of funds in the SNA, the recent proposals by the Conference of European Statisticians (Conf.Eur.Stats/WG.11/45) were still experimental and would need careful study. In the meantime, it would be preferable not to lay down any guide-lines on the subject. In another connexion, the distribution of the productive activities of the public sector by industries was not satisfactory in those cases where the public sector provided collective services on a non-self-liquidating basis. The theoretical treatment obscured the role of the public sector in the economy.

As far as the distinction between real accounts and financial accounts was concerned, the United States did not agree with the recommendation that the accounts relating to distribution of income and the financial aspects of saving should be grouped only by sectors, and not by industries. An analysis by industries would shed more light on the factors determining the distribution of income, and particularly the distribution of operating surpluses among the various types of income from property. That was because patterns of distribution varied greatly from one industry to another. The same was true for the analysis of savings and investments. For such an analysis by industry to be possible, it was clear that the company and not the establishments should be taken as the unit. The compilation of statistics thus became more complicated because data had to be collected both by establishment and by company and then linked together. The analysis also became difficult when, as was often the case, it related both to the production and to the distribution of income, savings and investment. However, such a state of affairs was simply a reflection of reality. The United States Census Bureau had attempted to link together data concerning establishments and companies and had already made considerable progress in that direction.

He pointed out that an error had evidently been made in formula 1.2 (chap. I, para. 7), and he asked whether the proposal for reconsideration of the question of SNA by the Statistical Commission in 1963 implied the publication of a new series of documents to replace the present Series F.

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The CHAIRMAN said that the correct form of formula 1.2 was the following:

\[ P = C + V + (E - I) \]

Mr. GRUSON (France) said that the representatives of Canada and the United States had drawn attention to most of the problems that were relevant. Furthermore, paragraphs 66-69 of the report of the Conference of European Statisticians (Conf.Eur.Stats/WG.22/7) corresponded fairly closely to his country's position. He considered that in chapter IX, table 12 (E/CN.3/320), certain accounts formed a screen between the transactor accounts and the operating accounts - for example, the "Consumers' goods and services" account between the households account and the goods and services account; the "Value added" account between the accounts for the institutional and the production sectors; and the "Business capital formation and land" account between the "Institutional sectors" account and the "Government purposes" account. Those various screening accounts gave the table a finished appearance but led to a loss of information. It would be preferable, on the basis of an institutional classification with four broad categories of transactors, to carry out two series of analyses: an analysis of the goods and services accounts and of the production accounts; and an analysis retracing for each institutional sector the origin and use of income and capital. The screening accounts concealed the fact that in those two types of analysis, certain characteristics must be viewed from the standpoints of production and the creation of goods and services. Some symmetry was needed because otherwise some important elements of economic activity were apt to be left out of consideration; furthermore, it was impossible to make an analysis of socio-economic groups if household activities were not related to production activities. Table 12 created the likelihood that the analysis of the institutional aspects would amount to nothing more than the analysis of a few rather roughly defined sectors to the neglect of certain important characteristics. It should be pointed out that those two types of analysis (relating to production techniques and the behaviour of institutions) should be carried as far as possible. With regard to chapter III, he was sorry that no mention had been made of the difficulties met with in making comparisons over time between economies producing goods undergoing constant development.

Mr. MORITA (Japan) said that the work of the Expert Group on the revision of SNA (E/CN.3/320) corresponded for the most part to Japan's efforts since 1963

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to revise its national income accounts and co-ordinate them with inter-sector matrices. However, the proposals submitted by the United Nations dealt more thoroughly with matters concerning production accounts by sector and monetary flows, and were therefore bound to be particularly useful for econometric analysis.

Some problems, however, merited more detailed study. For example, the new SNA used a classification which differed considerably from ISIC (chap. X, para. 4), although alterations of ISIC should be kept to a minimum. The Japanese input-output tables for 1960, which had been based almost exclusively on ISIC, had proved very useful, particularly in drawing up medium-term economic plans.

A second problem related to the place of imports in inter-sector matrices. The division of imports into complementary and competitive imports, which was not based on precise criteria, might well impair the stability of the input coefficients and international comparability because of probable changes in the characteristics of the products in the course of time. That being so, it would be preferable for the input coefficients relating to goods of domestic origin to be calculated simultaneously, with all imports being regarded as competitive, and for a complementary and detailed evaluation of the import matrix to be made at the same time. That procedure had been used to construct the Japanese tables for 1955 and 1960. Thirdly, the proposal to eliminate the banking imputation, the isolation of an interest element in consumer credit charges and the imputation of net rental income on government buildings (chap. II, paras. 55-58) simply because of the difficulties they entailed should be considered carefully from the point of view of those who used the estimates as well as of those who prepared them. In his country, the concepts used in the first SNA had been adopted in the inter-sector matrices of 1955 and 1960, and no serious difficulty had been met in making the aforementioned imputations. The final problem was that of data on employment by industry, which was introduced for the first time in the proposals. Such data should be given a higher priority in national accounts because they were essential for the evaluation of production and the analysis of labour productivity.

Mr. MAHALANOBIS (India) considered that the document under consideration contained many suggestions of the greatest interest for the developing countries. Although they were, at least as far as his country was concerned, difficult to apply, there was no doubt that they would open up new vistas and stimulate research...
and thought. In particular, the distinction between real and financial flows, which was one of the basic points of the study, was especially important, because stress should be laid on the usefulness of reliable data on production and capital formation and as little attention as possible should be given to financial abstractions. Such a return to specifics would certainly have salutary effects.

He shared the Japanese representative's opinion on the distinction between competitive and complementary imports, as it could yield valuable service in the planning of industrial development. However, it could not be permanent and could only be adopted for fixed periods. With regard to the recommendations for dropping some of the imputations adopted in the first SNA (chap. II, paras. 55-58), he noted that they were of more interest to the industrialized than to the developing countries. Among the suggestions which were useful to the latter group of countries were the remarks on the deflation of non-commodity flows (chap. III, paras. 24 and 25) and section E of chapter III on inter-country comparisons. Such comparisons were an essential element in estimating the gap between the industrialized and the developing countries, which was a difficult but indispensable task. In particular, the chain method of constructing index numbers (para. 28) might facilitate comparisons of levels of living and outlays on consumption. The division into sectors proposed in paragraph 6 of chapter III was a commendable attempt at clarification. With regard to section E of chapter IV (distribution of personal income), he stressed the value of considering problems of outlay at the same time. Sections F (boundaries of consumption) and G (demographic information and the social accounts) of the same chapter were also of great interest to the developing countries. In that regard, it would be useful to provide more detailed information on research and on regulations (chap. X, table 15), scientific staff and expenditure on research. In chapter XI, paragraph 23, attention was aptly drawn to a problem of primary interest to the developing countries, namely, public contributions to health services, education, etc., which often took other forms than social security payments or insurance premiums.

The meeting rose at 5.5 p.m.
STATISTICAL COMMISSION

Thirteenth Session

SUMMARY RECORD OF THE TWO HUNDRED AND TWENTY-FOURTH MEETING

Held at Headquarters, New York,
on Tuesday, 27 April 1965, at 10.5 a.m.

CONTENTS

National accounts:

(a) General (E/CN.3/319)

(b) Extension and revision of A System of National Accounts and Supporting Tables (E/CN.3/320; Conf.Bur.Stats.WG.22/7)
 (continued)
PRESENT:

Chairman:
Mr. BJERVE Norway
Mr. YOUNGMAN Australia
Mr. GOLDBERG Canada
Mr. JUL China
Mr. GRUSCN )
Mr. PAILANGE) France
Mrs. MOD )
Mr. PETER) Hungary
Mr. MAHALANOBIS) India
Mr. MAIR )
Mr. McCArTHY Ireland
Mr. YANAI Japan
Miss QUEsADA Panama
Mr. MARKIN Ukrainian Soviet Socialist Republic
Mr. VOLODARSKY Union of Soviet Socialist Republics
Mr. ASkAR United Arab Republic
Sir Harry CAMPION United Kingdom of Great Britain and Northern Ireland
Mr. BOWMAN United States of America
Mr. MARTINEZ Uruguay

Representatives of specialized agencies:
Mr. KHAMIS Food and Agriculture Organization of the United Nations
Miss BARRETT United Nations Educational, Scientific and Cultural Organization
Miss KIRKPATRICK International Civil Aviation Organization
Mr. HICKS International Monetary Fund
Dr. LOGAN World Health Organization

Representative of the Contracting Parties to the General Agreement on Tariffs and Trade
Mr. CARRE
PRESENT (continued):

Representatives of regional economic commissions:

- Mr. DAVIES    Economic Commission for Europe
- Mr. VISWANATHAN Economic Commission for Asia and the Far East
- Mr. LOEB      Economic Commission for Latin America
- Mr. EL-TAWIL  Economic Commission for Africa

Representatives of inter-governmental organizations:

- Mr. ZHELEV    Council for Mutual Economic Assistance
- Mr. MARTINHO Organisation for Economic Co-operation and Development
- Mr. LAGER

Representative of a non-governmental organization:

Category B: Mr. VIVO    Inter-American Statistical Institute

Secretariat:

- Mr. LOFTUS     Director, Statistical Office
- Miss GROSSMAN  Secretary of the Commission

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NATIONAL ACCOUNTS:
(a) GENERAL (E/CN.3/319)
(b) EXTENSION AND REVISION OF A SYSTEM OF NATIONAL ACCOUNTS AND SUPPORTING TABLES
   (E/CN.3/320; Conf.Bur.Stats.WG.22/7) (continued)

Mr. YOUNGMAN (Australia) said that he welcomed the report as a whole. He would limit his remarks to the more important points and would make more detailed comments in written form. He supported the general system for integration and stressed the usefulness of different sectoring for different types of accounts. He agreed with the United States representative that it was wrong to rule out certain types of sectoring on principle if they were useful and that a breakdown of income items by industry and sector was valuable. While he also liked the presentation in matrix form, it was difficult to follow, and he hoped that in later versions it could be simplified. That might be possible if an uninterrupted explanation of the framework was given first and if the matrix algebra and the descriptions of the concepts and contents of particular items were transferred to other parts of the document. It would also be useful to include illustrative tables in the form of abbreviated accounts in order to save constant reference back to the list of symbols.

Some of the discussion in the report regarding sectoring was hard to follow. The present SNA sectoring into enterprises, government and households was evidently to be retained, and some of the changes described in chapter IV, paragraph 6, apparently did not refer to those basic sectors but to a proposed sub-sectoring in particular accounts. In common with the Canadian representative, he found it hard to envisage what was meant by a quasi-corporate sector based on the concept of separability of accounts. In any case it seemed wrong to talk of putting part of the unincorporated businesses in the corporate sector and part in the household sector; the essential point was that certain transactions were attributed to the owners who were properly classifiable to the household sector.

Similarly, with regard to government enterprises as mentioned in paragraph 6 (ii) (b), they were distinguished from public corporations because they were in part not separable, while the document suggested the opposite. The best treatment was surely the transfer of their whole surplus to the government income account and integration with the government capital finance account.
He welcomed the discussion in the report regarding non-profit institutions, which were distinct from persons and which in many countries were very important and had a wide range of activities. If at all possible, an attempt should be made to treat them separately, and SNA should recommend such a course.

He also welcomed the reduction in imputations, which should be kept to a minimum and used only in cases where comparisons between groups or over time would otherwise be distorted. His country had never approved of the banking imputation — though it could perhaps accept the treatment of a part of bank receipts as a charge instead of interest — and did not like the idea of banks showing an operating deficit. Any imputation of charges in the banking sector should be based on existing receipts.

No serious distortion had been caused in Australia by not imputing an income to government buildings, and he saw little advantage in the half-measure of imputing only a gross rent equal to depreciation or in doing so for buildings and not for other government assets.

He had reservations as to whether the solutions proposed for banks, life insurance offices and hire-purchase were appropriate. He would elaborate further on that point in written comments to the Statistical Office. He believed that general insurance was out of place in the financial enterprise sector — which covered institutions borrowing and lending money and receiving interest — as policy-holders had no equity in the enterprise when their policies expired. Because of such problems, the finance group should perhaps be recognized as a separate industry in the suggested industry classification. In a similar connexion, the ownership of dwellings should, because of the imputation problem, be shown separately from the remainder of the real estate ownership industry.

The question of the allocation of expenditure to persons and governments, which was dealt with in chapter II, paragraphs 49-53, and in chapter XI, paragraph 23, was similar to the imputation problem in that motives and interpretations were imputed to particular transactions, which were recorded as something else than what they were regarded as by the person engaged in the transactions. Unless there were very strong reasons for that procedure, he believed that transactions should be registered in the sector where they took place; in the cases cited in the report they would be classed as purchases of services from the Government or from government enterprises.
Another field giving rise to undesirable interpretations was that of capital transfers, which, strictly speaking, should be concerned solely with real financial assets of liabilities. If an institution made a direct gift, no asset or liability was created, and it was misleading to call it a capital transfer. It would likewise be misleading to show a Government account omitting estate duty, a major item of revenue, on the ground that it was a capital transfer. He would also be reluctant to see regular payments to the private sector omitted. Those various factors were mentioned in the report but not followed up.

Coordination with the International Monetary Fund was needed on a number of points such, for example, as the basis on which trade was measured. The report as it stood did not reflect the recommendations of the IMF manual. Furthermore, the distinction between residents and tourists appeared rather peculiar and could hardly be applied. For example, under the rules set out in the report, the members of the Commission were now all residents of the United States, and he wondered how their incomes would be treated.

The report went so far in dropping the distinction between national and domestic that the best solution might be to eliminate it altogether and accept product as a geographical concept and income as a residential concept. In the present proposals, gross national product was replaced by gross domestic product; there was no national income per se, but only three differently and confusingly qualified versions.

Lastly, there was some inconsistency in the tables. It was unfortunate that the national disposable income account, although it appeared in section A, was not a true consolidation of sector income and outlay accounts. Furthermore, it was confusing to find indirect taxes in an aggregate called "national disposable income".

Sir Harry CAMPION (United Kingdom) said that although he would submit more detailed views in writing, he would like to make some general remarks. He agreed with the general approach embodied in document E/CN.3/320. The subject had been debated in his country from the viewpoint not only of reporting to the international agencies but also of adopting the system for its national practice. Any changes made had to be acceptable to those who used the figures for economic analysis.
He would prefer that further action on income distribution, labour and demographic statistics should be deferred for the present. His country had obtained figures on income distribution from the administration of the different social services and found itself with the need to reconcile the figures. It had also given much attention to the allocation of labour resources, training and so forth and had compiled what amounted to a labour balance, only under a different name. It did not, however, consider that labour balance fitted neatly into a national accounts system. If, as the present programme of the Commission suggested, the new SNA would not be in effect until 1968-1969, much of its contents would have been introduced in his country before then.

Although agreeing with the matrix approach in the document, he considered the presentation unduly complicated. The build-up of the matrix was interrupted by comments on concepts and by descriptions of contents. The matrix approach should be described first, after which would come the tables and then a section on the precise content of flows.

He had been surprised that the report, without explanation, gave a different classification of industries from that discussed at Geneva by the Conference of European Statisticians. The United Kingdom had encountered problems in that regard in the treatment of import duties and also in the treatment of government enterprises. The monetary functions of the Treasury likewise presented a problem, as they could be placed in either the government or the monetary sector.

While the document as a whole laid great emphasis on the production account and industrial breakdown, his country took a different approach; it used inland revenue figures on profits to provide reliable data for comparisons with wages and salaries.

From the point of view of the developing countries, the proposals in the report were highly complicated. Although the right points were emphasized, they were far in advance of the immediate needs of those countries, and he was not sure how the system could be adapted. Further consideration of it, as well as of the intermediate system discussed in Africa, might yield a more appropriate system.
Mr. VIVO (Inter-American Statistical Institute) congratulated the Expert Group on its admirably simple presentation of the proposals for a revised SNA. Although the application of those proposals would present certain difficulties for the developing countries, that problem could be surmounted by means of small changes in the general structure. For instance, table A, "Consolidated accounts for the economy as a whole", would be more readily applicable to the developing countries if a clearer distinction was made between "real" and "financial" accounts in regard to capital transactions.

Some of the difficulties which had arisen in connexion with classification by enterprises could probably be attributed to differences between the Anglo-American legal system, which recognized the legal personality of anonymous companies, and the system prevailing in the Latin American and other countries, which did not. However, the changes in the boundary between the corporate sector, henceforth to be known as "corporate and quasi-corporate", and the remaining sectors of the economy, described in chapter IV, section A, went some way towards reconciling the two conceptions.

His third point concerned a certain confusion in the classification of "primary" and "secondary" production, with particular reference to mining as presented in the "Commodity - kind of economic activity accounts" in table 2 on page 158 of document E/CN.3/320.

Mr. JUI (China) said that the Expert Group's proposals for the extension and revision of SNA were very valuable, particularly in so far as they provided for a fuller treatment of flows and stocks in the economy. As, however, the developing countries still faced the task of improving their basic statistics, the proposals were too complex and difficult for them, and hence, for the moment, should be regarded more as offering a stimulus for the advancement of statistics in those countries.

The sequence of steps in the proposed work programme was sound. Before the revised SNA was given its final form, there should be a comprehensive review of the system of technical manuals, and the views of the various working groups of the Conference of European Statisticians should be taken into consideration. Technical assistance of all kinds would have to be provided before the new SNA was put into effect. He joined other representatives in congratulating the Expert Group on its excellent work.

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The CHAIRMAN, speaking as the representative of Norway, paid a tribute to the work of the Expert Group and said that his delegation was ready to accept the main approach to a revised SNA as set forth in document E/CN.3/320. If that approach was accepted, his delegation would be willing to compromise on many points of detail. There seemed to be a good chance that a new system would be adopted, a development which would obviate the need - burdensome for small countries like Norway - to produce new figures each time data were required for the purposes of international reporting.

Turning to the structure of the revised SNA, he observed that the dichotomy between real and financial accounts was of fundamental significance, particularly for the developing countries. Of further advantage to those countries was the fact that the Expert Group's proposals dealt adequately with the treatment of supply and demand for real resources, both goods and services.

The Expert Group's proposals introduced two units of classification - the establishment and the enterprise - and the realization that some items must be classified in terms of both units was a major advance. The "establishment" was particularly appropriate for items such as breakdowns of gross national product at market prices that were for estimating production functions, whereas the "enterprise", for instance, was the most appropriate unit - and, indeed, the only one which made sense - in the case of items like assets and liabilities, business savings and business incomes.

He could not agree with the Expert Group's view that it was neither necessary nor possible to adopt a classification of institutional sectors that was based on enterprises in which industrial names made their appearance. He, like some other representatives, felt that there was a definite need for a broad industrial classification of that kind.

Although it had been maintained that such a classification was not consistent with the theoretical framework indicated in document E/CN.3/320, the real difficulty was perhaps one of terminology or interpretation. In any event, that was one of the points which would have to be clarified by an appropriate technical group.
Turning next to the subject of imputations (chapter II, section H), he expressed agreement with the Expert Group's view that the elimination of certain imputations would substantially simplify the existing system without great loss. There was a particularly good case for abolishing the banking imputation, such as had been proposed unanimously by the United Nations Expert Group on SNA. That, too, was a question requiring further discussion.

As to the question of transfers, he agreed with the Australian representative that the concept "capital transfer" was unfortunate. If, however, it must be retained, it should be very much restricted, to the point where it would not be used at all in normal years. One of the difficulties in distinguishing between current and capital accounts was that the supplier and receiver in a given transaction might interpret the same flow differently, with consequent difficulties in national accounting.

As far as classifications were concerned, he agreed to a large extent with the conclusions of the Working Group on National Accounts and Balances (Conf.Eur.Stats/WG.22/1, para. 101). However, there was need for a nomenclature of services for use in data processing, corresponding to the SITC nomenclature of commodities now in use. He was dissatisfied with the classification of institutional sectors given in table 16 of the Expert Group's report. That was the main classification in which the enterprise was taken as the unit, and, for the reasons he had already explained, it required further work.

The non-financial sectors needed to be broken down by industries, and the breakdown of the financial sectors offered in the Expert Group's proposals was less satisfactory than that originally proposed by Professor Stone.

Turning to the classification and definition of financial claims in table 17 of document E/CN.3/320, he observed that it was a mixture of sector and asset classifications. While it might be satisfactory for the purposes of presentation and international reporting, it would not serve as a standard for national data processing. What was needed was a classification along the lines originally proposed by Professor Stone, in which assets and liabilities were regarded as the primary classification, and sectors as a sub-classification.

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Mr. Davies (Economic Commission for Europe) summarized the major points raised by the Working Group on National Accounts and Balances of the Conference of European Statisticians in its report (Conf. Eur. Stats/WG.22/7), including its conclusions regarding the structure of SNA (paras. 55-69) and its main conclusions regarding classifications (para. 101). The Working Group had viewed classifications as a promising area in which to extend the common ground between SNA and MPS, and that was one reason why the subject had been considered separately from the structure and basic content of SNA. While the Working Group had not been entirely satisfied with any particular classification, its reservations on some of them had been relatively minor. The Group as a whole had welcomed the excellent start which had been made and proposed, as a contribution to the great amount of work which remained to be done, a work programme at the European level, as described in paragraph 123 of its report. The Conference of European Statisticians itself had not yet considered the report, but he believed that the programme proposed by the Working Group was the absolute maximum that would be possible in Europe up to November 1966.

Mr. Hughes (International Monetary Fund) noted that the purposes served by national accounts included analysis of the sources of expenditure. That was an important purpose, as expenditure produced inflation when it was excessive and deflation when it was deficient. That question, together with the closely related problem of balance-of-payments surpluses or deficits, was the concern of IMF and the reason for its great interest in SNA and the extension of that system to the field of financial transactions.

With regard to the rest-of-the-world accounts, IMF agreed with the Expert Group's recommendation, in chapter XI, paragraph 10, of its report (E/CT.3/320), that recording should be on a payable-receivable basis, in accordance with the existing SNA and the Fund's Balance of Payments Manual. In paragraph 13 of the same chapter, however, the Expert Group concluded that the accumulation of stocks could occur only on the domestic territory of a country - a conclusion which was inconsistent with its earlier recommendation. In the opinion of IMF, the proper recommendation would be that merchandise flows should be recorded on a payable-receivable basis. In practice that would mean that the entries in many cases would have been made from trade statistics data and would therefore refer to goods physically crossing the frontier. Consequently, the terms of paragraph 13 would not apply.
In the central government accounts, social security systems appeared in the tables as one of the three divisions of general government. However, the definitions previously agreed upon at Geneva, had provided that social security funds would be reported in that manner only in the rare cases where, firstly, they existed as separate funds and, secondly, they were used for the purchase of assets other than claims on the Government. The Expert Group had omitted the second restriction, but it was very important that it should be restored.

With respect to asset and liability evaluations, the recommended accounts were carried to the financial transactions stage, but the description of the conceptual framework was continued up to the balance-sheet stage. The report took it as axiomatic that the values of assets must equal the values of liabilities, and that the recording of assets at market values meant that capital gains or losses in the valuation of financial assets must be matched by capital losses or gains in the valuation of corresponding liabilities. He believed that that approach was fundamentally wrong, and that the discussion of the question in a conceptual framework should be deleted from the report. While it was axiomatic in transactions statistics that purchases equalled sales, it did not follow that the valuation of assets relevant to their holders equalled the valuation of liabilities relevant to those obligated. The significance of the financial mechanism largely depended on the fact that the two valuations were not equal; a rise in security prices constituted a capital gain for the holders of securities, whereas its effect on the issuers of obligations was in the same, rather than in the opposite, direction. A rise in security prices made it easier for debtors to increase their issues, and a capital gain to the holders of financial assets was not offset by a capital loss to the issuers of obligations. The report should not prejudge that question.

The true purpose of the dichotomy established in the report between the real and the financial was solely statistical and of no special relevance to the less developed countries. Recent history made it clear that development demanded financial order, and it would be unkind to the less developed countries if comments made in the Commission should lend themselves to the interpretation that financial analysis was of less importance to those countries. The truth was that the financial systems of the less developed countries were simpler, with the result that the financial analysis could be completed more speedily.

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Mr. YAGER (Organisation for Economic Co-operation and Development) said that the secretariat of OECD agreed with the general framework of the system proposed by the Expert Group in its report (E/CH.3/320), which, together with the comments made by the Working Group of the Conference of European Statisticians, represented an excellent beginning to a necessarily lengthy task. Some members of the Commission had raised the question of striking a balance between the logical desiderata of a national accounts system and the practical possibilities of implementing it. The Expert Group had rightly decided to concentrate on a logically rigorous accounting system and to leave the problems of implementation for consideration at a later stage. Some of the criticisms expressed had been directed at the manner in which the proposed system was presented rather than at the system itself. In his view the system in its final version would place greater emphasis on the tables, which would form the basis of an international reporting system.

OECD welcomed any attempt to eliminate imputations which did not add significantly to an understanding of economic relationships, provided that such a step did not give rise to unreal results throughout the system. Careful consideration should, in particular, be given to the manner in which the product of the banking industry was treated, for there was a likelihood of banking showing a negative product. He would like to see the same practice adopted for banking and insurance as for general government, namely, the reporting of the remuneration of employees less depreciation for indirect taxes.

The terms of chapter IV, paragraphs 21-24, encouraged OECD to reiterate its proposal that a separate sector should be considered for all non-profit organizations. In so far as the rest-of-the-world accounts were concerned, he agreed with the representative of IMF that in the revised SNA the recording of international transactions should be on a payable-receivable basis. That practice would be consistent with the OECD balance-of-payments questionnaire. The dichotomy between real and financial activities was probably a question of semantics, and he did not think that the proposal made by the United States representative would interfere with the analytical needs of the developing countries. His organization was satisfied that work would continue on the question of links between SNA and MPS, and it would participate actively as in the past.

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Mr. EL-TAWIL (Economic Commission for Africa) pointed out that the experimentation with the proposed intermediate system for Africa had been intended to help African statisticians make maximum use of the data available in national statistical offices in meeting requirements of national planning agencies. That experimentation had served a useful purpose and there were no plans for further work on it. A preliminary study by the ECA secretariat indicated that the proposed revised SNA had taken into consideration most of the points featured in the intermediate system and would therefore meet most of the requirements of African statisticians. The intention of ECA was therefore to work in co-operation with the United Nations Statistical Office and other agencies on the development of an international system of national accounts, and other Governments need not fear that staff would have to be assigned to following developments in the intermediate system.

Mr. KHANTS (Food and Agriculture Organization of the United Nations) said that FAO supported the general principles underlying the proposed revision of SNA, and, in particular, welcomed the adoption of a dual system of commodity and industrial classification for production accounts. Such a system was a major step forward and would enable input-output work to be properly integrated with national accounts. If possible, the system should be extended to provide value-added, as well as output data, according to the commodity classification or branch definition. There were some major difficulties to be overcome, but in agriculture - as well as in other important sectors - it should be possible through sample inquiries to extend the commodity classification to the branch as a whole, as well as to agriculture considered as an industry.

With regard to the question of classifications, he welcomed the separation of agriculture into agriculture, forestry, and hunting and fishing. It would be advisable to go one step further and separate hunting from fishing, since in many countries fishing was an important sector in itself. It would perhaps also be advisable to distinguish between hunting and fishing on a personal basis and as a commercial enterprise. As the data on private consumption expenditures had a multiplicity of uses which went far beyond national accounts, there should be a further scrutiny of the subdivisions of that classification.

On the question of institutional sectors, he felt that there was a need to separate private non-profit organizations serving individuals from the household sector.
He concluded by referring to the need to improve terminology, a question which had been discussed at the Conference of European Statisticians. One example was the use of the term "branch", which was currently used to mean commodity production rather than production by groups of establishments classified by industry. Another example was the term "transaction", a multi-dimensional term which required technical examination at the international level before consistency in its use could be achieved.

Mr. MARKIN (Ukrainian Soviet Socialist Republic), referring to a remark by the Indian representative on the great significance of international comparisons of production results, said that, in addition to international comparisons of the results of social production, it would be useful to have calculations based on MPS. The basic distinction between MPS and SNA was that non-productive services were included in the latter but not in the former. As non-productive services represented 30 per cent of the gross national product in advanced countries, but only between 10 and 15 per cent in developing countries, international comparisons based on SNA would minimize the achievements of the developing countries, whereas those based on MPS would not. He therefore suggested that the report should indicate the desirability of making comparisons not only between total gross national products but also between net products that were only applicable to the sphere of material production.

Mr. MAJALANORTS (India) strongly supported the suggestion made by the representative of the Ukrainian Soviet Socialist Republic and said that for the last ten years he had been suggesting that there should be a link between material product and the present United Nations conceptual framework. Another great advantage, from the point of view of the developing countries, of such an interlocking system would be the development of a system of cross-checks. In advanced countries, cross-checking was automatic because of the volume of data collected by different agencies, but such checks were not readily available in developing countries and were urgently needed if progress was to be achieved. It would be very useful to have in the report a paragraph indicating the need for cross-checks for the social accounts and even for the estimation of national income.

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The Chairman noted that there was unanimous agreement in the Commission that the general framework of the accounting system proposed in document E/CN.3/320 for the revision of SNA was an excellent one, although there was a long way to go before agreement could be reached on all the details.

There was one particular point on which several members of the Commission had expressed their concern and which should be clarified and further discussed, namely, that there was no breakdown by economic activity of certain categories of income and outlay accounts and capital finance accounts based upon the enterprise as a unit of classification.

Mr. Loftus (Secretariat) drew the Commission’s attention to chapter IX, table 12, rows 29 and 51, which referred respectively to income and outlay accounts and to capital finance accounts of non-financial enterprises. Certain members of the Commission had objected that there was no breakdown by kind of activity for those two rows and the corresponding columns, and that some classification ought to be devised for those entries in terms of economic activity. The standard industrial classification, which was a classification by establishment, would not fit a classification by enterprise. However, a classification according to broad industrial groupings would make it possible to analyse the accounts in question in terms of economic activity. The Secretariat would try to meet the needs of the Commission by producing a suitable classification, which would be discussed by the regional groups and eventually by the Expert Group.

Mr. Goldberg (Canada) and Mr. Bowman (United States of America) expressed their satisfaction at the Secretariat’s proposal.

Mr. McCarthy (Ireland) said he did not consider that any such subdivision was inhibited by the structure proposed in the report. There was in fact already a subdivision of non-financial enterprises into public and private enterprises. The difficulty was that the kind of classification needed had to be different from the establishment classification and that it was very much conditioned by the structure of enterprises in different countries. Because of those difficulties, the Expert Group had been unable to come to any agreement on the question.
Mr. MAHALANOBIS (India) said that the points made by the representative of Ireland regarding the structure of the proposed revision and the fact that the differences between enterprises might make meaningful international comparisons impossible should be included in the report.

Mr. GHUGON (France) said that the Secretariat suggestion was an excellent one and that if a classification of the kind referred to could be incorporated in document E/CN.3/320, the logical structure of the system would be improved. As he had already pointed out, a certain priority was given to analysis by product. In order to establish a better balance between that type of analysis and the analysis of income formation by major sector, the institutional sectors, and especially non-financial enterprises, should be subdivided into sectors representing the major industries.

In his view, the order in which the accounts were presented was not a logical one. To overcome that objection, the technological and economic aspects of production should be combined in a general set of accounts.

The CHAIRMAN suggested that the Secretariat should carry out a further examination of the classification of non-financial enterprises by economic activity.

It was so agreed.

The meeting rose at 12.30 p.m.
STATISTICAL COMMISSION

Thirteenth Session

SUMMARY RECORD OF THE TWO HUNDRED AND TWENTY-FIFTH MEETING

Held at Headquarters, New York,
on Tuesday, 27 April 1965, at 2.35 p.m.

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PRESENT:

Chairman: Mr. BJERVE Norway

Mr. ARCHER (Australia)

Mr. YOUNGMAN Australia

Mr. GOLDBERG Canada

Mr. JUI China

Mr. GRUSON China

Mr. PALANGIE China

Mrs. MOD Hungary

Mr. MAHALANOBIS India

Mr. McCARTHY Ireland

Mr. KITAGAWA Japan

Miss QUESADA Panama

Mr. MARKIN Ukrainian Soviet Socialist Republic

Mr. VOLODARSKY Union of Soviet Socialist Republics

Mr. ASKAR United Arab Republic

Sir Harry CAMPION United Kingdom of Great Britain

and Northern Ireland

Mr. BOWMAN United States of America

Mr. MARTINEZ Uruguay

Representatives of specialized agencies:

Mr. KHAMIS Food and Agriculture Organization

of the United Nations

Miss BARRETT United Nations Educational, Scientific

and Cultural Organization

Miss KIRKPATRICK International Civil Aviation

Organization

Mr. HICKS International Monetary Fund

Dr. LOGAN World Health Organization

Representatives of regional economic commissions:

Mr. DAVIES Economic Commission for Europe

Mr. VISWANATHAN Economic Commission for Asia and

the Far East

Mr. LOEB Economic Commission for

Latin America

Mr. EL-TAWIL Economic Commission for Africa

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PRESENT (continued):

Representatives of inter-governmental organizations:

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<tr>
<td>Mr. ZHELEV</td>
<td>Council for Mutual Economic Assistance</td>
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<td>Mr. YAGER</td>
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Secretariat:

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<td>Mr. LOFTUS</td>
<td>Director, Statistical Office</td>
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<td>Miss GROSSMAN</td>
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NATIONAL ACCOUNTS (E/CN.3/320; Conf.Eur.Stats/WG.22/7) (continued)
(c) MATERIAL PRODUCTS SYSTEM (MPS)

Mr. VOLODARSKY (Union of Soviet Socialist Republics) submitted to the Commission a document entitled General Provisions on the Compiling of the National Economy Balance, which had been prepared by Polish, Czechoslovak and Soviet statisticians in collaboration with the secretariat of CMEA. A number of supporting tables used in MPS had not been reproduced, since the authors' main purpose had been to facilitate a comparison between MPS and SNA. The essential purpose of the statistical balance of the national economy was to describe not only the processes of production and distribution of the gross national product and the national income but also the state of the trends in national wealth and employment. It constituted a synthesis of the nation's economic activity. Section I of the document was devoted to general considerations and a description of methods and was intended to explain the main economic categories used in arriving at the material balances (material accounting) and the financial balances, which were dealt with in sections II and III of the study respectively. After defining the components of the two types of balance and the concepts of gross national product and national income used in MPS, he pointed out that the distinction between the material production sector and the non-productive sector constituted the theoretical foundation for the evaluation of the gross national product and the national income. The study also dealt with the problem of classifying the sectors of industry by branch, that being the fundamental item of data to be taken into consideration. The economic sectors in the strict sense (industry, agriculture, transport and the like) were distinguished from the socio-economic sectors classified by ownership (socialist sector and private sector). The gross output of the different sectors of industry was defined in the second part of the study, while the different categories of income and expenditure were studied in connexion with the financial balances. That document should no doubt be made more complete and developed further. The study of the methodological principles of the various balances should also be pursued and would be included as an item in the 1965 agenda...
of the Standing Statistical Commission of CMEA. Exchanges of views on the relationship between MPS and SNA would be conducive to a better understanding and a better utilization of the experience of the socialist countries, provided, however, that the equal importance of the two systems was recognized. Progress in that direction had been made possible by the activities of the Working Group on National Accounts and Balances, which had met at Geneva from 15 to 26 March 1965 (Conf.Bur.Stats/WG.22/7). In particular, the Group had noted the opportunities for the further development of MPS and had made suggestions to that end. Its task had been to furnish a generalized description of MPS in order to facilitate international comparisons and, in particular, the establishment of links with SNA. The Group had also been informed that the material balance of MPS corresponded, in the main, to the production and expenditure accounts of SNA, although the concepts employed were not the same in the two systems.

Mr. DATIES (Economic Commission for Europe) said that the Conference of European Statisticians had had before it the document which had just been submitted, but the experts from countries with market economies had encountered difficulties in reading it. It would be advisable to revise the terminology of that study and to use terms more familiar to Western experts. In spite of those initial obstacles, it had been possible to clarify a considerable number of substantive questions with the aid of the MPS specialists. The conclusions drawn from the discussion appeared in the report of the Working Group on National Accounts and Balances (Conf.Bur. Stats/WG.22/7). With regard to the possible extension of MPS, the Working Group had pointed out the usefulness of the concept of total consumption of the population. It had suggested that that concept should be introduced into the system and that provision should be made in the financial balance for the inclusion of subdivisions from which estimates according to that concept could be derived. It had also suggested that the information necessary for making estimates of the State's total expenditure, not including transfer payments but including non-material expenditure, should be added to that balance and that it would be useful to identify in the balance the sources of finance for accumulation. To facilitate the linking
of MPS with SNA, two matrices defining the conceptual framework of the two systems could be prepared, and that might make it eventually possible to prepare a common matrix.

Mrs. MOD (Hungary) said that the difficulties experienced by the Western experts had been matched by those encountered by the CMEA statisticians with regard to SNA. The principal difference between the two systems hinged on the fact that MPS excluded the category of services from the national product. However, table 12 of the study on the balance of the national economy (financial balance) reintroduced services and thus furnished all the elements required for a comparison between MPS and SNA. Certain differences as to the principal aggregates of the two systems could also be discerned. Thus, MPS attached great importance to the concept of the socio-economic sector, while SNA sectoring was confined to institutional differences. Furthermore, unlike SNA, MPS emphasized material flows, perhaps to the detriment of financial flows, whereas SNA gave perhaps too great stress to financial flows. MPS would no doubt gain by placing more emphasis on the financial aspects of economic activity and by studying in more detail the relationship between production and purchasing power. Similarly SNA would improve in giving more stress to real flows. The differences between the two systems were not negligible, although they were due in part to different methods of presentation. However, there was nothing rigid or definitive in either MPS or SNA, and it did not appear impossible to work out a common system which would retain the useful elements of both systems.

Mr. Loftus (Secretariat) said that the document submitted by the CMEA countries would be extremely useful to the Secretariat, which had had no complete description of MPS up to that time. The representative of the Soviet Union had stated that further effort was required; it was to be hoped that the United Nations Statistical Office would be associated with it. The two systems were necessarily different with regard to the classification of economic institutions or structures, but there was no good reason for the enormous differences between them in the classification of products and economic activities, and those would have to be eliminated if a universal classification was to be established.
Mr. BOWMAN (United States of America) felt that the excellent document prepared by the CMEA countries should be thoroughly studied. From the explanations given by the representative of the Soviet Union it was clear that MPS and SNA both had the aim of describing the economic system as a whole in order that its functioning might be understood and influenced. The two systems differed essentially on the concept of "total production", which included only material production in the case of MPS, while in the case of SNA it also included services. Neither formula could, in fact, be said to be more valid than the other; everything depended on the purpose in view. Nevertheless, in many respects it seemed preferable to include services as a part of production rather than to consider them simply as a redistribution of income.

Mr. MAHATANIS (India) was gratified to note that efforts appeared to be tending towards the definition of a universal system of national accounts. He agreed with the United States representative that every definition must be relevant to the aim being sought, for all statistical work must have a specific objective. In that connexion, the definitions of the two systems were equally useful for the developing countries, which, according to need, could use them on a parallel basis. A recommendation should, moreover, be addressed to the United Nations Statistical Office to draw up, for the benefit of the developing countries, a simplified system of national accounts based both on MPS and SNA.

Sir Harry CAMPION (United Kingdom) said that he had not been aware that the document submitted by the CMEA countries would be considered at the Commission's session. As a result, the United Kingdom experts had not yet given their attention to the document. At first sight, however, the distinction between material product and total product in the SNA sense was not very clear because non-material product also existed in the planned economy countries and those countries had to recognize that it was there in their planning.

Mr. KHUMIS (Food and Agriculture Organization of the United Nations) said that FAO had already attempted to reconcile the two systems in its accounts for current agricultural production and would continue its efforts along those lines at the seminar it was holding in Moscow in July. He expressed the hope that the Statistical Office would prepare for the next session a further report using the standardized terminology adopted by the Conference of European Statisticians.
The CHAIRMAN, speaking as the representative of Norway, said that while two systems must be accepted, to the extent that they served different purposes, some of the differences between them were due principally to historical factors. The main effort must, of course, be to broaden the area that was common to both systems, and in that regard he fully agreed with the opinion expressed in paragraph 87 of the report of the Working Group on National Accounts and Balances (Conf.Eur.Stats/WG.27/7) to the effect that the best means of achieving that end was to establish common classifications.

Mr. VOLODAPSKY (Union of Soviet Socialist Republics) said that he regarded as very interesting the suggestion by the representative of India for setting up a simplified system that would take into account both MPS and SNA. As to the problems arising from translation difficulties, it would certainly be possible to solve them rather quickly. He pointed out, for the benefit of the representatives of the United States and the United Kingdom, that in the view of the CMEA countries production existed only where there was direct creation of goods; services were accordingly not included in production. There was no doubt that there were many points in common between MPS and SNA. The current discussion would probably make it possible to broaden that common ground and to devise the simplified version desired by the Indian representative.

Mr. GUYON (France) said that he disagreed with the representative of the USSR. It would be futile at that stage to expect a "simplified system" to provide a common framework for comparing the figures previously collected in SNA and MPS. The first stage should, on the contrary, be to describe in detail, and as objectively as possible, the flow of production, goods distribution and income distribution. However, the construction of large aggregates required choices and implied interpretations that were an expression of economic doctrines and were thus very difficult to reconcile.

Mr. VOLODAPSKY (Union of Soviet Socialist Republics) explained, for the benefit of the French representative, that in commenting on the Indian representative's proposal for a common system that might, if the need should arise, be used by the developing countries, he had spoken of bringing about a synthesis between the two systems and not of any simplification.

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Mr. BOYMAN (United States of America) said that while he was prepared to make concessions to reach common ground, he believed that SNA was better suited than MPS for the purpose of accounting for the national output.

The broadening of SNA would inevitably introduce a greater degree of complexity; simplicity and universality could not be had at the same time. The present SNA, which provided for income and product accounts, emphasized real values. To arrive at a better understanding of the functioning of the economy as a whole, financial flows should be introduced. That was one of the purposes of the revisions. It would in general be necessary to introduce many additional elements into SNA - which in its present form provided only an incomplete description of the economy - without thereby impairing its continued existence as a coherent system.

Numerous aggregates had, moreover, already been devised, and additional ones could be created endlessly once a complete system was available. Only the most useful of them ought, however, to be given prominence.

Mr. Merkin (Ukrainian Soviet Socialist Republic) took the Chair.

(a) LINKS BETWEEN SNA AND MPS

Mr. DAVIES (Economic Commission for Europe) said that the work undertaken at Geneva at the Statistical Office's request was continuing. Common aggregates were being constructed, such, for example, as household consumption, government consumption or capital formation. Adjustment tables were, in general, being prepared for all the aggregates so as to make it possible to pass from the concepts characteristic of one system to those of the other, and work was being done on the construction of consolidated accounts. The results had been submitted to the countries concerned so that they could comment on them before final publication.

The disparities between the two systems were due either to differences in theory or to the fact that both systems had developed independently. The expansion and revision of each of the two systems had provided an opportunity for establishing links or at least common grounds, for it was not always possible to establish a simple connexion between them. For that purpose, adjustment tables similar to those already drawn up incorporating certain changes in light of the subsequent work must be prepared. Base tables applicable to the two systems and
capable of being included in each of them as auxiliary tables must likewise be constructed; they would make it possible to compare certain concepts as between one system and the other. A consolidated framework in the form of a matrix of elementary flows adaptable to both systems would also have to be constructed.

That task of adjustment would be greatly facilitated if the revision activities on both sides were carefully synchronized. The Working Group specifically entrusted by ECE with the study of national accounts and balances had proposed a work programme for that purpose. If the revision activities were scheduled to be completed by 1968, that additional burden should not in the ordinary course cause any delay. It was particularly important that provision should be made on both sides for several classifications, particularly with regard to household consumption and government consumption.

The ECE Working Group was thus seeking to improve the quality of national accounts and balances by establishing a general framework for the compilation of economic statistics and by collecting data that facilitated a comparison between the aggregates so as eventually to bring about the standardization and co-ordination of statistical activities at the European level. The possibility of establishing simplified accounts common to both systems, which had been mentioned by the representative of India, had already been studied by ECE but was proving difficult to realize. Hence, the best course would be to concentrate first on linking the two systems and then, if that endeavour should be successful, to take up the second point.

Mr. Bjerve (Norway) resumed the Chair.

Mr. MAHALANOBIS (India) said that the elements for constructing a simplified system already existed and that nothing more was needed than to go a bit further. A mere summation would be sufficient to arrive at consolidated aggregates comprising both material production and services. There were two reasons why it would be better not to defer that work any longer. The first was that the simplified system would provide data which the developing countries could use for specific purposes and not merely for the pleasure of imitating the developed countries. The second reason was that it would make possible a number of checks and cross-checks.

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Sir Harry CAMPION (United Kingdom) was of the opinion that the Statistical Commission, which at its twelfth session had already requested of the Secretariat that an attempt should be made to link SNA and MPS, might renew that request. However, it would have to be decided to whom that task should be entrusted. The United Nations Statistical Office already had a heavy programme, and it was hardly possible to expect that the task would be undertaken by the statistical services of the various countries concerned, which had their own work to do at the national level. Moreover, it was to be feared that if the experts embarked on an exhaustive study of the question of linking the two systems, the revision of SNA would be delayed.

Mr. VOLODARSKY (Union of Soviet Socialist Republics) agreed with the United Kingdom representative that the Statistical Commission should confirm its decision to continue the work being done in that field. He approved the broad programme envisaged by the Working Group of ECE for the establishment of a link between MPS and SNA and said that the active co-operation of the United Nations Statistical Office would assuredly be required.

It would have to be decided whether the work should be carried out by a working group or an expert group and whether it should be undertaken at the international level. It would appear to be desirable that the statistical services of the countries concerned should participate in the work, while at the international level the matter should be dealt with by the Conference of European Statisticians and the United Nations Statistical Office.

(b) EXTENSION AND REVISION OF A SYSTEM OF NATIONAL ACCOUNTS AND SUPPORTING TABLES (E/CN.3/320) (continued)

The CHAIRMAN invited the members of the Commission to resume the discussion on the work programme to be adopted for the revision and extension of SNA.

Mr. LOFTUS (Secretariat) presented a note prepared by the Statistical Office listing the various tasks to be carried out up to the time when the Statistical Commission resumed consideration of the entire question at its session in April 1968. It was simply a draft and was in no way obligatory. The
activities designated by the capital letters (A to E), which would be in addition to the ten stages proposed, concerned only the Secretariat and would be carried out independently. The work on income distribution (C) and on demographic statistics (D), being subsidiary to SNA, were not included in the same programme.

Mr. Goldemberg (Canada) asked whether, after the first stage of the suggested programme, the organization of work would be left to the discretion of the Secretariat. Also, it would be desirable that countries not represented on the Statistical Commission should be able to make their views known through direct consultations.

Mr. Bowman (United States of America) asked whether the first stage would entail the Commission's approving document E/CN.3/320. He presumed that it would be for the Secretariat to study the practices of the different countries in handling private non-profit institutions (item 4), but he wondered whether the Secretariat would also be responsible for the detailing of definitions and treatment of transactions (item 5) and whether classifications of economic activities and commodities (item 6 (a)) included services. He also wished to know if consideration of the draft Revised SNA (item 6 (e)) would be entrusted to a plenary session or to a working group. Finally, would the Commission meet in 1966 or 1968 for the review of progress (item 7)?

Mr. Loftus (Secretariat) confirmed the assumptions of the United States representative concerning the first stage of the work. With regard to item 2 (draft adaptation of SNA to meet requirements of developing countries) and item 5, the Secretariat intended to prepare drafts for submission to the Commission. The consultations in the regions mentioned in item 3 would have reference to the first two stages. As far as item 4 was concerned, the Secretariat would undertake to work out a method which could be used in all the countries concerned. Under the heading "Consultations in Europe" (item 6), the questions to be studied by a working group in Europe were enumerated; more precisely, what was involved in item 6 (e) was a study to be made by European statisticians, and it was not yet known whether a special working group would be set up for that purpose. The review of progress (item 7) would be carried out in 1966 or 1968, as decided by the
Commission. The results of the various studies undertaken by the Statistical Commission would be summarized in a document which would indicate the progress in each region (item 8). Finally, the Commission would review the whole in April 1968 if it met in 1965, or in April 1969 if it met in 1967.

The revision of ISIC, referred to in item B, would be undertaken by the Statistical Office, which would prepare a draft. The work envisaged in items C and D would also be carried out by the Statistical Office in consultation with experts.

The CHAIRMAN noted that it was for the Statistical Commission to decide whether the programme of work should include the various items indicated in A to E or whether changes should be made. It would also have to be decided, perhaps in connexion with the discussion concerning agenda item 25, whether the extension and revision of SNA should be completed by 1968.

Sir Harry CAMPION (United Kingdom) said that he was in favour of the work programme as drawn up by the Secretariat. The question of the dates for the seventh and tenth stages would have to be settled. Perhaps the Statistical Commission could undertake the review of progress in September 1966.

Mr. MAHALANGUS (India) stressed the importance of that work programme. He would like the Commission to meet again in 1968 and every two years thereafter. Perhaps the work would have to be spread out over a longer period, and the date at which the Commission was to meet again should be decided later. He would like to know whether the draft adaptation of SNA (item 2) would be submitted to the developing countries themselves for their observations. As far as items C and D were concerned, the work envisaged in C was of more interest to developing countries; also, it should include expenditure distribution. It would likewise be desirable to have experts from developing countries participate in those activities.

Mr. KITAGAWA (Japan) observed that the ECAFE Regional Conference seemed to have before it only problems of adaptation and not problems of substance. Further consultations should be held in that matter, and all countries should have an opportunity to express their views.
Mr. GRUSON (France) said that he approved the plan submitted by the Secretariat; however, the uncertainty with regard to the date of the review by the Statistical Commission (item 10) should be removed. The possibility of a year's delay envisaged by the Secretariat was somewhat disquieting; the Commission should not resign itself in advance to attaining the final goal only at an undetermined date.

It was to be hoped that the publication of the Secretariat's study (E/CN.3/320) would accelerate the spontaneous development of systems of national accounts in the various countries. However, the expression "adaptation" to the developing countries should be used with caution. While the same logical principles should be preserved throughout, care must be taken to ensure that the result would not be an artificial creation embodying only purely formal analogies. Common systems could be devised for groups of developing countries having similar structures, but the stages which were of special concern to the developing countries should be made largely independent of the revision of SNA. The Statistical Commission should therefore take a firm decision with regard to the adaptation of SNA to the developing countries. In any case, a flexible procedure should be adopted so that quick results might be achieved with respect to the industrialized countries.

Mr. McCARTHY (Ireland) approved the Secretariat's drafts, which seemed to him more realistic than the solutions envisaged in document E/CN.3/319, and said that it was completely unrealistic to think that SNA could be revised before the Commission's next session, to be held in the autumn of 1966. As far as the first stage was concerned, it was to be hoped that the Commission would approve the adoption of document E/CN.3/320 as the basis for revision of SNA but that the final text would be organized more on the lines of the original Series F study than of the document at present being discussed. The proposed work programme was satisfactory apart from the fact that the work schedule for the Conference of European Statisticians would necessarily extend beyond the 1966 meeting of the Statistical Commission.

The meeting rose at 5.15 p.m.
STATISTICAL COMMISSION

Thirteenth Session

SUMMARY RECORD OF THE TWO HUNDRED AND TWENTY-SIXTH MEETING

Held at Headquarters, New York, on Tuesday, 29 April 1965, at 10.10 a.m.

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Chairman:

Members:

Mr. BJERVE Norway
Mr. ARCHER Australia
Mr. YOUNGMAN
Mr. GOLDBERG Canada
Mr. JUI China
Mr. GRUSON France
Mr. PALANGIE
Mr. PETER Hungary
Mrs. MOD
Mr. MAHALAMOS India
Mr. NAIR
Mr. McCARTHY Ireland
Mr. KITAGAWA Japan
Miss QUESADA Panama
Mr. MARKIN Ukrainian Soviet Socialist Republic
Mr. VOLODARSKY Union of Soviet Socialist Republics
Mr. ASKAR United Arab Republic
Sir Harry CAMPION United Kingdom of Great Britain and Northern Ireland
Mr. BOWMAN United States of America
Mr. MARTINEZ Uruguay

Representatives of specialized agencies:

Mr. RILEY International Labour Organisation
Mr. KHAMIS Food and Agriculture Organisation of the United Nations
Miss BARRETT United Nations Educational, Scientific and Cultural Organization
Mr. LYNN International Monetary Fund
Dr. LOGAN World Health Organization
PRESENT (continued):

Representatives of regional economic commissions:

- Mr. DAVIES
- Mr. VISWANATHAN
- Mr. LOEB
- Mr. EL-TAWIL

Economic Commission for Europe
Economic Commission for Asia and the Far East
Economic Commission for Latin America
Economic Commission for Africa

Representatives of inter-governmental organizations:

- Mr. ZHELEV
- Mr. RIZHOV
- Mr. BERTRAND

Council for Mutual Economic Assistance
Organisation for Economic Co-operation and Development

Secretariat:

- Mr. LOFTUS
- Mr. AIDENOFF
- Mr. LUKACS
- Miss GROSSMAN

Director, Statistical Office
Assistant Director in charge of National Accounts, Finance and Prices Branch
Assistant Director, in charge of General Economics Statistics Branch and Industrial Statistics Section
Secretary of the Commission

/.../
NATIONAL ACCOUNTS (continued)

The CHAIRMAN drew attention to a note prepared by the Secretariat entitled "Review of SNA: draft sequence of work programme". He said it might be advisable for the Commission to precede its discussion of the work programme by deciding when its next two sessions should be held. Since there was a general desire to return to the practice of meeting every other year, and since the Commission must meet in 1968, the next two sessions should presumably be held in October 1966, at Geneva, and in April 1968, in New York. The main purpose of the 1966 session would be to review progress on the revised SNA and preparations for the 1970 Population Census. Such a time-table would, however, entail some modification of the European programme, along the lines suggested by the Working Group on National Accounts and Balances.

Another question on which he would welcome comment was when the United Nations Expert Group on SNA should next meet. Perhaps two sessions should be held before 1968: one either before or after the Commission's own session in October 1966, and a second towards the end of 1967. The first would be a short session at Geneva to review proposals by the various technical committees and the decisions of the Statistical Commission at its present session, to discuss the classification of enterprises, especially the industrial classification, which many members felt should be further developed, and to consider balance sheets, in particular the problems of evaluation.

If that time-table was adopted the Statistical Commission would be able to take a final decision on the revision and extension of SNA in April 1968; there would be sufficient time for the preparation of an interim ISIC classification for adoption by the Commission at that same session, and the "additional Secretariat activities" listed in the note could be carried on until April 1968, when the new SNA would be ready for adoption. It was unlikely, however, that items B to E could be completed by that time.

Mr. LOFTUS (Secretariat) said that items B to E of the "additional activities" would involve the use of consultants.
Mr. GRUSON (France) said that the work programme outlined by the Chairman was in general satisfactory. He felt that the Expert Group should meet twice. Its first series of meetings should precede the Commission's next session, since only the Expert Group would be in a position to assess the effects on the new SNA of the technical work completed in the interim.

Mr. BOWMAN (United States of America) also agreed that the work programme was generally satisfactory. One of the main reasons for holding the Commission's next session in 1966 was to enable it to give final form to the proposals for a World Population Census so that there would then be time for adjustments in the light of regional requirements.

Whether the Commission's next session was to be held in New York or at Geneva must depend in part on the financial implications. The financial implications of consultant services required by some of the Secretariat activities would have to be taken into account separately.

As far as the Expert Group was concerned, he felt that everything possible should be done to conduct the consultations by mail. For the sake of flexibility, however, he would not object to a meeting of the Group before or after the Commission's own session in 1966, if that should be necessary.

Mr. VOLODARSKY (Union of Soviet Socialist Republics) said that he had no objection to the work programme as outlined by the Chairman. However, one point which appeared to have been omitted was the need for further work on links between SNA and MPS. The serious attention devoted to that topic at the present session underlined the need for further efforts towards achieving comparability between the two systems. The item should accordingly be placed on the Commission's agenda both for the 1966 and for the 1968 session.

The CHAIRMAN assured the USSR representative that the draft sequence of work programme would be amended accordingly.

Sir Barry CAMPION (United Kingdom) pointed out that as the revision of SNA was not the only item to be dealt with at the Commission's next session, the work programme outlined by the Chairman should be adopted on a provisional basis. There should be a short session in October 1966, and a full session in August 1968. The place of the 1966 session should be considered by the Secretariat in the light of all relevant factors.
He was in general agreement with the programme proposed for the period before the next session but hoped that the European Working Group on National Accounts and Balances would be given an opportunity to state its views on the revised draft of document E/CN.3/320 in time for the Commission's 1966 session. He also agreed with the proposed work programme for 1966 and 1968 but emphasized that the views of any of the expert groups on the final proposals should be made available to members of the Commission well in advance of its 1966 session. The Secretariat could be left to decide whether a meeting of the United Nations Expert Group was necessary before 1966; it should in any event meet before the 1968 session.

Miss QUESADA (Panama) said that one of the purposes of the Commission's proposed 1966 session would be to discuss arrangements for the 1970 World Census Programme. According to the time-table of international and regional meetings similarly concerned with those arrangements, there seemed to be a very crowded schedule throughout 1966. If the Statistical Commission, too, was to discuss those topics at its 1966 session, some of the dates in question should perhaps be revised.

Mr. DAVIES (Economic Commission for Europe) suggested that Europe should be added to the list of areas in which further consultations were to take place on the review of SNA (Draft sequence of work programme, item 3).

Mr. KITAGAWA (Japan) said that it would be convenient for his Government if the Statistical Commission's next session could take place at Geneva following the fourteenth session of the Conference of European Statisticians. He agreed with the United States representative that flexibility was desirable in regard to the meetings of the United Nations Expert Group.

Mr. NAIR (India) agreed that the Commission's next session should be held in October 1966. The seventh session of the Conference of Asian Statisticians should be held in June or July 1966, as that would give the developing countries sufficient time to consider the draft report on SNA. He also agreed that the Expert Group should meet between the Commission's 1966 and 1968 sessions.

Mr. ASKAR (United Arab Republic) also felt that the Commission should meet in the autumn of 1966 so as to give the developing countries ample time to consider the Expert Group's proposals. If the proposals were not ready in time, the session should be postponed.
The CHAIRMAN, summing up, noted that the Commission was provisionally agreed that a short session should be held in the autumn of 1966, and the following session in April 1968. Several members had emphasized the need for at least one meeting of the Expert Group on SNA well in advance of the 1968 session. The Secretariat could be left to decide whether a second meeting of the Expert Group was necessary, although the financial implications of such a meeting would have to be taken into account.

Mr. MAHALANOBIS (India) stressed the need for training programmes in the technology of statistics in order to assist the developing countries in improving national statistical services. Some particular applications of statistics not dealt with in economic textbooks could be of great significance for economic development: for example, statistical quality control, which had almost certainly contributed to the export successes of a country like Japan. He suggested the inclusion of that item in the agenda of the next session and the preparation by the Secretariat of a simple paper reviewing the existing situation and perhaps making some proposals.

STUDY OF METHODS USED IN THE COMPILATION OF INPUT-OUTPUT TABLES, INCLUDING THE MOST IMPORTANT USES (E/CN.3/317 and Add.1)

Mr. LUKACS (Secretariat) introduced the report by the Secretary-General on problems of input-output tables and analysis (E/CN.3/317). He said that the report could be expanded if the Commission so wished, especially chapter III on the compilation of tables, but that it might be preferable to wait until countries had gained further experience. The Commission might wish to comment on whether the report should be published, subject to such revision as might be required in the light of the discussion. It might also wish the Statistical Office to collect national input-output tables, technical coefficients and so forth for similar publication.

Mr. KITAGAWA (Japan) said that he welcomed the report and regarded it as the first step towards the preparation of internationally comparable tables. Unified standards for the form of the tables, for the concepts embodied in each item and for sector classifications were difficult to establish from national tables because of differences in the industrial structure of the countries where input-output tables were compiled and used. The study should therefore be carried further with the aim of establishing unified standards suitable for international.
use and of prompting countries to compile national tables in such a way that data for standard tables could be derived from them. The greatest difficulty in compiling input-output tables was the lack of reliable basic data; the need for such data, particularly in the developing countries, should therefore be stressed.

Because of the difficulties some countries would face in compiling detailed input-output tables, it would be advisable to devise and demonstrate a simplified model and method of estimation appropriate for such countries and to indicate a minimum list of the statistical data needed for the compilation of simplified tables.

The standards for the compilation of input-output tables were closely related to the proposals for the revision of SNA. That relationship should be brought out clearly in such matters as the treatment of private non-profit institutions, the unit to which the classification was applied and the scope of imputations.

Mr. VOLODARSKY (Union of Soviet Socialist Republics) said that the subject was of great interest to his country, where inter-sector balances of production played a significant role and were widely used in planning and statistical practice.

In a situation characterized by a highly developed division of labour, a high degree of specialization and co-operation, a constantly changing and increasingly complex structure of production, there was need for a detailed analysis of all the links between the different sectors of the economy and for careful co-ordination of the various sector plans. That was made possible by an inter-sector balance of production embracing in one system the whole process of production divided into many sectors and products. Electronic computers greatly increased the prospective uses of the inter-sector balance because they permitted the quick and accurate completion of the most complicated calculations; the determination, from direct cost data, of the full cost of producing an item; and the derivation of a number of other indicators and coefficients needed in the analysis of inter-sector links and in economic planning.
In the USSR, an inter-sector balance of the production and distribution of products in the Soviet economy for 1959 had been drawn up on the basis of a balance in terms of value and a balance in terms of product. Those two balances were substantially different both in construction and in purpose. The value balance distinguished eighty-three sectors of material production: seventy-three industrial sectors, two agricultural sectors, forestry, construction, transport, communications, trade, procurement, supplies and a miscellaneous sector. The product balance comprised 157 products of major economic importance in the form of aggregates such as coal, rolled iron and steel goods, sawn timber, and so forth. The data in the inter-sector value and product balances were used to calculate the coefficients of direct and over-all costs and thus provided a deeper understanding of interrelationships and ratios throughout the economy. The coefficients of over-all costs were calculated on electronic computers.

The necessary information for the inter-sector balance was derived from a sample survey of industrial enterprises and construction sites, which had yielded detailed data on the production costs of particular items for 1959 in terms of money and kind. The standards calculated from those data were applied to production in every sector of industry and construction. Some 20 per cent of all industrial enterprises and construction sites had been sampled in order to ensure that the figures were representative.

As the inter-sector balance drawn up in 1959 had been a first attempt at such a system of accounts, many complex problems and methodological questions had arisen in connexion, for example, with the linking of the indicators of the value and product balances and with the place in the balance of the reproduction of basic funds. Much work was still to be done, and he was gratified that the subject was being studied in a United Nations framework.

Mr. Goldberg (Canada) said that the Secretary-General's report (E/CN.3/317) in many ways satisfied the pressing need for an up-to-date basic working document on the construction and uses of input-output tables. It described alternative approaches with great clarity and rightly refrained from recommending a rigidly uniform system for all countries. The report emphasized the importance
of regarding the input-output table as an element of the total statistical system
of which it formed part, and the importance of distinguishing between the
transactions table as such and the various analytical uses which could be made of
the information contained in the table. Despite its emphasis on the latter point,
the report showed an apparent preference for a single square matrix containing
considerable transfers of commodities and redefinitions of industries.

In Canada, as he had mentioned at the 223rd meeting, rectangular tables and
models based on them were being developed, and experiments were being conducted
with a master matrix which would contain, in rectangular form, detailed tabulations
of commodities used by industries and commodities produced by industries, together
with an inter-industry-flows table in square form.

Among the features being stressed in that programme, the first was that the
basic master matrix should be fully compatible with national income and expenditure
accounts and with the existing standard classifications to the extent that they
were applied in Canada. Published information could then be used more easily in
conjunction with the information in the input-output table, both for the purpose of
keeping the latter up to date and for general analytical purposes.

The second feature being stressed was that in the main table there would be
no re-definition of industries in the sense of removing secondary products from an
industry and adding them to the industry primarily responsible for the output of
such products. Such redefinition tended to divorce the input-output data from
the existing industrial as well as from the existing statistical structure. Where
redefinition was important and feasible, the redefined industries would be shown
in a supplementary table.

The third feature would be an attempt to place as much data as possible in the
basic work-sheets in order to facilitate special studies such as the analysis of
competitive imports, which were a matter of particular importance to Canada. The
basic matrix itself would contain a great deal of detail which would enable the
data to be rearranged for special kinds of analysis and, it was hoped, make it
possible to test the relative merits of alternative input-output tables using
different analytical models.

As at present envisaged, the inter-industry-flow table was central to the
scheme. The commodities and groups of commodities of each industry would be
appropriately classified according to the standard commodity classification, and studies would be carried out to trace the flow of commodities from producing to using industries. Canadian experience thus far suggested that to focus attention on a single square matrix was not necessary and, in view of the potentialities of the electronic computer, was probably too restrictive.

His delegation's detailed comments on specific paragraphs of the Secretary-General's report would be submitted to the Secretariat in writing. He wished, however, to refer to the suggestion, both in that report and in document E/CN.3/320, that unallocated items should be distributed by the producers of the table for the convenience of the users. He had no objection to that suggestion, but emphasized that the residuals should be shown clearly and permanently in the table in order that users might be fully aware that the statistician, with all the data and ingenuity at his command, was unable to reduce the discrepancies beyond a certain minimum.

Mr. BOWMAN (United States of America) said that he considered the Secretary-General's report very valuable as a short manual on the terminology, methodology, compilation and uses of input-output tables, and hoped that it would be made available to all interested parties as a guide. He favored discussion of the value of alternative methods, preferably by regional working groups within the United Nations system. He agreed that standardization, in the sense of proposing specific standards at the present stage, was not particularly desirable, but felt that guidelines, in terms of the various existing practices together with their virtues and defects would be valuable. The United States had encountered many difficulties in preparing input-output tables, and that aspect of the subject should be a topic for general discussion at some future date.

Mr. CRUSON (France) agreed with previous speakers that the Secretary-General's report (E/CN.3/317) was a valuable and useful document. In his view, it was by no means certain that transactions were best recorded at producer's prices, as was suggested in paragraphs 2.32-2.37 of the report. His delegation had always maintained that, if it was intended to integrate input-output tables into national accounting systems, it would be preferable, in compiling the tables, to adhere to the normal national accounting practice of recording transactions at the price at which they were effected. The inclusion of marketing costs would mean that the
coefficients derived from an input-output table for the purpose of making projections might be unsuitable. Although the ideal solution was that indicated in paragraph 2.37, it should be made clear that, owing to the lack of statistical resources needed for the compilation of so complex a table, that ideal had thus far been impossible of attainment.

Appendix I to the report discussed the very interesting question of the comparability of input-output tables, but the impression should not be given that such comparability was easy to achieve in existing circumstances. Although the member countries of the European Economic Community had for some years been using standard nomenclatures and methods in preparing national accounts, their input-output tables indicated considerable divergences on the part of the different countries in the use of the common classifications and methods.

Sir Harry CAMPION (United Kingdom) said that he welcomed the Secretary-General's report, which was generally in line with the recommendations of the Working Group on Input-Output Statistics of the Conference of European Statisticians. Although it might be preferable to postpone publication of the report until experience had shown how the particular treatment of input-output tables which it recommended fitted into the revised SNA, the time factor perhaps made it desirable to circulate it in some form at an earlier date. Although the United Kingdom had entered the input-output field relatively early, it had for a long time found the tables of little use for policy purposes, but had used them for a number of statistical purposes. Some consideration had been given to the question how it should be used for short-term, as opposed to long-term, analysis. One problem was how best to bring up to date the figures obtained from a full scale input-output analysis, and discussion among statisticians appeared to be the most appropriate method of solving it.

The statement concerning the United Kingdom in paragraph 4.130 of the report was not correct, since commodity flows were incorporated in the national accounts. Appendix I, paragraph A.9, seemed to imply that all transactions between establishments within an industry should be included in output. He did not entirely agree with that view. The United Kingdom had been using gross output free of duplication, a procedure which made the figures independent of the structure and organization of a particular industry and facilitated time comparisons.
Mr. MARKIN (Ukrainian Soviet Socialist Republic) recalled that the USSR delegation in the Working Group on Input-Output Statistics of the Conference of European Statisticians had agreed to assist the Secretariat in preparing a glossary of terms used in the system of inter-sector balances.

He said that one obstacle to the integration of input-output tables with national accounts was that some countries prepared their national accounts on an annual basis but produced input-output tables only at intervals of several years. While appreciating the difficulty of the task, he suggested that it would be desirable for the tables and the national accounts to have the same periodicity.

Mr. ASKAR (United Arab Republic) said that the Secretary-General's report, which was of particular interest in so far as the question of comparability was concerned, would be of great help to the developing countries. The main problems facing those countries were the lack of statistical data and easy techniques for the compilation of input-output tables and a lack of experts and, in some cases, of electronic computers. His country had compiled several tables, and it hoped with the aid of new computers to be able in future to make a greater contribution to international comparability.

Miss GUSADA (Panama) agreed that, subject to the comments made by members of the Commission, the Secretary-General's report should be published for the reference and guidance of official statistical agencies and the users of input-output tables. The manual should be revised from time to time in the light of experience, comments received and progress in countries which used such tables regularly.

Mr. MAHALAWAITS (India) said that the Secretariat was to be commended on its report, which would be extremely useful, particularly as it was not unduly technical. It was natural enough that nearly all the examples given in the report came from advanced countries; there were, however, some cases in which the experience of developing countries, such as India, in the use of input-output tables, might be of interest, at least to other developing countries.

Input-output tables had been used in India in the preparatory work for the fourth five-year plan, and an account of the methods used had been published by the Indian Statistical Institute. One difficulty facing the developing countries...
in the use of input-output tables was that the economic structure could be expected to change radically within ten years. The problem had been overcome in his country by making adjustments in the light of additional information. The results of the analysis had been useful in clarifying the ideas of planners. For example, there had been a tendency at first in India to stress agriculture at the expense of industry. Although that view had been modified, there had been a further tendency when the prices of agricultural products rose, to cut back on industrial development. Analysis had brought out the fact that in order to improve agricultural productivity, 40 per cent of the inputs must be of industrial origin.

It might be useful, when the report was revised, to include a reference to India's experience in the use of input-output tables.

He also wished to stress that one of the main ways in which the international comparability of statistics could be of value was that it would enable the developing countries to make use of some of the information available in the advanced countries.

Mr. Davies (Economic Commission for Europe) said that the activities of the Working Group on Input-Output Statistics of the Conference of European Statisticians, to which reference had been made by some members, were in some ways complementary to those of the Secretariat in so far as the preparation of document E/CN.3/371 was concerned. However, whereas paragraph 0.6 of that document made it clear that the intention was not to suggest a particular design for the standardization of input-output tables, the Working Group had drawn up specific recommendations to that end. In the discussion of the Working Group's report by the Conference, several representatives had indicated that the recommendations had been put into practice in their countries and had been found satisfactory. The Conference had approved the recommendations on the understanding that they would have to be further examined in the light of the current review of systems of national accounts and balances. It had not been thought that the recommendations would need much alteration, and meanwhile they could be regarded as being in force. The recommendations did not, moreover, cover all aspects of input-output analysis but only those in which international standardization seemed feasible.
It was not proposed that individual countries should be required to follow the recommendations in all their national tables. Where, however, that was not done, it was hoped that the statistical authorities would consider preparing an auxiliary table along the lines of the standardized form.

Mr. Fitzoy (Council for Mutual Economic Assistance) said that input-output tables or "inter-sector balances", were of special significance in the socialist planning of production. The inter-sector balance was also useful in the field of trade relations between the member countries. During the last ten years much work had been done in the socialist countries on the compilation of both statistical and planning balances; the representative of the Soviet Union had already described the experience of his country in that regard. The methods of compilation varied somewhat among the CMEA countries, and a greater degree of standardization would doubtless be helpful. It was anticipated that that question would be studied shortly by the Statistical Committee of CMEA.

Inter-sector balances were also used for price analysis and for studies of labour efficiency. The existence of national balances was, moreover, a prerequisite for much of the work of CMEA in studying comparative costs and co-ordinating national plans.

The Chairman said that the consensus of the Commission seemed to be that the Secretariat was doing useful work in the field of input-output tables and analysis and that the Secretary-General's report merited circulation on a wider basis. It was understood that the report would be revised by the Secretariat in the light of the discussion in the Commission and that, in due course, it would have to be brought into line with the revised SNA.

ESTIMATION OF NATIONAL PRODUCT AND EXPENDITURE IN CONSTANT PRICES (E/CN.3/322)

Mr. Aidenoff (Secretariat) said that document E/CN.3/322 contained a preliminary survey of the more important recent developments in national practices in compiling estimates of product and expenditure at constant prices. It did not discuss those practices in any detail. The Secretariat intended to make a broader study of the question at a later stage with a view to preparing a manual on it and to providing further guidance in the chapter on constant prices which it was proposed
to include in the revised SNA. The preliminary study had indicated that an increasing amount of work was being done in that field for a number of reasons, one of which was the recent emphasis on the need to measure economic growth in its various manifestations.

Increasing attention was being devoted to estimates of product in terms of industry of origin. Some of the problems involved in such estimates were discussed in the report.

It would be clear from the report that there were a number of special problem areas: for example, conceptual problems relating to the measurement of output for various kinds of services, and the lack of basic data required for estimating output in the case of services, construction and the distributive trades. The Secretariat hoped in its further work to give attention to those matters.

He drew attention to paragraph 75, in which it was suggested that the Commission might wish to recommend the preparation of a comprehensive technical manual.

The meeting rose at 12.50 p.m.
STATISTICAL COMMISSION

Thirteenth Session

SUMMARY RECORD OF THE TWO HUNDRED AND TWENTY-SEVENTH MEETING

Held at Headquarters, New York,
on Thursday, 29 April 1965, at 2.50 p.m.

CONTENTS

Estimation of national product and expenditure in constant prices
(E/CN.3/322) (continued)

Principles and practices in the collection and compilation of price
statistics (E/CN.3/328)
PRESENT:

Chairman:
Mr. MARKIN Ukrainian Soviet Socialist Republic
later,
Mr. DJERVE Norway
Mr. ARCHER (Australia)
Mr. YOUNGMAN Australia
Mr. GOLDBERG Canada
Mr. JUI China
Mr. GRUSON France
Mr. PALANGIE
Mrs. MOD Hungary
Mr. NAIR India
Mr. McCARTHY Ireland
Mr. MOKITA Japan
Miss QUESADA Panama
Mr. VOLODARSKY Union of Soviet Socialist Republics
Mr. ASIAR United Arab Republic
Sir Harry CAMPION United Kingdom of Great Britain
and Northern Ireland
Mr. BOWMAN United States of America
Mr. MARTINEZ Uruguay

Representatives of specialized agencies:

Mr. RILEY International Labour Organisation
Mr. KHAMIS Food and Agriculture Organization of
the United Nations
Miss DARRETT United Nations Educational, Scientific
and Cultural Organization
Mr. LYNN International Monetary Fund
Dr. LOGAN World Health Organization
Mr. CARRE General Agreement on Tariffs and Trade

Representatives of regional economic commissions:

Mr. DAVIES Economic Commission for Europe
Mr. VIGNANATHAN Economic Commission for Asia and
the Far East
Mr. LOEB Economic Commission for Latin America
Mr. EL-TAWIL Economic Commission for Africa

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PRESENT (continued):

Representatives of inter-governmental organizations:

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<thead>
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<th>Name</th>
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<tr>
<td>Mr. ZHELEV</td>
<td>Council for Mutual Economic Assistance</td>
</tr>
<tr>
<td>Mr. BERTRAND</td>
<td>Organisation for Economic Co-operation and Development</td>
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<tr>
<td>Mr. LOFTUS</td>
<td>Director, Statistical Office</td>
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<tr>
<td>Mr. AIDOFF</td>
<td>Chief, National Accounts, Finances and Prices Branch</td>
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<tr>
<td>Miss GROSSMAN</td>
<td>Secretary of the Commission</td>
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Mr. GRUSON (France) endorsed the proposal in paragraph 75 of the document that a comprehensive technical manual should be prepared. He felt, however, that the manual should not merely describe the various methods used for estimating volume, price and quality but should analyse them in detail. The paper submitted was too succinct. It was necessary to bear in mind that the problems of constant-price estimation involved quite a number of theoretical difficulties which conventional manuals of statistics barely touched upon, namely, the problems of constructing volume and price indexes for goods whose nature and quality were constantly changing. Those were problems which grew in complexity as the rate of technological progress increased. The difficulties were even greater in the case of intermediate goods, especially the complex ones such as chemical products, whose quality was far more difficult to measure. It was theoretically possible to solve those problems provided considerably more means of observation were used than was the case at present in most countries.

Mr. YOUNGHAN (Australia) remarked that estimates of product and expenditure at constant prices, while undoubtedly useful, were somewhat speculative in character, a fact which was not sufficiently brought out in the Secretariat paper. It might perhaps be desirable to emphasize, in any published study, the limitations in the use of those methods and the uncertainty surrounding the data so obtained. Thus, the double-deflating approach recommended in paragraph 29 sometimes gave results which were meaningless. In the same paragraph, reference was made to the use of inputs of labour adjusted for changes in productivity, while further on in the document reference was made to the use of results to measure productivity. Furthermore, the quantity and price components mentioned in paragraph 33 were very difficult to define, and solutions often depended not on concept definitions but on available data. In paragraph 26, it should have been stated that where the quantitative data were inadequate there might be no means of knowing whether the price indexes were correctly weighted or whether the price series obtainable were reasonably representative. Such considerations were of the greatest importance in maintaining statistics of a high level and needed to be emphasized by statisticians.

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Mr. GOLDBERG (Canada) mentioned the difficulty of trying to prepare estimates at constant prices but emphasized that, in view of the fact that such estimates were indispensable for economic analysis, no effort should be spared to develop them. With reference to the use of published data on labour and output for measuring productivity in individual industries, which was suggested in paragraph 13, it was necessary to bear in mind that, in practice, such data were often not sufficiently accurate to permit calculations of productivity trends in individual industries even though the statistics in question might be accurate enough for general economic analysis. Canada had only recently begun to publish official statistics on productivity rates for global sectors of its economy, after a long period of research and data development. The statement that factor-cost evaluation involved knowledge not only of the indirect taxes paid by each industry but also of all indirect taxes incorporated in the cost of intermediate purchases (para. 20) was not true in the case of Canada. Nor was it absolutely true, as paragraph 24 appeared to suggest, that tables showing indexes only were less accurate than those in absolute terms. The construction of special input-output tables, as proposed in paragraph 33, would be a long-term objective but would require close co-ordination of statistical programmes for estimating the real product of industry and for constructing price indexes and input-output tables. In Canada, great efforts would still have to be made in that field, and the suggestion would have been much more useful if the paper had dealt with the problems involved. He drew the Secretariat's attention to two inaccuracies concerning Canada in the paper: his country had abandoned several years ago the approach mentioned in paragraph 54, and the method described in paragraph 63 applied only to about 40 per cent of wholesale trade, whilst for the remainder a method similar to that used in the United States (para. 62) was applied. In conclusion, while he endorsed the suggestion made in paragraph 75, he considered that the preparation of a comprehensive technical manual would obviously be a major task of which the document before the Commission (E/CN.3/322) represented only one stage. Instead of recommending that such a manual be prepared for its next session, the Commission should point out the need to continue efforts in that field.
Mr. MORITA (Japan) said that he wished to inform the Commission of the work which was being done in Japan. For estimating expenditure at constant prices, the National Accounts Board of Japan had recently recommended the adoption of the new method of adjustment. Several estimates of national product at constant prices had been made on the basis of input-output tables. The double-deflating approach recommended in the paper had also been used recently for preparing official estimates of national income. Japan's national income estimates were not yet calculated at constant prices, but that possibility was under consideration. Adequate statistical data, i.e. price and quantity indexes, were available for adjusting product flows but there was not sufficient information relating to other flows (banking, insurance, etc.). In that connexion, Japan welcomed the proposal to establish international standards in that field but wondered whether it was possible to define clearly the concept of adjustment in respect of flows other than product flows. He hoped that the Secretariat would continue to study the question and that it would submit a report to the Commission at its next session. He also endorsed the proposal that a comprehensive technical manual should be prepared.

Mr. BOWMAN (United States of America) said that the document which had been submitted, while concise, was nevertheless of considerable value. However, it was preferable, at that stage, in view of the present work-load, not to ask the Secretariat to intensify its efforts. In statistics, the possibilities of further improvement were unlimited, but one might well ask whether they were economically worth while. Since for the statistician a priori certainty was ruled out, he must simply continue with the same steadfastness his difficult and unending task.

Sir Harry CAMPION (United Kingdom) felt that it would be premature to prepare a comprehensive technical manual at the present stage, because of the difficulties involved in assembling and tabulating the data. The information concerning United Kingdom methods in the document before the Commission was in many cases out of date. A detailed note on the subject would be sent shortly to the Secretariat.

Mr. GRUSON (France) observed that some years ago the International Labour Office had published a study on the methods used in various countries for determining levels of living. That study was of interest in connexion with
estimation at constant prices. The serious difficulties encountered in that field should not be a discouragement to anyone. Although constant-price series were often mediocre in quality, there existed for calculating aggregate output on the basis of final goods and services methods for determining price, quantity and quality-variation indexes, and while the problems relating to intermediate goods were more complex, the idea remained valid. More precise concepts regarding input-output tables would clearly have to be developed. It seemed all the more urgent that empirical methods should be abandoned since national accounts data had been compiled for a great number of years.

Mr. McCarthy (Ireland) also expressed doubts as to the advisability of devoting considerable resources and efforts to preparing a comprehensive technical manual which, at that stage of the work, might very soon prove to be out of date.

Mr. Khaimis (Food and Agriculture Organization of the United Nations) said that the document before the Commission was a useful contribution to the current work in national accounts statistics at constant prices. That work had so far produced uneven results, although a break-through had certainly been achieved in the question of the general framework of price indexes. It would be dangerous, however, to underestimate the remaining obstacles. Thus, the use of the Fisher Ideal System did not in fact produce satisfactory price or volume indexes and often consisted in disguising the errors made. It was not necessary to link up different indexes through a Fisher formula when each had its own usefulness, except when a change in the weighting or time comparison bases and other major revisions occurred. In 1961 FAO had proposed a more practical method of calculating indexes which had yielded some useful results. With regard to the reconciling of product and expenditure estimates, the method used by the United Kingdom (para. 55) seemed to be the most rational one and was in accordance with international recommendations developed by FAO, and it was to be hoped that that method would be adopted by other countries. In the case of market price valuation, special adjustments seemed necessary for heavily taxed products. With reference to the forms of presentation (para. 24) he observed that the use of indexes in preference to absolute figures presented serious difficulties in the case of indexes of value added. The relative errors could be as great or even greater for
the index than for the individual components. It was therefore necessary to have not only the appropriate indexes, but also absolute figures. In the case of international comparisons of constant-price estimates of a particular basket of goods, the difficulties encountered were certainly less than those which arose at the national level in adjusting previous estimates for successive years to a common time comparison base period.

Mr. Loftus (Director of the Statistical Office) said that the Secretariat's main concern had been to enumerate the problems which arose in the field of product and expenditure estimates at constant prices, and to define the area of future studies. It was possible that the objectives of the study had not been brought out sufficiently clearly. With regard to the preparation of a comprehensive technical manual, he noted that the Commission felt that such an undertaking was premature, but stressed the need for further studies. The Statistical Office would take note of that suggestion.

Mr. Gruson (France) said that to postpone preparation of the manual did not mean that the urgency of the task was underestimated. He, and it seemed the other members of the Commission, had felt it necessary above all to stress the difficulty of the undertaking.

PRINCIPLES AND PRACTICES IN THE COLLECTION AND COMPIlATION OF PRICE STATISTICS (E/CN.3/528)

The Chairman pointed out that the present agenda item was closely linked to the preceding one. Speaking as the representative of Norway, he said that indexes of volume were no more difficult to calculate than indexes of the corresponding prices. Furthermore, price indexes were of no use without the corresponding value and volume indexes.

Mr. Allin (Statistical Office) said that the problems dealt with in document E/CN.3/528 were linked in two ways with the questions examined in connexion with estimates of product and expenditure. Firstly, price index series played a very important role as basic data when national accounting data had to be converted into constant prices. Secondly, price data had to be in harmony with volume data. The report was not confined to an analysis of the need for price statistics and the characteristics of various methods of compiling such
statistics, but also endeavoured to determine the role of price statistics in national accounting. In that connexion, it outlined a method of unifying price series. The closing sections of the document were concerned with practical methods of gathering price series. The Secretariat had endeavoured to lay the foundations for a possible revision of the recommendations which the Commission had made in 1953.

Mr. VOLODARSKY (Union of Soviet Socialist Republics) said that he too saw a close connexion between agenda items 16 and 19. In order to calculate indexes in constant prices, it was necessary to have access to data on the prices themselves, and that entailed continuous compilation and systematization. It was difficult to over-estimate the role of price statistics because, by bringing to light the factors which determined prices, they provided the planner with the information he needed in order to define and solve the problems involved in the planning and development of individual sectors and of economic activity as a whole.

A great deal of work had been done in the USSR on the gathering of price data and the calculation of the relevant indexes. Pricing in the USSR had certain special features: the prices of some important goods were fixed by the State and by Gosplan, although the various Republics and local authorities had certain prerogatives in that respect. Furthermore there was a collective farm market on which the prices were largely determined by supply and demand. Local statistical bureaux collected current prices and studied them in accordance with the instructions of the central authorities, thus making it possible to calculate the relevant indexes. Particular importance was attached to quarterly and annual price indexes of State and co-operative retail trade for the whole of the Soviet Union. A quarterly study was also made of the prices of certain agricultural products in local markets, which were compared with the retail prices fixed by the State. Retail price indexes were published regularly in the statistical yearbooks of the USSR. The statistical authorities also calculated mean indexes for the purchase prices of agricultural products sold under compulsory delivery and for the wholesale prices of industrial goods. Since 1960 the latter indexes had covered 961 different articles. They were also published regularly, and made it possible to study variations in wholesale prices. Soviet statisticians also
prepared estimates of gross national product and national income in constant prices, and calculated quantitative indexes. In conclusion he stressed the importance of the work done by the Statistical Office and the need to continue the tasks in hand despite the difficulties which remained to be overcome.

Mr. MÔRITA (Japan) considered that the authors of the report had underestimated the importance of the general index of wholesale prices, which was an excellent indicator of the economic situation. Stress should be laid, in particular, on those indexes which could be used to construct chronological series over long periods. Moreover the proposed model system of price index numbers seemed to be based on the structure of production, whereas in reality prices were the outcome of transactions between enterprises. Wholesale prices ought also to be taken into account; the variations in those prices were more representative of general price fluctuations than were production prices, which often remained constant in the case of large enterprises and which varied greatly from producer to producer in the case of small enterprises. It would therefore be desirable to adopt a system sufficiently flexible to allow the most efficient solution to be chosen in each case. As to the actual technique of gathering data, Member States and the international organizations concerned should pool their experience and information in order to solve the problem of quality variations and the problem of the price of unique goods.

Lastly, if the authors of the report wanted to clarify the relations between prices at different levels of production and distribution, the best plan for the time being would be to continue their studies in that field, taking into account the difficulties experienced by each country in putting that system into effect, and to publish the results only as a study paper. In addition it would be desirable to investigate, in consultation with the statistical offices of the international organizations and countries interested in the subject, ways and means of studying the prices of services.

Mr. BOWMAN (United States of America) observed that the authors of the report under study had attempted to state, perhaps somewhat too concisely, the nature of the data used in constructing price indexes and to lay down principles of comparison. To that end they had established an integrated system parallel
in structure to other systems of economic statistics such as national income and product accounts and input-output tables. All aspects of the subject had been dealt with but some points would need clarification and it might be necessary to add a number of technical annexes to the report.

The introduction and section II, entitled "Requirements for statistics of prices", demonstrated the importance of such statistics and the need to consider the nature of the data in relation to the objectives pursued.

With regard to section III, entitled "The transactions and prices to be covered", the current report extended the scope of the price statistics system considered in the previous report on wholesale prices (E/CN.3/264) to retail prices (para. 21). The report recognized that most countries had only limited retail price indexes in the form of consumer price indexes. Extension of such limited retail price indexes to all classes of consumers represented a long-range goal of the United States, but there were other more pressing problems. The proposed order of priorities (para. 25) seemed acceptable, but the scope of the first-priority group of statistics was so wide as to leave little time for items at the end of the list. Moreover, although it was theoretically desirable that purchase prices should include "all charges incurred up to the point of delivery to the purchaser" (para. 30), that type of price collection was both difficult and expensive and would have to be restricted to important purchasing industries; moreover the various distribution charges sometimes had to be considered separately for the purpose of input-output analysis. Some clarification was needed in that connexion. The United States preferred, especially with regard to the consumer price index, to set up two indexes in each case, one inclusive and one exclusive of taxes (para. 31); from time to time, however, special studies should be made of the effect which certain taxes (or subsidies) produced on prices, for that effect was sometimes difficult to evaluate.

Section IV, entitled "The characteristics of various systems of price statistics" was very clear and therefore required little comment. The proposed framework would be useful even to those countries which already possessed considerable experience in the field. More emphasis should be placed on the need for weighting both the gross and the net indexes and on what might happen when properly weighted indexes were not available. It would also be necessary, as
suggested in paragraph 59, to publish indexes in more detail than the model tables suggested, in order to meet the needs both of users and of the respondents co-operating with Government statistical agencies (at least in the United States), and also in order to invite constructive criticism.

The weights could, if necessary, be revised according to the method suggested in section V, entitled "Formulæ and base periods" (para. 72). In the United States the wholesale price index was revised every five years and the retail price index every ten years. More frequent revision was avoided, for the task required extensive resources that were better spent on the proper collection of data, which was even more important to the accuracy of the indexes. However, arrangements had been made for the consumer price index to be revised at any time if significant changes in its structure occurred. He also had some reservations about the method proposed for the introduction of a new weighting system, which consisted in applying the new weights retroactively and attenuating their effects by a combination of the old and new weights; a great deal of work would be involved. Furthermore it did not seem necessary to resort to the Fisher ideal or Marshall-Edgeworth formula in the case of a moving weight base (para. 74) if the base was distributed over three years. While there were "advantages to employing the same period as the weight and comparison basis" (para. 75), the United States emphasized the need for a uniform comparison base which would not always be identical with the weight base.

Statisticians in the United States had used purposive selection of transactions for the practical reasons stated in section VI, entitled "Gathering representative and comparable price series". Those reasons remained cogent for wholesale prices because probability sampling was scarcely applicable to systems producing such highly detailed data. For the Consumer Price Index, for which probability sampling was used, an attempt had been made to compute the sampling errors incurred in constructing the index - a question not mentioned in the report - and the results had been encouraging. With respect to specifications he agreed it might indeed be useful to take account of operating characteristics (pars. 85 and 86); that had in fact been done in the United States. He wished to note, however, that pricing capital goods on the basis of performance would result in a price index useless for the measurement of changes in the productivity
of capital; such an index would be useful as a supplement, but not as a substitute, for the existing indexes.

The most difficult problem to solve - that of changes in products and variations in quality - was considered in section VII, entitled "Adjusting price series to a comparable basis". Linking new price series to cognate price series was an acceptable solution, but if the linking was carried out systematically when the volume of sales of old and new items was about equal there was a risk of bias, for random methods could not be used in that case. Every possible technique had been tried in the United States in an endeavour to evaluate the "economic worth" of changes in quality, but a number of obstacles had been encountered and no conclusive results had been reached; United States statisticians would like to be kept informed of the work done in that sphere in other countries.

The problem of "Unique goods", raised in section VIII, had not yet been solved; the pricing of inputs might be useful, but estimates still had to be made of changes in productivity, in overheads and in profit ratios; perhaps that difficulty could be overcome by calculating over-all ratio adjustments applicable to material inputs. That was merely a suggestion, to be tested experimentally.

As to the "Irregular and general discontinuities" discussed in section IX, no fixed rules could be established. The United States practice was to carry forward the weights of the items out-of-season by the price trend of the cognate items priced; unlike the other suggested procedures, that had the advantage of not distorting the price movement of the group, but it did distort the month-to-month price changes when the item in question reappeared on the market; however, other expedients suggested had the same disadvantage.

Mr. KHAMIS (Food and Agriculture Organization of the United Nations) approved the general framework provided by the report. FAO was interested in price statistics, particularly agricultural producers' prices, which were in FAO's field of responsibility. The organization was co-operating with the United Nations in the general field of price statistics and with the UN in respect of statistics on consumer prices. At present FAO was compiling and publishing about 1,700 price series, but it would be necessary to intensify that work and to take careful account of the nature of the prices and the purposes which those statistics were intended to serve, such as agricultural planning.
The statistics in question were to serve two purposes: that of facilitating comparisons over time and space and between commodities, and that of evaluating the monetary value of goods. Both types of information might sometimes be needed at the same time, and the methods of gathering and processing the data were not necessarily the same for the two purposes. With regard to sampling, furthermore, the sample had to be changed, as time went on, for evaluation purposes, whereas for comparison purposes the same sample had to be retained; such a twofold procedure was expensive, and methods of developing mixed sampling schemes would have to be investigated. In addition research was needed to determine the methods appropriate for assembling prices from market reports and directly from the transactors themselves, as those two cases posed different problems. In general, the concepts and methods to be used in the compilation of price statistics and the calculation of price indexes must be defined according to the objectives aimed at and as such, through an operational point of view. He drew attention to a paper on the subject published in the January 1965 issue of the FAO Monthly Bulletin of Agricultural Economics and Statistics, where some of these problems were considered.

The meeting rose at 5.10 p.m.
SUMMARY RECORD OF THE TWO HUNDRED AND TWENTY-EIGHTH MEETING

Held at Headquarters, New York,
on Friday, 30 April 1965, at 10.5 a.m.

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Progress report on balance-of-payments statistics (E/CN.3/327)
Classification of government accounts:
   (a) Progress report on classification of government accounts (E/CN.3/324)
   (b) System of classification of public debt (E/CN.3/325)
PRESENT:

Chairman: Mr. BJORVE Norway
Mr. ARCHER (Australia)
Mr. YOUNGMAN Australia
Mr. DUFFETT Canada
MR. GOLDBERG
Mr. JUI China
Mr. GRUSON France
Mr. PALANGIE
Mr. PETER Hungary
Mrs. NOD
Mr. NAIR India
Mr. McCARTHY Ireland
Mr. KITAGAWA Japan
Miss QUESADA Panama
Mr. MARKIN Ukrainian Soviet Socialist Republic
Mr. VOLODARSKY Union of Soviet Socialist Republics
Mr. ASKAR United Arab Republic
Sir Harry CAMPION United Kingdom of Great Britain and Northern Ireland
Mr. BOWMAN United States of America
Mr. MARTINEZ Uruguay

Representatives of specialized agencies:

Mr. RILEY International Labour Organisation
Miss BARRETT United Nations Educational, Scientific and Cultural Organization
Mr. IXMN International Monetary Fund

Representatives of regional economic commissions:

Mr. DAVIES Economic Commission for Europe
Mr. VISWANATHAN Economic Commission for Asia and the Far East
Mr. LOEB Economic Commission for Latin America
Mr. EL-TAWIL Economic Commission for Africa

/...
PRESENT (continued):

Representatives of inter-governmental organizations:

Mr. ZHELEV Council for Mutual Economic Assistance
Mr. BERTRAND Organisation for Economic Co-operation and Development

Secretariat:
Mr. LOFTUS Director, Statistical Office
Mr. LANDAU Chief, Budgetary Research Section, Fiscal and Financial Branch
Mr. HHOURACKAR Chief, Special Projects, Fiscal and Financial Branch
Miss GROSSMAN Secretary of the Commission
Mr. GRUSON (France) noted that the present agenda item as well as the item entitled "estimation of national product and expenditure in constant prices" dealt with price indexes. One likely reason for that situation was that the two questions had been placed on the agenda at different times and had both reached a stage requiring further consideration at the current session. Another possible reason was that national statistical offices had been compiling price indexes for many years before they had begun to prepare national accounts, and that they had continued to do so, to a great extent independently of the techniques employed in the compilation of national accounts. In his view, the two items should in future be combined, and the principle should be established that national statistical offices would calculate price indexes only for areas which could be defined in terms of the national accounts system, even if the indexes in question were not specifically used for national accounts purposes. Once the principle had been established, it would, of course, have to be applied gradually in individual countries, where many traditional users of price indexes would continue to need certain series produced in the past.

With regard to the Secretary-General's report on the gathering and compilation of statistics of prices (E/CN.3/328), he said that the problem of producer price indexes was not dealt with in sufficient depth. Subsequent work on the subject should rectify that shortcoming.

Sir Harry CAMPION (United Kingdom) said that although his delegation had not had time to study the important document before the Commission in detail, he would like to comment on certain passages in it.

With respect to paragraph 25, dealing with priorities in the collection of data, he agreed with the emphasis in sub-paragraph (i) on obtaining figures of producer and retail prices, but had some doubt whether the inclusion of import prices was equally justified if the reference was to the collection of actual prices direct from importers, as opposed to the derivation of average prices from the trade accounts. The United Kingdom placed a lower priority on such direct collection of data, and in any event, the figures thus obtained were difficult to compare in detail with figures derived from the trade accounts. Regarding sub-paragraph (ii), the collection of figures from purchasers, rather than from producers in so far as goods for intermediate consumption and fixed assets
were concerned, might be a worth-while experiment producing better data. As to the suggestion in sub-paragraph (iii) concerning prices of the sales of wholesalers, his country did not believe that the limited value of those figures justified their collection, at least in the foreseeable future.

Although there was something to be said for the suggestion in paragraph 31 that it would be advantageous, if feasible, to seek figures of sales prices which included commodity taxes and excluded subsidies and vice versa, the report should indicate that that was not always practical and might sometimes result in purely hypothetical figures.

Chapter IV, section B, of the report discussed the question of gross and net sector weights but not fully, and his delegation could not accept the implication that gross weights were preferable. That section simply noted, but did not deal with, the problem of duplication, which should be discussed more comprehensively because of its effect on the model system set out in section D of the same chapter. The statement in the last sentence of paragraph 43 was open to doubt, both technically and from the point of view of economic analysis; technically, it had an effect on the model shown in table 4, which used gross sector weights and which, upon being tested by his country, had proved to be very uncertain in its results, owing to duplication. Table 2 appeared to be more usable from his country’s point of view. The entire section B should be reconsidered, and his delegation would make more detailed comments on it if the opportunity arose.

With respect to chapter V, his delegation would agree that the weight base of price index numbers should be changed at least at ten-year intervals, but felt that the previous recommendations of various bodies for revision more frequently should be taken into account. In his country’s experience, the method of producing retail price numbers on the basis of a chain index number with an annual change of weights had proved to be the most satisfactory.

With respect to chapter VI, section D, there was much to be said for studying more detailed methods of collecting data on price quotations.

The later chapters of the report required further study in detail, and his delegation would submit its comments direct to the Secretariat.

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Mr. Goldberg (Canada) said that the Secretary-General's report (E/CN.3/328) was an important document, which not only brought up to date a number of important issues but contained some promising material, particularly the model system of price index numbers in chapter IV, section D. As his delegation had received the report too late for careful study, he would simply express some reservations concerning chapter IV.

His delegation disagreed with the suggestion in paragraph 57 of the report that table 1 should be given priority over table 2 in developing an integrated system of price statistics. Its reasons for doing so were, firstly, that a country should have the opportunity to study various alternatives in the light of its own needs and circumstances, and, secondly and more fundamentally, that priority in the development of a programme of price statistics could not be divorced from the remainder of the system of economic statistics with which the price data were to be used. Whether the series suggested in table 1 were more easily compiled and more urgently required depended very much, for example, on the kind of input-output table a country was developing. He noted, in that connexion, that an input-output table appeared to be a prerequisite for the use of either table, and that point should be given more emphasis in the report. An input-output table not only contained data for the weighting of price indexes, but itself required price indexes for deflation. If the input-output table of a country was arrived at on the basis of total establishment output, rather than of redefined industrial outputs on a principal commodity basis, the classification scheme in table 2 might be both easier to accomplish and more urgently required. The central fact that reference must be made to the character of the related elements of the total system of statistics in a given country and to the stage reached in the development of those elements was recognized, at least by implication, in paragraph 37 of the report, but was not carried through into the important discussion in paragraph 57.

As the United Kingdom representative had noted, the report displayed an apparent preference for gross weights, although acknowledging the usefulness of both net and gross weights. He agreed that gross weights were useful at the three-digit or four-digit industry level of ISIC for analysing price and quantum
movements in respect of industry shipments because at that level of detail the duplication involved might be minor. When, however, individual industries were aggregated into larger groupings, net weights would appear to yield more meaningful movements. The generalization expressed in the last sentence of paragraph 43 seemed to assume that the related series were available on both a gross and a net basis.

He noted that the term "sector" was used, both in the report under discussion and in document E/CN.3/317, as a synonym for "industry"; that was confusing, as the word "sector" had a specific connotation in national accounts terminology.

His comments were not intended to detract from the great value of the Secretary-General's report; indeed, it would be useful if the report, preferably amended in the light of the current discussion, could be circulated to countries for their comments. A revised version, setting out those comments and providing an up-to-date summary of national practices, could then be made available for discussion at a subsequent session of the Commission. The stage would then be set for the preparation of a set of guiding principles in the light of studies and consulations of the kind suggested in paragraph 131 of the report.

Mr. McCarthy (Ireland) said he was gratified that a document dealing generally with price statistics was before the Commission and that a more integrated approach was being taken by linking price index numbers more closely with other economic statistics. He hoped that the report of the current session would give that subject a much higher priority than previously. As the representative of a country which for the past decade had used price index series based on the net sector approach, he believed that a movement away from the gross and towards the net sector approach was inevitable.

While the model system set out in chapter IV, section D, of the report was useful, countries could not achieve a complete system in a very short time. They would therefore have to select various aggregate flows and prepare price indexes in relation to those flows. In a more complex system it would be necessary to revise the weighting more frequently, and the individual prices collected would relate, not to a single index number, but to several. For that reason it would almost certainly be economical to use computer methods in the compilation of various sets of index numbers.

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While his delegation welcomed the general approach taken in the report to the preparation of a system of price index numbers, it, in common with other delegations, had not had time to prepare detailed comments. He suggested that the Statistical Office should continue its work on the subject, initially by obtaining the reactions of Member States. Although it might not be able to complete the somewhat ambitious programme mentioned in paragraph 131 of the report in the near future, it should endeavour to make as much progress as possible.

Mr. RILEY (International Labour Organisation) said that some of the problems referred to by members of the Commission in their comments on the Secretary-General's report seemed to arise from the difficulty of dealing with retail as well as wholesale price indexes in one rather brief document. There were considerable differences between the two kinds of prices. In the case of wholesale prices, special attention had to be paid to such questions as trade discounts, volume of sales, and inclusion or exclusion of transport costs; in the case of retail prices the activities of discount houses, special sales of merchandise, and consumer services were of particular importance. The document might be more useful at the present stage if it comprised a statement of the problems involved and a discussion of alternatives but omitted recommendations. A document of that nature, which could form the basis of further discussion by the Commission, should take into account the considerable work done on price statistics by a number of specialized agencies, and care should be taken to ensure co-ordination so as to avoid duplication of expenditure or of inquiries to countries. He hoped that the Commission would decide to endorse the recommendations in paragraph 131 and would at the same time call attention to the importance of carrying out the programme referred to there in co-operation with the interested specialized agencies.

Miss QUESADA (Panama) expressed support for the recommendations made by the representative of the ILO and said that the report should be revised and expanded in light of the comments of members of the Commission. Price statistics were very important, and countries were paying increased attention to the need for them in the preparation of producer and retail price indexes. The document before the Commission was a valuable contribution to the work being done in that field.
Referring to the suggestion in paragraph 37 concerning the desirability of integrating the sector and commodity approaches to the classification of index numbers of producer prices, she pointed out that retail price indexes were based on family data, which included information on income and other socio-economic factors relating to families and households as well as information on consumer expenditure. In Panama, the inquiries which yielded such information were conducted in urban centres, but not in rural areas where a considerable proportion of the population lived. It would be helpful if the ILO could develop an adequate method which would enable such inquiries to be made in rural areas as well.

Commenting on paragraph 77, she agreed that, in the case of retail price statistics, the selection of markets should precede the selection of commodities for pricing. Commodity specifications must also be relied on, however, in order that price information for articles complying with those specifications might be obtained and the desired comparisons be carried out.

She concluded by expressing her agreement with paragraph 131, particularly with the third recommendation contained in that paragraph.

Mr. LOEB (Economic Commission for Latin America) drew the Commission's attention to the need throughout the ECIA area for guidance on the calculation of wholesale price index numbers. A number of countries had submitted requests for such guidance, and there was an urgent need to bring up to date and amplify the recommendations adopted at the Commission's seventh session in 1953.

Mr. BERTRAND (Organisation for Economic Co-operation and Development) informed the Commission that an OECD working group was studying the increase in costs and prices and the possible resulting inflationary trends. It was important not only to observe price movements, but also to analyse how pressure on costs and prices spread throughout the economy. A new study was being undertaken to determine how far the relative increase in unit costs, particularly labour costs, affected foreign trade balances and each country's share of the foreign market. The first results of that study had been surprising, not to say paradoxical. Contrary to generally accepted ideas, there seemed to be no significant link between the rise in unit costs and the share of the world export markets of manufactured goods. An attempt had then been made to examine the relationship
between unit costs and export prices in industry on the one hand and between export prices and market shares on the other, and it had been established that it was the first relationship which was the more tenuous. That result led OECD to doubt the reliability of export price indexes, which in a few countries were based on direct observation, but which in many others were available only in the form of average value indexes, established on the basis of foreign trade statistics.

Thus, although the problem of export price indexes was discussed in the Secretary-General's report, greater importance should have been attached to the calculation of such indexes, since exports constituted one of the most sensitive forms of outlet in the national economy and since international comparisons were particularly useful in that field. He was nevertheless convinced that, even with improved export price index numbers, a more thorough examination of the machinery of price formation within the economy itself would be needed for a better understanding of price and cost movements.

Although the vertical build-up of unit costs to the final price could be examined for a given sector, the fact that an important part of the final cost was related to purchases from other sectors made it imperative for horizontal links between sectors also to be taken into consideration. As the purchasing price for one sector corresponded to the selling price for another, it should be possible - after some sorting out the question of special treatment for taxes and duties, transport charges and so on - to establish a matrix of inter-sectoral prices. There were, of course, many difficulties on the theoretical level in the use of such data, but if inter-sectoral price indexes established in that way and unit cost indexes derived from input-output tables could be brought together, useful indications should be provided on the way in which modifications of technical coefficients and the development of labour productivity affected the formation of final prices.

Highly-developed price index systems, integrated with national accounts systems, were a remarkable tool of economic analysis and would help to clarify many complex problems. In that connexion, he presumed that tables 1, 2 and 3 of the report were intended merely as a broad framework. Priorities would need to be established in the matter of the choice and periodicity of the index numbers.

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It is concluded by emphasizing once again that greater attention should be paid to the establishment of export price indexes and of a system of price indexes in general that would be as complete as possible and consonant with the system of national accounts.

The CHAIRMAN expressed the Commission's appreciation of the Statistical Office's work in extending and revising the recommendations on price statistics adopted at the seventh session of the Commission in 1953. Rapid progress had been made since then in a number of branches of economic statistics, and many regional statistical offices felt the need for greater speed in the work on price statistics. Several speakers had expressed satisfaction at the approach adopted in the report and had emphasized the need for integrating price indexes within the general framework of national accounts. The Commission agreed that the report should be circulated to countries and that they should be asked for their comments and for information regarding their national practices. In the light of that information, the Secretariat could review the developments in that field and produce a revised document.

PROGRESS REPORT ON BALANCE-OF-PAYMENTS STATISTICS (E/CN.3/327)

Mr. DUFFEIT (Canada) said that he agreed with the general approach of the memorandum. The Fund, with its practical sense of the use of data and its understanding of the problems of preparing data, had made much progress in simplifying the reporting requirements of international organizations. However, many problems with regard to analysing balance-of-payments statistics remained for the Fund and other users as was apparent from a report on the United States balance-of-payments, which had just been published.

Mr. KITAGAWA (Japan) said that he was grateful to the Fund for its paper entitled "Compilation of Balance of Payments" and for its training activities, which had been of great assistance to many countries in developing their balance-of-payments statistics.

Referring to paragraph 5 of document E/CN.3/327, he said that, as a result of the meeting of statistical experts held in February 1964, reporting forms of balance-of-payments statistics to be submitted to IMF and to OECD had been unified.
and that co-ordination had greatly lessened the burden of reporting for national agencies. Moreover, the statistical items newly set up or co-ordinated after the issue of the third revision of the Balance of Payments Manual had largely contributed to the international co-ordination and standardization of balance-of-payments statistics. Such statistics, and particularly those relating to capital accounts, had become increasingly important as an indicator of international finance in view of the recent recovery of convertibility of currencies and the liberalization of capital transactions in many countries. Deferring to the fact that long-term and short-term capital transactions were classified in the capital accounts of IMF statistics on the basis of duration to maturity, he said that a study should be made of the possibility of establishing a more detailed classification of assets and liabilities according to their liquidity.

Mr. Bowman (United States of America) commended the Fund and other international organizations for the work that had been accomplished in the field of balance-of-payments statistics. He expressed particular satisfaction at the progress towards consistency in the data required by the various international agencies but said that there was a need to re-examine the content of balance-of-payments statistics. An expert group in the United States was at present carrying out such a re-examination.

Sir Harry Campion (United Kingdom) said that he welcomed the Fund's work on the Balance of Payments Manual and the progress achieved in unifying data requirements. With regard to statistics on short-term capital flows and reserve movements, such figures were among the most difficult to compile. There were many problems in dealing with errors and omissions in the rest-of-the-world accounts and in attempting to determine the best way to classify balance-of-payments figures for policy purposes. He favoured more discussions between countries on how to improve the collection and international comparability of such figures.

Miss Guesada (Panama) said that she welcomed the publication of the Spanish translation of the Balance of Payments Manual, as it would be of great value to Latin American countries. Referring to paragraph 7 of document E/CN.3/327, she said that the training activities were essential for the adequate preparation of balance-of-payments statistics. Panama had received a great deal of help from the Fund in the form of training fellowships and useful advice, and she hoped that the Fund would be able to continue with that very important work.
CLASSIFICATION OF GOVERNMENT ACCOUNTS:

(a) PROGRESS REPORT ON CLASSIFICATION OF GOVERNMENT ACCOUNTS (E/CN.3/324)

Mr. LANDAU (Secretariat) introduced the progress report on classification of government accounts prepared by the Secretary-General (E/CN.3/324). Referring to paragraphs 8-11, he gave further details of the discussions on the use of the functional classification for financial management purposes which had taken place at the Inter-regional Workshop on Problems of Budget Classification and Management in Developing Countries that had been held at Copenhagen in September 1964, and he commented on the conclusions in the Workshop's report (ST/TAC/SER.C/70). He also referred to a working party of controllers-general and treasury officials from Latin America which had met in November 1964 at Santiago, Chile to consider the development of a uniform system of classification of public sector accounts.

Sir Harry CAMPBELL (United Kingdom) expressed general support for the recommendations for future action set out in paragraph 20 of the progress report. His Government attached great significance to the classification of government accounts as a tool for financial management and a means of gauging more precisely the impact of government activities on the economy. Much attention had recently been given to reclassifying government accounts for those purposes.

With regard to paragraph 11, the problem outlined in the last two sentences had been encountered in the United Kingdom. The 1964 National Income Blue Book contained a new functional classification of public expenditure which was entirely consistent with the definition of functions used for Treasury control; it also contained a table reconciling the two sets of figures. A statement just issued by his country described a new classification of government accounts that would be useful for economic analysis. It provided for a reconciliation between financial accounts and national income accounts and showed total government expenditure on goods and services under the different items.

Mr. KITAGAWA (Japan) said that statistics on public finance were derived from administrative records, which in turn were based on the administrative systems of the different countries. In preparing a classification, therefore, serious attention should be given to simplifying the tables so as to ensure /...
uniformity of criteria and to facilitate each country's task. He agreed in that respect with the general approach of the report, and said that since 1959 his country had been using an economic and functional classification of government transactions adjusted to the simplified ECAFE classification.

With regard to paragraph 7, he said that in formulating and implementing a national economic plan, consideration should be given to which of the variables included in a macro-economic model came under government control so that they might then be classified according to extent of such control. The links with SNA should be as close as possible, and the tables based on such a classification should appear together with the tables in SNA.

The classification used in his country was of value in examining the rate of current and capital expenditure from public funds; it was not, however, directly used in the formulation of fiscal policy.

(b) SYSTEM OF CLASSIFICATION OF PUBLIC DEBT (E/CN.3/325)

Mr. BHOURASKAR (Secretariat) introduced and gave details of the note on classification of public debt transactions (E/CN.3/325), which drew on the work of IMF in the same field and was also a logical extension of the United Nations Manual for Economic and Functional Classification of Government Transactions. He said that the note was confined to the central government sector but went further than the Manual in that it provided a definition of outstanding gross debt and a classification of some important characteristics of gross debt.

The CHAIRMAN said that the Commission was not asked to approve the classification set out in document E/CN.3/325, but to give its views on the direction of future work and on any other points of particular interest.

Mr. McCarthy (Ireland) said that he welcomed the document and the analytic framework it provided. One small point was that annex VI, which he took to be based on ownership criteria with regard to the segregation between domestic and foreign debt, did not provide in its attempt at reconciliation over a specified period, for changes in the ownership of existing assets between domestic and foreign holders.

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He was disappointed that the paper had not attempted a definition of the content of the public debt, as promised in the annotated agenda (E/CN.3/L.61), but had accepted the institutional framework in each country and had simply attempted a number of classifications of an aggregate whose content varied from country to country. He would like to see some attempt made to adopt a uniform definition that would help in comparing public debt in different countries.

The Expert Group on the revision of SNA had considered that it was not possible to take SNA as far as the compilation of sector balances because the body of knowledge on the subject was inadequate. While that practical limitation was recognized, he believed that in the government sector an attempt should be made to develop balance-sheet figures which would facilitate international comparability. Progress could certainly be made within a given country by using the method described in the document. As far as international comparability was concerned, however, an empirical study of the position in various countries was required so that guidelines could be drawn for a meaningful comparison of public debt.

He realized that both the structure of Governments and the degree to which they were involved in the economic activities of their countries differed from case to case. In some countries economic activity was financed by channelling private savings directly into enterprises or by the self-finance of corporations, while in others they were channeled through government to public enterprises, to development agencies and then to private enterprises. Where the latter system was used, it was important that work should be done to enable the countries concerned to assess the burden of public debt. He therefore hoped that a preliminary empirical study could be made for the purpose of facilitating international comparisons of the magnitude of the public debt and its effect on the economy.

Mr. YOUNGMAN (Australia) said that, before proceeding any further with the classification of public debt transactions, the Commission should decide whether it wished to seek means of achieving international comparability or whether the emphasis should be placed on selecting and recording the kind of data which individual countries would find useful for their own purposes. At the present stage, his delegation would prefer the latter course.
Having experienced some of the problems which could arise in a country with the federal system of government, he doubted the possibility of progress along the lines suggested by the Irish representative. In compiling statistics of government accounts for particular states in a federation, it had proved almost impossible to define the degree of central government involvement in any particular sector, and there were wide variations from state to state. Such problems would necessarily arise in an even more acute form in any attempt to establish international comparisons.

The definition of a government sector as comprising "agencies whose operation and finances are subject to a detailed control of a common political body" (para. 3) did not make much sense in the Australian context. There were seven largely independent governments in Australia, and many subsidiary authorities but all borrowing was done on their behalf by the central Government through a loan council. Although the individual states ordinarily financed semi-governmental bodies through a central loan fund, some of those bodies borrowed privately. It was thus apparent that the whole government sector would have to be analysed in each particular state; international comparability would be possible only on the basis of the complete public sector, not just the central government sector. For the moment, therefore, the report should be regarded as a technical manual for the guidance of individual countries, and the aim should be to apply the proposed classification to particular types of public debt.

Several of the ideas regarding detailed classifications were not particularly useful, and there was a tendency to confuse factors such as "maturity", "yield" and the like. Yields could usefully be calculated on the basis of current maturities, but to speak of interest rates in relation to yield had little meaning. While it was more meaningful to speak of interest rates in relation to new issues, that, too, was subject to reservations: over the range of years provided for in the tables, there could be significant changes in the structure of the market without

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corresponding changes in interest rates. Thus, there was need for a more
detailed classification of issues by yield and maturity. Again, in paragraph 9,
the term "market prices" was suddenly introduced into a discussion on interest
rates for new borrowing; the usual term was "issue prices".

His country's central bank, which did much work in the field of public debt
transactions, used only two broad terms in its classifications and would
accordingly find it difficult to produce detailed figures for three different
classifications, viz. short-term, medium-term and long-term.

With respect to the table in annex VI, he could not understand why columns 2
and 10 were both entitled "balance at end". What was referred to was surely the
balance of domestic and foreign debt outstanding at the beginning and at the end
of the year.

The last sentence of paragraph 12 contained the phrase "... when the Treasury
itself, or through the central bank, buys its own securities in the market...". The
impression given was that the central bank was acting purely as an agent for the
Treasury, but as central banks did undertake considerable market transactions on
their own account, that formulation could lead to confusion.

Mr. DUFFETT (Canada) said that the Secretary-General's report clearly
revealed the enormous difficulties encountered in attempting to compare the
financial institutions of different countries. The work should, however, be pursued,
and he was sure that individual countries could profit from a critical examination
of their internal systems.

His Government believed that preference should be shown for a classification of
debt by term remaining to maturity rather than by length of maturity from the date
of issue. The former more readily answered questions as to when refunding must take
place or when funds were to be put into the market for purposes of debt repayment.

As far as interest rates were concerned, he agreed with the Canadian
representative that the "effective" yield was more reliable than nominal rates,
because it gave some indication of the return to investors and of investors' attitudes towards certain types of securities; furthermore, it could be integrated
more readily into general financial statistics. On the other hand, a classification
structure based on nominal rates indicated only what the market situation had been

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at the time of issue. That, in turn, was true only if the issue had taken place at par value; otherwise such a classification lost even more of its limited significance.

Furthermore, a classification of debt structure by interest rates could be of value only if it referred to issues with the same or similar credit ratings. In countries where there were different levels of government, and where the market might accordingly assign a different credit-worthiness in each case a classification of debt by interest rates which was not drawn up separately for each credit-rate class would be of little value, and no meaningful average rate could be calculated.

The classification of debt by ownership was very useful and could be made more so if ownership was cross-classified with maturity. However, while most of the other classifications could be constructed from government records, the question of ownership, particularly when cross-classification of ownership with maturity was desired, could be settled only by questionnaires to the holders of such debt. The situation would be different if debt was in registered form. His Government felt that respondents would regard such a survey as very burdensome.

The general pattern of maturity proposed in the report might prove quite adequate for international comparisons, although individual countries might for institutional reasons have different classifications. In Canada, for instance, short-term debt was now defined as debt running for a period of three years or less, such obligations being acceptable as collateral for certain types of money-market borrowing. For any given country, the maturity classification used would, of course, relate to the analytical purposes to be served.

The classification of gross debt was acceptable, except that it was not clearly worded and some further explanation might be necessary. He was not clear what was meant by "obligations held by the issuing sector" (para. 5), since it was specified that that did not mean bonds in sinking funds. He was also puzzled by the term "government deposit banks" used in annex I, since it clearly did not mean government savings banks.

There were no doubt useful cross-classifications other than those illustrated in the report. One often used in financial circles was market yield by unexpired term. However, since only three classes of term were proposed in the report, the longest being five years and over, such a classification would be unsuitable for wide use.
Mr. KITAGAWA (Japan) expressed his gratitude to the Secretariat for its efforts in preparing the report. Although his delegation had no general objections to the report, certain difficulties might arise when the proposed classification was actually used for purposes of international comparison. As the systems used to record public debt transactions varied greatly from country to country, there was need for clearer and more rigorous definitions of the public and government sectors, public debt and the transactions of the two sectors.

With regard to the public debt transactions of the central government sector, international transactions were extremely important, and the relationship between the classification given in the report and the one defined by the International Monetary Fund must be clarified. To increase its usefulness still further, the classification in question might be attached to the revised SNA as one of the supporting tables. While it was possible for Japan to compile statistics on the basis of that classification, some adjustments would be required.

Mr. GRUSON (France) said that further work on the classification of government accounts should be closely connected with work on the revision and extension of SNA. It would be far more difficult to find common ground between the very diverse financial systems of different countries if the question was dealt with in isolation.

Sir Harry CAMPTON (United Kingdom) said that in his country an effort was in fact being made to bring financial transactions within the scope of SNA. If public debt was to be defined in terms of "central government", as it was in the report, government expenditure and debt figures must be brought together in one sector, and measurements must then be made of the transactions between that sector and the rest of the public sector. The extent to which the central Government financed the rest of the public sector varied from one country to another.

It might be useful to make provision for assessing how much was lent by the central Government, so defined, to other parts of the public sector, and also for recording the total debt transactions of such other parts of that sector. As far as debt management in the United Kingdom was concerned, the central government sector had never been dealt with in isolation, and the practice had always been to consider the rest of the public sector. For instance, nationalized industries
were largely financed by loans from the Government; they did not borrow direct from the private sector, apart from some short-term bank loans. Local authorities, on the other hand, borrowed considerable amounts from the private sector. Thus, even from the financial point of view, the central Government could not be isolated in the way proposed by the report. In discussing the whole question of financial systems, including debt management, his Government had found it necessary to establish precise definitions, for general use, of terms such as "maturities", "nominal", "book" and "market" values, "central government", "local authority" and "banking sector".

Paragraph 5 of the report explicitly excluded currency in circulation from the definition of "debt". That, however, was not always feasible, for currency in circulation could sometimes be recorded as a government liability. Furthermore, he, like the Canadian representative, was not sure what was meant by "debts of government deposit banks". His own Government had encountered serious difficulties in establishing a satisfactory definition of "banks".

The maturity distribution of debt dealt with in paragraph 8 of the report was in line with the revised SNA. A clear distinction should, however, be made between bills and securities, and between non-marketable bonds and marketable securities. As far as the classification of maturities was concerned, information on public debt transactions might be obtained not only from the central Government or central banks, but also from various financial institutions which would furnish details of their holdings of government securities. The maturity distribution presented in annex II accordingly appeared too detailed for international use. In the light of his country's experience, he would suggest the following breakdown: less than one year, one to five years, five to fifteen years, over fifteen years. Various financial institutions entered the market in government securities at different times, and some arrangement must be made in the classification for undated government securities.

With regard to paragraph 10, his Government was already publishing detailed figures on the government debt. There, too, it had proved difficult to define the central government sector, because government securities included securities issued by nationalization industries and guaranteed by the Government. In practice, it was impossible to separate the two types of securities.

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Regarding financial institutions, he noted that in many cases his Government already had information on both nominal and market values. Presumably the "face value" referred to in paragraph 10 meant nominal rather than book value, which was another definition of securities.

Mr. BOWMAN (United States of America) considered that further work on the classification of government accounts should be aimed at bringing it into line with the work being done on the revised SNA.

Mr. BHOURASKAR (Secretariat) thanked the members of the Commission for their constructive comments and said that document E/CN.3/325 would be revised accordingly.

The classification suggested by the Australian representative would be very useful, but might be difficult to prepare. The sectors as defined in the United Nations Manual were determined according to the way activities were organized, not according to the activities as such. However, the Secretariat would do its best to compile a classification of sectors on the basis of function, as suggested.

The Australian representative was quite right in pointing out that column 2 of the table in annex VI should read "Balance at beginning" of the fiscal year. As far as that representative's comment on the last sentence of paragraph 12 was concerned, it was true that in most cases the kind of market transactions there referred to were the responsibility of central banks. If the sentence was loosely formulated, however, it was to make provision for cases where the central bank did not exercise such responsibilities or, indeed, did not exist at all.

The CHAIRMAN, summing up, noted that the Commission was agreed that the Secretariat should continue its work on the classification of government accounts, clarifying the concepts and the terminology employed and considering the possibility of establishing an authoritative classification. In particular, there was a desire that further work should be conducted in close relation with work on the extension of SNA; the results would in due course be brought to the attention of the United Nations Expert Group on the revision of SNA.

The meeting rose at 12.55 p.m.
STATISTICAL COMMISSION

Thirteenth Session

SUMMARY RECORD OF THE TWO HUNDRED AND TWENTY-NINTH MEETING

Held at Headquarters, New York,
on Friday, 30 April 1965, at 3 p.m.

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Rapporteur: Mr. ARCHER Australia

Members: Mr. DUFFETT Canada
Mr. JUI China
Mr. PALANGIE France
Mrs. MOD Hungary
Mr. NAIR India
Mr. McCARTHY Ireland
Mr. MORITA Japan
Miss QUESADA Panama
Mr. MARKIN Ukrainian Soviet Socialist Republic
Mr. VOLODARSKY Union of Soviet Socialist Republics
Mr. ASKAR United Arab Republic
Sir Harry CAMPION United Kingdom of Great Britain and Northern Ireland
Mr. BOWMAN United States of America
Mr. MARTINEZ Uruguay

Representative of a specialized agency:
Miss BARRETT United Nations Educational, Scientific and Cultural Organization

Representatives of regional economic commissions:
Mr. DAVIES Economic Commission for Europe
Mr. VISWANATHAN Economic Commission for Asia and the Far East
Mr. LOEB Economic Commission for Latin America
Mr. EL-TAWIL Economic Commission for Africa

Representatives of inter-governmental organizations:
Mr. ZHELEV Council for Mutual Economic Assistance
Mr. BERTRAND Organisation for Economic Co-operation and Development

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PRESENT (continued):

Secretariat:  
Mr. LOFTUS
Miss POWELL
Miss GROSSMAN

Director, Statistical Office
Chief, Demographic and Social Statistics Section
Secretary of the Commission
WORLD PROGRAMMES FOR NATIONAL CENSUSES OF POPULATION AND HOUSING:

(a) REVIEW OF NATIONAL EXPERIENCE WITH THE 1960 PROGRAMMES AND PROGRESS-REPORT ON INTERNATIONAL ACTIVITIES IN CONNECTION WITH THE 1970 PROGRAMMES (E/CN.3/329, E/CN.3/337, E/CN.3/311 ( paras. 10-14) and Add.1)

Miss POWELL (Secretariat), referring to the report on the 1960 World Census Programmes (E/CN.3/329), said that the population and housing censuses had covered 68 per cent and 59 per cent respectively of the total world population during the 1960 period. For the publication of results, the "data bank" could be extremely useful, provided that matters were not rushed. In connexion with the progress report on the 1970 World Census Programmes (E/CN.3/337), she noted that it was hoped to publish the 1970 census results under one cover.

Mr. VOLODARSKY (Union of Soviet Socialist Republics) said that the methodological recommendations for the 1960 censuses had certainly helped to make the results more comparable. With the approach of a new census period, steps must be taken to ensure that more countries were able to organize censuses, and priority should be given to countries which had never had a population census. Technical assistance, in the form of qualified personnel, consultants, and so forth, could of course be provided not only by the United Nations, but also under bilateral agreements. Soviet statisticians had helped a number of countries in 1960 and were prepared to give the countries concerned all the assistance they might need in 1970. The Soviet Union had successfully applied a number of new solutions to the methodological and organizational problems involved in population censuses. Those solutions, which related particularly to the accuracy of the data, had made it possible to carry out a complete census of the population of the USSR in 1959. Further information on that subject would be given by the Soviet experts attending the seminar to be held at Ankara in June 1965. The draft principles and recommendations for the 1970 population censuses (E/CN.3/330) recommended the collection of data on fifty topics which, however, did not include nationality. The concept of "ethnic characteristics" was not an adequate substitute for the concept of nationality, since none of the indicators which defined it (e.g., country, race, language, religion) provided a means of actually determining the nationality of the persons enumerated. Individuals of different nationalities might practice the same religion or might not use their national language. Some of the other concepts used in the recommendations were open to criticism. For
instance, the household was defined in the recommendations as being the basic
economic unit of society. In the USSR, the basic economic unit of society was the
family, which was defined as a group of persons bound together by natural or
juridical kinship who lived together and had a common budget. The household, which
might include persons employed by the head of the household, such as servants, did
not appear to be a satisfactory classification, since in some cases it grouped
together individuals who in fact belonged to separate "households". It would also
be a mistake to limit the family to a married couple and unmarried children, since
such a definition converted the family from an economic to a purely biological unit
of society. Lastly, with respect to housing censuses, it was essential to collect,
not only technical information (e.g., building type and material of building
construction, number of floors), but also information on the type of ownership and
tenure.

In reply to a question put by the CHAIRMAN concerning the conclusions
of the Population Commission at its twelfth session, Miss POWELL (Secretariat)
explained that the Commission had not confined itself to the problems of training
regional demographic personnel but had favoured the creation of a framework for the
analysis, evaluation and utilization of census results. It would be the task of
the regional programmes to adapt the international programmes to the needs of the
various regions. It would be helpful, in that connexion, if the relevant
documents were sent to the countries concerned and to the regional commissions.
A working group, which would include demographers, could then be set up at a later
stage. The working group could be asked to prepare recommendations for the next
session of the Statistical Commission.

Mr. MORITA (Japan) said that his delegation had had some difficulty in
graping the exact meaning and scope of the Secretariat's proposal for the
establishment of a demographic data bank (E/CN.3/337, para. 34, and E/CN.3/311,
paras. 10-14). Two interpretations had emerged; according to the first, the
Secretariat's proposal was to collect punched cards (or magnetic tapes) relating
to every individual who had been enumerated - a tremendous and difficult task,
since not all the classifications would conform to international standards; the
other interpretation was that the Secretariat intended to collect, in the form of
punched cards, the tables prepared by the various countries, as was now being done

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by the International Trade Statistics Centre. That appeared to be feasible, but even in the latter case there remained some problems, unless there was uniformity of classification, the collected data might prove difficult to use. The problem of population classification must therefore be solved first. Another difficulty was how to finance the processing and handling of the data. It had not yet been shown that the International Trade Statistics Centre had solved that problem in a satisfactory manner. His delegation had not received document E/CN.3/311 until the day before its departure, when it had been learnt for the first time that the project was an experimental one, intended primarily for analytical work. The utility of such a project could not be denied, especially if it was conceived as a means of helping the developing countries to carry out their censuses. If the proposal related to all Member States, however, his previous remarks remained valid. If the establishment of a demographic data bank was to entail additional expenditure for the collection of the data, it was doubtful whether, at the present stage of the project and in the absence of more cogent arguments in its favour, the Japanese Government would agree to the necessary budget appropriations. Nevertheless, the Secretariat's efforts to improve world population censuses were laudable, and there was no objection to a study of the possibilities of establishing a data bank. In Japan, however, the individual punched cards from the 1960 census had been scrapped and could not, in any event, be made available to a data bank, if one was established. However, the material from the forthcoming 1965 censuses could be forwarded to the bank, if the latter was organized on a reasonable basis which had received the unanimous support of the Commission.

Mr. DUFFEY (Canada), referring to paragraph 4 of document E/CN.3/311/Add.1, which mentioned "a random sample of national punch cards or equivalent statistical processing units", said he presumed that the word "units" related to certain tabulation elements. The information recorded on the punched cards was usually strictly confidential and in Canada its disclosure to third parties was prohibited by law. A way must therefore be found to modify the individual records so as to make identification impossible; it would be useful to know what method was used by the United States, in view of that country's experience in the matter.
From a statistical point of view the collection of information concerning nationality on the basis of ethnic characteristics (E/CN.3/351) was of little value; Canadian experience in that regard had shown that it was very difficult to define nationality in that manner and to obtain useful information.

Paragraph 29 of document E/CN.3/329 should also have mentioned the various types of assistance furnished by agencies other than United Nations bodies (e.g., national agencies). With reference to the foot-note on page 3, he pointed out that the sample surveys conducted in Canada, which had covered 25 per cent of dwellings, were regarded as true censuses.

Mr. MARTINEZ (Uruguay) said that Uruguay had carried out its ninth general population census and its second housing census in 1965 and had followed in that connexion the United Nations recommendations for the 1960 census and those of Inter-American Statistical Institute. Thanks to those recommendations and the experience gained in the earlier partial censuses carried out in Uruguay, those two censuses had proved a complete success. In addition to the two main censuses, a survey had been made of secondary activities and occupations, which constituted a large part of the remunerated activity of the population, and information concerning internal migration had been collected; the latter question was particularly important in view of the fact that the population of Montevideo constituted 45 per cent of Uruguay's total population. The results of the census had not yet been completely processed, but several publications were in preparation, including one on the distribution of population by sex and by administrative unit.

He supported the USSR representative's recommendation that international technical assistance should be furnished to the developing countries in connexion with the 1970 census. He felt that the document submitted by the Secretariat would be most useful to the developing countries, although the question of the confidential nature of the census data would also arise in the case of his country.

Mr. BOWMAN (United States of America) commended the Secretary-General for the work of the United Nations in promoting the 1960 World Population Census Programme and the admirable results achieved as reflected in document E/CN.3/329. The United Nations had not only stimulated the taking of censuses, but had contributed significantly to the quality of the censuses that were taken and to their international comparability. The results of the censuses had aided in major ways in the understanding of the problems of population growth and provided
indispensable information for development of national and regional planning. He urged that all necessary steps be taken to expedite tabulation and analysis of results of the censuses.

He noted with satisfaction the plans for work on the 1970 World Census Programme described in document E/CN.3/357, and in particular the time-table in the annex to that document. The emphasis given to needs for data required for demographic research and for formulating programmes in population policy, health, and other fields was commendable, as was also the attention to study of methods for evaluating accuracy of census results - notably the technical manual on the subject that was planned.

He felt that the Commission should have more information about the proposals made in document E/CN.3/311/Add.1. His country was prepared to give the United Nations whatever information it required for the purpose, but it was not clear whether the kind of data involved would consist of retabulations of existing data or detailed information on individuals or households. The United States had drawn samples of individual census schedules which were made available to universities and research institutions on tapes or punch cards, at cost, in such a way as to avoid disclosure of identity or location of the persons included in the sample. If information in that form was what was wanted, there would be no particular problem as far as the United States was concerned; but he was concerned about the amount of additional work that would be required for very detailed cross-classifications of data by various characteristics. For such reasons, he felt that the Commission should not take firm decisions about the proposals until they could be elaborated more fully.

Miss QUESADA (Panama) pointed out that document E/CN.3/329 failed to mention Panama among the Latin American countries which had made field checks of the accuracy and quality of the information collected in the 1960 census. With reference to chapter V, on electronic data processing, she drew attention to the fact that unfortunately, many Latin American countries still have very serious problems to solve in the tabulation and processing of data. A regional programme of assistance in that connexion would be most useful. Some countries, including Panama, had rented electronic equipment from IEM for compilation of the results of their last census, but that equipment was obviously no longer available for bringing the statistical information up to date. It would be preferable, by far, to establish a joint electronic data processing centre for several Latin American countries. In some countries all the available electronic equipment was concentrated in one place and was frequently used for purposes other than the preparation of statistics, owing to
the higher priority of the other problems to be solved. A seminar was to be held in June in El Salvador in order to seek a solution to that difficulty.

She noted with satisfaction the Progress Report on the 1970 World Population and Housing Census Programmes (E/CN.3/337) which indicated that the Secretariat had already begun preparations for all stages of the census. She agreed that it was preferable for the training of national personnel to be organized at the national or, if need be, at the sub-regional level. The furnishing of technical assistance to countries, the provision of training fellowships and the exchange of personnel were all extremely useful steps. On the question of inter-censal surveys, she drew attention to the fact that, since 1960, Panama had been conducting manpower surveys designed to measure changes in the active population. A seminar on household surveys had recently been held in Mexico and, in 1962, a seminar on housing censuses had been held at Copenhagen, at which most useful work had been done. With reference to paragraph 34 of the document, she felt that more information should be given concerning the proposed "data bank". In that connexion the confidential nature of the data should not create any difficulty, since there was no need to reveal the identity of the persons concerned.

Mr. Archer (Australia), referring to the proposed data bank, said that Australian law prohibited statistical agencies from disclosing information of a personal nature. It would be undesirable, moreover, to alter the legislation on that subject, since those agencies would then lose the confidence of the persons enumerated and the quality of all statistical work in general would suffer. Those difficulties could be avoided if efforts were made to obtain a large number of sufficiently detailed tabulations, recorded on magnetic tape, from the countries concerned. If that were done, Australia would be prepared to co-operate with the United Nations Statistical Office.

The publication of census results in the Demographic Yearbook was no doubt of considerable value, but it would be very useful to reissue all the tables in a single volume, as was proposed in document E/CN.3/329 (para. 12); the results of housing censuses might be published in that volume as well.

Mr. Palaqite (France) said that document E/CN.3/311 had come to his knowledge only that day, and that he therefore could not form a very clear idea of how the "data bank" might operate or what use could be made of it. It might in any case be better to await later developments before passing final judgement.
He fully supported the publication of the results of the 1960 census in a single volume with a country and subject index and an annex dealing with the quality of the results. An inquiry on the latter subject had been carried out in France in 1964, and it had been calculated that in the last census there had been an omission rate of 1.2 to 1.5 per cent. Analysis of the other elements studied (duplication and over-estimation of the number of old people) was still in progress.

While the Secretariat proposed that the next census should be scheduled for 1970, the French statistical service should perhaps bring the census date forward to 1968 so that it could make the demographic projections necessary for the preparation of the sixth plan. In conclusion, he referred to the contribution his country was making in the field of technical assistance, particularly in certain African countries.

Mrs. Mod (Hungary) observed that the section relating to the data bank was too general to permit a final judgement to be made: the proposed bank was a mere tool, and its usefulness could not be estimated until the uses for which it was intended were known. The various purposes envisaged should therefore be assembled in a detailed programme which would provide the Commission with a basis for discussion, even if only with a view to a decision being made on whether sampling procedures should be used.

Moreover, contrary to what the Secretariat seemed to have in mind, it would be preferable to await the formulation of regional programmes before initiating a world programme and to take measures to ensure the coherence of the whole.

Sir Harry Campton (United Kingdom) said that the whole complex of demographic questions was at present among the main concerns of the British statistical service. A number of points relating to the 1950 census were not brought out sufficiently in document E/CN.3/329: there was no reference to the usefulness of sample surveys carried out in connexion with population censuses, there should have been some evaluation of the role and effectiveness of electronic equipment in data processing (enumeration operations), and, finally, a list of topics investigated (annex II) had been prepared without any reference to its objectives; in the case of the United Kingdom, for example, it should have been made clear that respondents had been asked to state their former place of residence in order to provide some indication of the extent of internal migration.
(Sir Harry Cammion, United Kingdom)

The proposal for the creation of a data bank gave rise to some doubts, in view of the amount of work which the implementation of such a project might impose on the Secretariat and the legal problems which it raised for countries. On the latter point, he did not yet know what the exact situation was in his country from the legal point of view. Nevertheless, the question remained one for study before the next census. So far as concerned the project mentioned in paragraph 7 of document E/CN.3/311/Add.1, the Population Commission, while it had given its agreement, had not adopted any resolution on the matter. The objectives of the project must be specified and the countries concerned must be consulted on the technical and legal problems raised.

In conclusion, he asked whether the draft resolution proposed in paragraph 38 of document E/CN.3/377 was solely a matter for the Statistical Commission or whether it was also before the Population Commission, and said that the draft resolution should also specify what relationship was envisaged between the sample surveys provided for within the framework of the housing census and the population censuses, and state whether any assistance given to developing countries would be both technical and financial.

Mr. McCarthy (Ireland) observed that on the subject of a "data bank" the Secretariat would have to give more information on the nature of the data it proposed to assemble before the Commission could take a decision.

The question of setting up a system of demographic data correlated with the national accounts had already been raised during the discussions of that topic. He believed, however, that independently of what demographic data were incorporated in the national accounting system, it was necessary for a similar type of accounting structure of "flows" and "stocks" in the demographic field to be developed as part of the process of long-term economic programming and planning. The necessity for such a structure became obvious in the field of estimation if one attempted national planning and prediction in regard to international investment. Manpower planning, not only in the range of highly skilled personnel, was essential in developing countries and that called for the extension of the same system in relation to the whole labour force. Although much remained to be done in every country, the United Nations Statistical Office, in conjunction with certain specialized agencies such as the ILO, ought to interest itself in that question, which was linked to the subject of the statistics needed for programming and planning to...
which high priority had been given by the Statistical Commission at its previous session.

Mr. LOFTUS (Director, Statistical Office) said that the data bank project had been prepared in haste, because the possibility of being able to use a computer had only recently arisen, and also because there was reason to fear that the Statistical Commission would not meet again before 1968.

The Statistical Office did not wish to obtain data directly concerning individuals, which would in any case be useless; what it desired was over-all data concerning such groups as city dwellers and country dwellers, persons gaining their livelihood from agriculture and those gaining their livelihood from industry, the number of individuals aged twenty, etc., so that a single population could be subjected to multiple classification. As many countries deployed considerable resources in order to assemble such data, classify them, construct aggregates and carry out calculations, it would certainly be useful as well as economical to centralize the various operations. The project was still in the outline stage; all the Commission had to do was to decide whether the experiment was worth trying. The Secretariat would like to carry out the project in co-operation with various countries at different levels of development, and to receive external financial aid for the purpose.

Mr. KRATZA (Jamaica) said that his country was willing to co-operate with the Statistical Office in the experiment. He considered, however, that it would be preferable to use the term "data centre" rather than "data bank", since an International Trade Statistics Centre already existed.

Mr. BURFORD (United States of America) was not completely satisfied with the explanations given by the Secretariat. If all that was to be done was to carry out the work of classification of which the representative of the Statistical Office had spoken, then the information already published was ample, at any rate so far as the United States was concerned. It was difficult to understand how a data bank could be set up without obtaining from the countries concerned a sample of precise data on a number of individuals; the United States would be willing to provide such information on tape after deleting the names of the individuals.
Otherwise, the Statistical Office would first of all have to provide a set of tables which the national statistical services would fill in themselves.

In any event, a sample of households or families would have to be obtained from each country if the Statistical Office was to be able to compile all the desired tables a posteriori; the Secretariat should clearly specify what kind of data it wished to obtain from the countries concerned.

Mr. Joffre (Director, Statistical Office) willingly accepted the United States representative's proposal. There would perhaps be ten characteristics to be taken into consideration. If it was not possible to obtain them individually, they would be extracted by groups.

Mr. McCarthy (Ireland) said that his position remained the same as that of the representative of the United States. Even a fairly limited number of items of classification with a reasonable number of categories in each could quickly lead to the number of cells for which data were required being in excess of the total population of even a large country such as the United States.

The meeting rose at 5.25 p.m.
STATISTICAL COMMISSION

Thirteenth Session

SUMMARY RECORD OF THE TWO HUNDRED AND THIRTIETH MEETING

Held at Headquarters, New York,
on Monday, 3 May 1965, at 10.5 a.m.

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(b) Draft principles and recommendations for 1970 national population censuses (E/CN.3/530, 331)
PRESENT:

Chairman: 
Mr. BJERVE Norway
Mr. ARCHER Australia
Mr. DUFFIE Canada
Mr. GOLDBERG China
Mr. JUI France
Mr. PALANGIE Hungary
Mrs. MOD India
Mr. MISTRY Ireland
Mr. McCARTHY Japan
Mr. McRITA Panama
Miss QUESADA
Mr. MARKIN Ukrainian Soviet Socialist Republic
Mr. VOLODARSKY) Union of Soviet Socialist Republics
Mr. BAZHENOV United Arab Republic
Mr. ASKAR United Kingdom of Great Britain
Sir Harry CAMPION and Northern Ireland
Mr. BOWMAN United States of America
Mr. MARTINEZ Uruguay

Representatives of specialized agencies:

Mr. RILEY International Labour Organisation
Mr. SUGHATME) Food and Agriculture Organization
Mr. KHANIS of the United Nations
Mr. KAPPEL United Nations Educational,
 Scientific and Cultural Organization
Miss KIRKPATRICK International Civil Aviation
 Organization

Representatives of regional economic commissions:

Mr. DAVIES Economic Commission for Europe
Mr. VISWANATHAN Economic Commission for Asia and
 the Far East
Mr. LOEB Economic Commission for Latin America
Mr. EL-TAWIL Economic Commission for Africa
PRESENT (continued):

Representatives of non-governmental organizations:

Category B: Mr. GARCIA FRIAS

Representatives of inter-governmental organizations:

Mr. ZHILEV
Mr. RIZHOV
Mr. BERTRAND

Secretariat:

Mr. LOFTUS
Miss POWELL
Miss GROSSMAN

Inter-American Statistical Institute
Council for Mutual Economic Assistance
Organisation for Economic Co-operation and Development
Director, Statistical Office
Chief, Demographic and Social Statistics Section
Secretary of the Commission
WORLD PROGRAMMES FOR NATIONAL CENSUSES OF POPULATION AND HOUSING:

(a) REVIEW OF NATIONAL EXPERIENCE WITH THE 1960 PROGRAMMES AND PROGRESS REPORT ON INTERNATIONAL ACTIVITIES IN CONNECTION WITH THE 1960 PROGRAMMES (E/CN.3/329 and Corr.1, 337, 311 (paras. 10-14) and Add.1) (continued)

Mr. JUI (China), referring to paragraph 21 of the report on the 1960 World Population and Housing Census Programmes (E/CN.3/329 and Corr.1), said that the comparison between census and population register data should not be confined to generalities such as total population, geographical distribution, sex and so forth. Emphasis must be laid on other, more specific, characteristics if significant differences between census and population register data were to be revealed. Thus, post-enumeration field checks and other data taken from different sources were still necessary for the purposes of comparison.

He supported the draft resolution proposed for submission to the Economic and Social Council (E/CN.3/337, para. 38), and congratulated the Secretariat on its excellent work.

Mr. GARCIA FRIAS (Inter-American Statistical Institute), referring to the proposals for a "data bank" of 1960 national census results (E/CN.3/311, paras. 10-14), said that legal difficulties, about which some members had expressed misgivings, were not the only obstacle. If experience in certain Latin American countries was any guide, administrators asked by regional statistical centres to supply information were often reluctant to do so for fear of compromising national security. There was therefore need for a campaign to prepare public opinion before the proposals were put into effect.

There would also be practical difficulties. In Latin America, for instance, there had been cases where information was already available in the form of punched cards, but the cards had been ruined by the humidity of the climate. Some countries had overcome that difficulty by transferring their data to magnetic tape, but that entailed considerable extra cost.

Some doubts had been expressed about the proposal to appoint programmers to advise individual countries on the types of data to be collected, but he did not share them; programmers could be of great assistance in giving instruction in the use of the latest electronic data processing equipment.
Mr. NAIR (India) questioned the statement, in paragraph 16 of document E/CN.3/329, concerning the inter-censal growth rate in India between 1955 and 1959. According to a national sample survey of births and deaths in his country, the rate of population increase in 1958 had been 1.9 per cent. That upward revision had been immediately taken into account by the Planning Commission, which had revised the economic development programme accordingly. As such national sample surveys could help to establish more realistic estimates of population trends, that fact should be mentioned in the report.

A postEnumeration field check (paras. 19 and 20) conducted in India had revealed an under-enumeration of 0.7 per cent. It was important that such field checks should be conducted by an agency other than the one responsible for the population census itself, for only in that way could they be truly independent.

Mr. MARTINEZ (Uruguay), referring to the proposal for a "data bank" of 1960 national census results, said that there were five main points at issue: what information was required to establish a data bank, what would be done with the information, why the information was being requested, who would pay for the work of data collection at the national level, and when would the data bank be ready to begin operation. In his delegation's view, the answers were as follows. First, the information required was data concerning individuals; although difficulties would arise because of legislation regarding the secrecy of census results, such legislation could no doubt be suitably amended. Second, the Secretariat should draw up a plan indicating what it intended to do with the information submitted. Third, the information was requested because countries were not at present providing sufficient data. Fourth, the expenses of data collection would be borne by national statistical offices. Fifth, the time involved would depend on the other four factors.

His delegation fully supported the Secretary-General's initiative in proposing the establishment of a data bank.

Mr. RIZHOV (Council for Mutual Economic Assistance) said that considerable work on the standardization of population and housing censuses had been done by the Standing Commission on Statistics of CMEA. The Standing Commission had set up a broad programme of joint research on methods and procedures, under which member countries had embarked on an exchange of experience in the conduct of housing and population censuses.
Draft recommendations had been prepared on the basis of material supplied by member countries as well as by the United Nations Statistical Office and the Conference of European Statisticians. In November 1964, the Standing Commission had approved a number of methodological principles on the conduct of housing and population censuses and had recommended them to member countries. Those principles concerned the intervals at which general censuses should be conducted, the programmes of such censuses, and a number of definitions and classifications.

It had been agreed that detailed censuses should be taken every ten years and restricted censuses or sample surveys during the intervening period. It had been recommended that population and housing censuses should so far as possible be taken together. The following items had been included in the minimum programme for population censuses: population, urban and rural population, sex, age or year of birth, position in family, number of children, level of education, source of livelihood, place of work (for distribution of population by branches and sub-branches of the economy or types of production) sector of the economy, social group, occupation, household. The minimum programme for a housing census was to include questions concerning the number and nature of inhabited buildings and apartments, and occupancy of apartments.

Adoption of those recommendations constituted the first step in the standardization of housing and population censuses in the CMEA countries. The Standing Commission recognized the need for further work on such censuses, including the use of sampling methods and electronic data processing. It had also called for the further standardization of definitions and classifications and of minimum programmes for the tabulation of census results. The work should be completed by 1966.

Mr. VISWANATHAN (Economic Commission for Asia and the Far East) said that in December 1964 an ECAFE working group on housing and population censuses had met at Bangkok. The group had reviewed the experience gained in the 1960 censuses and had recommended a list of topics for the 1970 programme in the light of that experience and of the needs of the countries of the region. The detailed plans for the 1970 censuses would be considered at a second session of the working group late in 1965.
Thanks to a grant from the Ford Foundation, ECAFE had been able, for the 1960 censuses, to organize a common training programme which had enabled the countries of the region to carry out their planning and programming on sound lines. For the 1970 programme, it was planned to rely more on national training centres. In recent years, the ECAFE secretariat had laid special emphasis on the training of statisticians, particularly at the primary and intermediate levels. It was accordingly encouraging countries to strengthen their national training programmes and was planning to set up a chain of sub-regional centres. It would assist countries in their training programmes by providing a team of census advisers. It was hoped that countries would take advantage of such services and also that the United Nations would provide the necessary technical assistance funds to strengthen the regional advisory services.

Sir Harry CAMPION (United Kingdom) asked whether the draft resolution in paragraph 38 of document E/CN.3/337 had been endorsed by the Population Commission. He would also like to know whether the assistance referred to in the first operative paragraph should be understood to include financial assistance with the actual census-taking.

Miss POWELL (Secretariat) replied that the draft resolution had not been endorsed by the Population Commission. The assistance referred to in the first operative paragraph would be confined to the planning of the censuses.

It had been remarked that the lists of topics given in annexes II and III of document E/CN.3/329 were too brief and that insufficient stress had been laid on the role of electronic data processing. She assured the Commission that both subjects would be dealt with at length in the revised Handbook of Population Census Methods.

The CHAIRMAN, summing up, noted that the proposal to establish a "data bank" had been received with great interest. A number of questions required further clarification, however, and the Commission agreed that the Secretariat should continue its work to that end. If necessary, bilateral consultations could be held with individual countries in order to explore the practical difficulties. The Secretariat should present proposals for adoption by the Commission at its next session.
The draft resolution in paragraph 38 of document E/CN.3/337 was acceptable to the Commission in substance. The exact wording could be discussed when the text came before the Commission as part of its draft report.

(b) DRAFT PRINCIPLES AND RECOMMENDATIONS FOR 1970 NATIONAL POPULATION CENSUSES (E/CN.3/330, 331)

Mr. Martinez (Uruguay) said that the draft recommendations for the 1970 censuses (E/CN.3/330) represented an important contribution to the development of census methodology, although some of them could not be applied in all countries. He suggested certain changes in the Spanish text in order to conform with established terminology. With respect to the topics recommended for collection (annex, para. 175), the word "derived" which appeared in parentheses after the entry "Household composition" required some explanation, since the relevant data were derived partly from direct observation and partly from existing documents. The item "Place of previous residence" should be included among the basic topics.

Mr. Askar (United Arab Republic) said that his country fully realized the importance of the 1970 population census and had already carried out certain preparations. A special census had been taken in one governorate in November 1964, and a sample census covering about 500,000 households, or 10 per cent of the total population, was planned for September 1965. Various new questions not asked in the 1960 census were included in the questionnaires. A sampling technique would be used to check such operations as coding and verification, and a post-enumeration survey would be carried out to evaluate the census data. In order to accelerate the release of the census results in 1970 for the first time electronic computers would be used; the training and programming had already been started.

Miss Quezada (Panama) said that document E/CN.3/330 provided an excellent basis for definitive recommendations which, after revision, would be available to all countries. She drew attention to the comments made by the representative of Panama in the Population Commission, as summarized in document E/CN.3/331.
In paragraph 175 of the annex to document E/CN.3/330, "Ethnic characteristics" should be placed under the heading "Other useful topics"; countries would then be free to decide, in the light of their national interests, whether or not to include that question. Annex II to the Secretary-General's report on the 1960 Census Programmes (E/CN.3/329) indicated that only forty-eight out of eighty-four countries had investigated ethnic characteristics in their latest censuses. Since the Inter-American Program of Basic Statistics, adopted by the Committee on the Improvement of National Statistics of the Inter-American Statistical Institute in September 1964, made no recommendation concerning that topic, and in view of the problems of definition and of international comparability mentioned in paragraphs 221 and 222 of the annex to document E/CN.3/330, Panama would not include any question on that topic.

As the basic topics mentioned in paragraph 175 (E/CN.3/330, annex) had been investigated by most of the reporting countries mentioned in document E/CN.3/329, annex II, consideration might be given to including such of those topics as had not been found difficult to collect and process in 1960. The recommended topics would be easier to consult if related questions were listed next to each other; for instance, "School attendance", "Literacy" and "Educational attainment" should be grouped together. Furthermore, the terminology used in the Spanish versions of the various documents relating to population censuses should be standardized.

Part VI of the draft recommendations gave a very good presentation of the recommended tabulations; however, item 25, which related to ethnic characteristics, should be transferred to the section headed "Additional tabulations". She hoped that the revised version of the draft recommendations would contain a model table for each tabulation as a guide to attribute classifications.

Mr. Bowman (United States of America) commended the Secretary-General for having brought the census programmes to their present stage and noted that under the time-table set out in the annex to document E/CN.3/337, the international recommendations would be made available two years earlier than had been the case with the 1960 Census Programme. The several steps proposed in document E/CN.3/337, paragraphs 15-16, should be taken promptly in order that the Commission might take final action at its 1966 session. The small group of experts should include specialists in census methods and at least one person who would reflect the interests of the Population Commission in the population censuses. His delegation
had already expressed support for the programmes for the training of national personnel and the provision of expert advice referred to in document E/CN.3/337. Those programmes should take into account such technical assistance as might become available on a bilateral basis. Particular attention should be given to training the persons who would be in charge of the national censuses and to co-ordinating training at the national level with existing training facilities.

Turning to document E/CN.3/330, he observed that, while it was useful to recognize that perfection was impossible within reasonable cost limits, it was wrong to give the impression, as in paragraph 46 of the annex and elsewhere, that mistakes were inevitable; rather, the need for contingencies in any census programme should be pointed out.

Part III of the draft recommendations should be revised in some particulars. Paragraphs 102 and 119 seemed to pit cost against accuracy. Paragraph 105 should emphasize the need for careful field work, compliance with the sampling instructions being one of the essentials in that type of work. The discussion of post-enumeration surveys attached too great importance to concurrent samples; for instance, the question of quality control was over-simplified in paragraphs 123 and 130. The discussion of accuracy in paragraph 137 could be made clearer. In connexion with quality checks on the enumeration, it should be emphasized that an independent re-enumeration of specified areas was needed to locate missing housing units, and that coverage within units should be checked by specially trained enumerators. The results should then be compared with the original enumeration, and any differences should be reconciled in the field. Even with such a check, a substantial portion of the errors might not be uncovered either because the erroneous replies might be repeated to the second enumerator or because both enumerators might make the same error.

The introductory material to the draft recommendations should include - in paragraph 44, for instance - a clear statement of the importance of providing for confidentiality in the basic census law.

Lastly, he drew attention to the comments, as set out in document E/CN.3/331, which had been made by the United States representative in the Population Commission concerning paragraphs 175, 179-181 and 249-251 of the draft recommendations.
Mr. ARCHER (Australia) said that the draft recommendations demonstrated the value of working groups and the value of full discussion at the regional level. Although document E/CN.3/350 had been received too late for him to express considered opinions on many of the points which it raised, he was in general agreement with parts I-IV of the draft recommendations and would inform the Secretariat direct of any areas of disagreement which came to light after further study.

The question of mis-statements of age had caused trouble in Australia, especially in the case of children below the age of twelve months. An experiment in which persons were asked to state their age in years and months was being conducted, and it was hoped that it would produce good results before the 1970 census.

While he was in general agreement with the recommendations concerning locality (E/CN.3/350, annex, paras. 242-244), there were in some countries, including Australia, sparsely settled areas which functioned as an integrated social entity but were not so much a population cluster as a series of rural holdings around a small centre. It would be impossible to delineate the boundaries of that kind of entity; however, the Australian tabulations showed the population on rural holdings of one acre or more separately in each locality, with the result that a rough division between the village population and the remainder of the population was achieved.

The definition of employed persons in paragraph 200 of the draft recommendations purported to follow the recommendations of the Eighth International Conference of Labour Statisticians, but it provided for the exclusion of those whose contributions were negligible. If it was considered desirable to exclude such persons - and he saw no reason for adopting one approach in censuses and another in labour force surveys - some guidance should be provided on what constituted a negligible contribution. In Australia, for instance, casual employment in retail shops on Saturday mornings probably made a significant contribution to the retail industry, even though the contribution of each person could be considered small.

Mrs. MOD (Hungary) said that several topics dealt with in the draft recommendations had not yet been sufficiently developed and should be given more detailed attention in the future. Among them were: identification of household (paras. 148-153), socio-economic status (paras. 211-214), income (paras. 235-237) /...
and the distinction between urban and rural population (paras. 274-278). Referring to the basic topics listed in paragraph 175, she said that she doubted the usefulness of including duration of residence and place of birth among them. Furthermore, school attendance, although a very important question, was dealt with in many countries in current statistics and hence need not in all cases be included in population censuses.

Mr. MORITA (Japan), commenting on the distinction between urban and rural population discussed in paragraphs 274-278 of the draft recommendations, drew the Commission's attention to the statement, referred to in paragraphs 20 and 21 of document E/CN.3/351, which had been made by the Japanese delegation in the Population Commission. In Japan, there were three kinds of administrative districts - roughly equivalent to city, town and village - in every prefecture, but that classification was mainly based on population and not necessarily on the demographic conception of the urban-rural distinction. In an attempt to increase administrative efficiency, many towns and villages had, since the war, been amalgamated to form new administrative units classified as cities, and other towns and villages had been absorbed by existing cities. There had thus been significant changes in the composition of city areas, which in many cases contained vast rural areas and hence also a rural population.

In an attempt to clarify the distinction between urban and rural population, a new geographic area, known as a "densely inhabited district" (DID) and based on population density, had been set up for the first time in the 1960 population census. In that connexion, he referred the members of the Commission to a paper that would be presented by him at the session of the International Statistical Institute to be held at Belgrade in September 1965.

The Conference of Asian Statisticians, at its sixth session, had recommended that the ECAFE secretariat should undertake the preparation of an Asian programme for the 1970 censuses of population and housing and that a census of population based on the recommendations of that programme should be conducted by Asian countries around 1970. In that regard, he asked the Secretariat to give careful consideration to the relationship between the principles and recommendations to be prepared by the United Nations Statistical Office and the Asian programme to be prepared by the ECAFE secretariat for the 1970 censuses of population and housing.
Mr. NAIR (India) said that he endorsed the discussion of post-enumeration checks in paragraphs 125-128 of the draft recommendations; he wished to lay particular stress on the point made in paragraph 127 that highly trained staff was required for such work. In India and in many other developing countries, interviewers were often untrained and thus unable to conduct proper post-enumeration checks. In his country, the National Sample Survey Organization, which had a team of highly trained statisticians, conducted household surveys on various aspects of household economy, and it was hoped that that organization would be able to conduct post-enumeration checks for the 1971 census. Post-enumeration checks for the 1961 census in India had revealed an estimated under-enumeration of the total population of 0.7 per cent, which was much lower than any of the estimates given in paragraph 20 of document E/CN.3/329. It was difficult to know how accurate that estimate really was, and he would have felt much more confident of its accuracy if it had been carried out by the National Sample Survey Organization.

The next population census in India would be taken in March 1971, and preparations for it would not begin until 1968. As a result, India would be able to take full advantage of the recommendations made both by the Population Commission and at the various regional discussions. According to the time-table in the annex to document E/CN.3/337, the final recommendations would be available by autumn 1967; he hoped that that schedule would be adhered to so that all countries would be able to take advantage of the recommendations.

Mr. PALANGIE (France) stressed the need for urgency in implementing the recommendations contained in paragraph 4 of document E/CN.3/330, since in many countries preparatory work for the 1970 censuses would begin well before that year.

Mr. MccARTHY (Ireland) welcomed the initiative of the Secretariat in producing document E/CN.3/330 for the Commission and endorsed the recommendations for action by the Commission proposed in paragraph 4.

He agreed with the statement in paragraph 212 of the annex to the document regarding the determination of socio-economic status, but drew attention to the reference in the previous paragraph to classification of individuals and households on that basis. As it was possible for there to be a discrepancy between the classification of an individual and of the household in which he lived, some clarification was needed, the unit of classification having an important bearing...
on the results obtained. In Ireland, for example, in certain areas 40 per cent of
the non-agricultural work force lived in farm households, but such persons were
classified as in the non-agricultural rather than the agricultural socio-economic
groups; that, however, would conflict with the recommendation made in paragraph 248.

Commenting on the definition of locality in paragraph 242, he pointed out that
a locality might have different names and include different administrative areas but
still be an integrated social entity. Furthermore, it was difficult to see where
the lines should be drawn between a locality, as defined in paragraph 242, and an
urban agglomeration, as defined in paragraph 244. It was easy to see what an urban
agglomeration meant in the eastern United States, for example, but in relation to
smaller aggregations the definition in paragraph 244 could apply to a district that
was in effect a locality, such as a city with a suburban fringe.

Sir Harry CAMPION (United Kingdom) said that he welcomed document
E/CN.3/330 and the action proposed in paragraph 4. In his country, the population
census was regarded as the key exercise in economic and social statistics, and
every effort was being made, in planning the 1971 census, to ensure that the data
would fit in with current statistics. Although some appraisal of the validity of
the data had to be made, post-enumeration surveys were difficult to use. Greater
emphasis was therefore being placed in his country on advance steps to obtain
better results in the census. If some effort was made to take such steps — for
example, pre-testing inquiries — and to ensure that the information sought was
closely related to that collected in other statistical surveys, some of the
difficulties involved in compiling social and economic statistics would be solved.

Mr. BERTRAND (Organisation for Economic Co-operation and Development)
said that the Agricultural Directorate of OECD was responsible for studying the
effects of economic growth on the agricultural sector, one of which was the
decrease in agricultural population and the movement of labour from the
agricultural sector to other sectors or activities. For the purposes of
reclassification, it was important to have information on the personal
characteristics, especially with regard to qualifications and level of education,
of the persons leaving the agricultural sector. When the draft agricultural
census had been examined at the regional level, OECD had urged the inclusion of
questions on the personal characteristics of agricultural employees. The
objections made to that proposal were that the questionnaire was already broad enough in scope, that it was addressed to heads of enterprises and personal information on employees was therefore difficult to obtain, and that censuses of population would provide information on the personal status of persons employed in agriculture.

For the purposes of the Agricultural Directorate's research, it was important to be able to compare the personal characteristics of persons employed in agriculture with the characteristics of the enterprises employing them; that, however, was possible only in so far as the results of the two censuses could be used together. If that could be done, it would be possible to analyse the data in greater depth, increase the amount of information collected and reduce the number of questions in each type of census.

The question of integrating data from different censuses was a very important one, and he endorsed the recommendations made in that connexion in paragraph 27 of the annex to document E/CN.3/330. He suggested that the holding of consultations between FAO and the United Nations before the Commission's next session would be an important step in the right direction.

Mr. SUCHATME (Food and Agriculture Organization of the United Nations) said that FAO had prepared recommendations for the 1970 agricultural census similar to those under consideration for the population census. They had been circulated to countries for their comments, had been discussed at five regional meetings and had been put in final form by a committee of census experts so that they might be submitted to the FAO Conference in November 1965. Those steps had been expedited in order to allow time for promoting the objectives of the census. FAO had a large part to play in furthering the progress of agriculture in the Development Decade, but the situation, particularly in the under-developed countries, was not promising. One reason was that most countries did not possess the basic data on agriculture needed for planning; the 1970 census would be very helpful in providing such data.

There were large areas of contact between the population census and the agricultural census, the most important of which had been referred to by the OECD representative. Many countries, for example, did not possess the facilities to prepare a list of agricultural holdings as mentioned in paragraph 36 of the draft
recommendations, and the population census must therefore be relied upon. In addition, agriculture was unlike other economic sectors as it suffered from underemployment and the phenomenon of seasonal workers who took employment in other sectors. The two censuses, although both had their limitations, would give different series of information in that regard which would complement each other. He therefore welcomed the OECD suggestion and said that he would be happy to cooperate with the Statistical Office in preparing a document on the relationship between the two censuses for consideration by the Commission at its next session. In view of that important connexion between the population and agricultural censuses, he had been most disappointed to learn from the ECFAE representative that the joint training in population and agriculture censuses given in 1959 was not now being recommended, particularly in view of the limitations on resources available to developing countries in carrying out two major statistical operations in contiguous periods of time.

The CHAIRMAN said that the Commission recognized the great significance of the agricultural census, especially for the developing countries, and the need for careful consideration of the relationship between the population census and the agricultural census with a view to achieving the greatest possible consistency. He inquired whether the Commission wished to consider the agricultural census at its next session in 1966 concurrently with its consideration of the population census.

Mr. BOWMAN (United States of America) said that the various census programmes were generally interrelated. That was particularly true of the census of agriculture and the census of population, and as resources in many countries were scarce, the two activities should be so conducted as to stress priorities.

Although he believed that it had not been the practice of the Commission to review the agricultural census programme, he welcomed the suggestion that it might be included in the agenda. He realized that the 1966 session of the Commission was to be a short one, but the agricultural census programme should be taken into consideration.

Mr. VOLODARSKY (Union of Soviet Socialist Republics) said that his country had taken an active part, both at Bangkok in 1964 and in the Conference of European Statisticians, in preparing the programme for the 1970 agricultural
census. He therefore supported the proposal that the agricultural census programme should be considered at the 1966 session. An exchange of views would certainly be useful.

Mr. Sukhatme (Food and Agricultural Organization of the United Nations) said that although the draft recommendations for the 1970 agricultural census had already been completed, FAO would value the advice and support of the Commission. The Conference of FAO was to consider in November 1965 whether a separate census fund should be established so that better results might be achieved than in 1960. Existing technical assistance programmes alone were not enough to overcome the present shortage of national resources. A number of developed countries had said that if they knew the precise needs of the developing countries they could give material assistance. The FAO was therefore making a survey of the needs of developing countries for assistance of all kinds before requesting help. That work would be done in order to facilitate co-ordinating bilateral assistance for the same purpose. The essential points for consideration were promotional activities and the relationship between the population census and the agricultural census. The programme in its final form could certainly also be put before the Commission.

The meeting rose at 12.50 p.m.
STATISTICAL COMMISSION

Thirteenth Session

SUMMARY RECORD OF THE TWO HUNDRED AND THIRTY-FIRST MEETING

Held at Headquarters, New York
on Monday, 5 May 1965, at 2.35 p.m.

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PRESENT:

Chairman: Mr. BJERRE Norway
Repor teur: Mr. ARCHER Australia
Members:
Mr. DUTTERT Canada
Mr. JUI China
Mr. PAILANCE France
Mrs. MOD Hungary
Mr. NAIR India
Mr. McCARTHY Ireland
Mr. MORTA Japan
Miss QUESADA Panama
Mr. MARCLIN Ukrainian Soviet Socialist Republic
Mr. VOLODARESKY Union of Soviet Socialist Republics
Mr. ASKAR United Arab Republic
Sir Harry CAMPION United Kingdom of Great Britain and Northern Ireland
Mr. BOWMAN United States of America
Mr. MARTINEZ Uruguay

Representatives of specialized agencies:
Mr. HILEY International Labour Organization
Mr. SUKHATME Food and Agriculture Organization of the United Nations
Mr. KHAMIS
Mr. KAPPEL United Nations Educational, Scientific and Cultural Organization

Representatives of regional economic commissions:
Mr. DAVIES Economic Commission for Europe
Mr. VISWANATHAN Economic Commission for Asia and the Far East
Mr. LOEB Economic Commission for Latin America
Mr. EL-TAWIL Economic Commission for Africa
PRESENT (continued):

Representatives of inter-governmental organizations:

Mr. ZHELEV
Mr. RUIZHOY
Mr. BERTRAND

Council for Mutual Economic Assistance
Organisation for Economic Co-operation and Development

Secretariat:

Mr. LOFTUS
Mr. DURAND
Miss POWELL
Miss GROSSEMAN

Director, Statistical Office
Director, Population Branch
Chief, Demographic and Social Statistics Section
Secretary of the Commission
WORLD PROGRAMMES FOR NATIONAL CENSUSES OF POPULATION AND HOUSING:

(b) DRAFT PRINCIPLES AND RECOMMENDATIONS FOR 1970 NATIONAL POPULATION CENSUSES (E/CN.3/530, 331) (continued)

Mr. VISWANATHAN (Economic Commission for Asia and the Far East) said that he wished to provide some further information on the training of census staff, a subject which had been dealt with at the previous meeting by the FAO representative. For the 1960 census, a joint training centre had been established at Tokyo, and several training centres were to be set up in the countries of the region for the 1970 population and housing censuses as well as for the agricultural census.

The CHAIRMAN said that the terms of reference of the Statistical Commission did not include the promotion of agricultural censuses; its task was merely to discuss methods and recommendations regarding future agricultural censuses. On the occasion of the next agricultural census, FAO might, for example, transmit recommendations to the United Nations Statistical Office which, in co-operation with FAO, could prepare a document which would be submitted to the Statistical Commission at its next session. The contents of such a document remained to be defined. The FAO representative had proposed that it should deal with the relationship between population and agricultural censuses. That was a question which would be raised again during the discussion of the five-year programme.

(c) DRAFT PRINCIPLES AND RECOMMENDATIONS FOR 1970 NATIONAL HOUSING CENSUSES (E/CN.3/532)

Miss POWELL (Secretariat) pointed out that the present recommendations were similar to those which had already been made for population censuses. Although the Statistical Office had in the past collected and processed a certain amount of data originating from housing censuses and had submitted the results to the Statistical Commission at its ninth and tenth sessions, it was now for the first time called upon to make recommendations on that subject. The report under consideration was based on the conclusions of a working group and of three seminars which had examined the question. The draft resolution proposed in paragraph 3 was similar to the one on population censuses which had already been submitted to the Commission.

/...
Mr. Markin (Ukrainian Soviet Socialist Republic) said that the body of recommendations formulated by the Secretariat and by the Conference of European Statisticians was important and constructive. At the Conference of European Statisticians, some countries had observed that data should be collected not only on the number of rooms but also on the number of dwellings in order that a maximum and a minimum, as well as an average, might be calculated.

The data concerning rent paid was of no great significance for his country, but he had no objection to make on that score.

Sir Harry Campion (United Kingdom) said that he supported the draft resolution proposed in paragraph 3. He wondered, however, whether the data on housing would be collected as part of the 1970 population census or independently of it. In the United Kingdom it had not been possible to collect certain kinds of data in the population census, and periodic surveys had had to be used for that purpose. The Secretariat should clarify its position on that point.

Miss Quesada (Panama) said that it was difficult in practice to obtain information on certain topics, particularly floor space and year or period of construction. It was noteworthy that only seven countries had considered the latter topic in the 1960 census. Moreover, it was important for rent paid and sewage disposal to be included among the basic topics. Apart from those points, she supported the draft resolution as a whole as it appeared in paragraph 3.

Mr. Pailangie (France) observed that he had not received the report early enough to be able to consult his demographic colleagues. He would therefore confine his remarks to support of the draft resolution in paragraph 3.

Mr. Bowman (United States of America) said that there was an inconsistency between paragraphs 17 and 66 on the one hand, which appeared to exclude vacant units from census operations, and paragraphs 62 and 85, on the other, which seemed to include them. With reference to sample surveys (para. 29), some of the items could easily be included in a census enumeration because they did not require the use of specially trained enumerators. The method recommended in paragraph 66 for the enumeration of newly constructed units involved too restricted a definition of such units. As to census methods, there were two fundamental differences between the method proposed by the Secretariat and the one used in the United States. Firstly, the census recommended by the United Nations appeared to be more...
comprehensive and more independent of a population census than the censuses so far
carried out under United Nations auspices. Secondly, according to the definition
proposed by the Secretariat, the housing unit was a separate and independent place
of abode occupied or intended for occupancy by one or more households; in the United
States the number of housing units was equivalent to the number of households. The
United States approach, which was criticised in document E/CONF.3/322, was well suited
to the needs of a country where there was no critical housing shortage. It
facilitated the enumeration of data, being adaptable to self-enumeration, and made
cross-tabulation easier.

Mr. NAIR (India) said that in his country housing data were to be
collected in the course of the population census. For the 1961 census, and for the
first time in India, a uniform list had been drawn up for all States before the
enumeration operations, i.e., six to nine months before the census itself.
Dwellings had been classified according to ownership, the socio-economic situation
of the occupants, and so on. In particular, an effort had been made to ascertain
what construction materials were most frequently used and to estimate the average
over-crowding per room. The results, which would shortly be published, would be of
great importance for economic planning.

Lists of dwellings had also been drawn up in order to obtain information
about housing conditions during the national sample survey. An effort would be
made to modify that work programme in the light of the recommendations made in the
report under consideration.

The recommendations suggested to the Commission (E/CONF.3/322, para. 3) were
approved.

POPULATION PROJECTIONS: TECHNIQUES AND DRAFT STANDARDS FOR NATIONAL PROGRAMMES
(E/CONF.3/333 and Add.1)

Mr. BOWMAN (United States of America) said that the work projects seemed
modest in relation to needs. He approved of the proposal for publishing the report
on population projections, a type of work to which high priority should be given.
As little progress had been made in the study of rural and urban populations and
of the economically active population, the Secretariat's plan to include that kind of
work in its 1965-1966 programme deserved encouragement. Furthermore, there was
an urgent need to compile data both on population size in absolute terms and on
rates of growth; it was to be hoped that the manual on those subjects would be
published soon. The projections on the relative size of rural and urban populations should be ready about 1966 and the projections on numbers of households in 1967.

Mr. DUFFETT (Canada) said that although modern electronic aids were opening up new possibilities in the field of population projections, over-simplification must be avoided with regard to the various projects outlined in paragraph 14 of document E/CN.3/533, namely, projections on an international scale of urban and rural population, economically active population, school population and numbers of households. In particular, criteria would have to be established for distinguishing between urban and rural population. While strictly uniform classifications for all countries were not feasible, it must at least be possible for comparisons to be made. The rural to urban movement of population might give little indication of future migrations in areas where it was tending to lose much of its momentum, but could perhaps furnish useful information in areas where it was just beginning.

Mr. VOLODARSKY (Union of Soviet Socialist Republics) warmly welcomed the report that had been submitted and stressed that population projections were of fundamental importance for economic planning. The USSR prepared population projections each year by sex, age, urban-rural residence and other characteristics. The manual on methods of urban and rural population projections, the publication of which was announced in paragraph 12 of document E/CN.3/533, would be of great interest to the developing countries. As for the manual on methods of projections of economically active population mentioned in paragraph 13, it was most important, if the manual was to be of assistance in the solution of problems of unemployment or under-employment, that the concept of "economically active population" should be exactly defined.

Mr. PALANGIE (France) stressed the great importance of population projections in the preparation of capital development plans in France. A survey of the economically active population, of the school population and of the number of households had been carried out in France in 1963. The results had been communicated to OECD and the European Economic Community and were at the disposal of the Commission or the United Nations Statistical Office.
Mr. ASKAR (United Arab Republic) said that population projections were extremely useful for planning purposes in the developing countries. The United Arab Republic had carried out a population survey with projections by age groups and would communicate the results to the Secretariat.

Sir Harry CAMPTON (United Kingdom) expressed doubts about the projects mentioned in paragraphs 4 and 12 of document E/CN.3/333 because of the very marked differences between the various definitions which made comparisons practically impossible.

Mr. DURAND (Secretariat) said that the remarks of the members of the Commission would be taken into consideration, particularly in regard to the programme of work. As to the difficulty of making comparisons on an international scale because of the differences in definitions, he drew the Commission's attention to document E/CN.3/311/Add.1 (paras. 8-11) which gave an account of the recent discussion in the Population Commission on the question of rural and urban population projections. Pending the standardization of definitions, the Secretariat would continue to report on the various world population trends and to publish new series of demographic data. It would rely as much as possible on the projections prepared by the various countries themselves and would, as in the past, communicate to those countries preliminary versions of the projections prior to their publication.

PROGRESS REPORT ON OTHER DEMOGRAPHIC STATISTICS (E/CN.3/334)

Miss POWELL (Secretariat), introducing the report, said that the developing countries were trying to improve their vital statistics by means of sample surveys and a more widespread use of civil registers. Kenya, Senegal and Turkey were receiving technical assistance in that field, and two regional seminars had been held in 1964 in Africa and Latin America.

Mr. LUFTEN (Canada) said that table 1 of the document was a striking illustration of the deficiencies of the civil registration systems in three regions of the world, namely, Asia, Africa and Latin America. Those deficiencies were due either to a complete absence of civil registration or to the fact that the civil registers covered only part of the population. The seriousness of the situation could easily be appreciated from the importance of information on birth and death rates and the difficulty of obtaining it by other means.
Inasmuch as it took many years to set up a proper system of vital statistics and such statistics were used by various government departments (planning, population, education, health, housing, military authorities, etc.), the Commission ought to give encouragement to measures in that field without delay. The report showed that it was possible to obtain vital data in three different ways: censuses, sample surveys of households and civil registers. It was obvious, however, that in Africa and Asia and, to a certain extent, in Latin America, civil registers would continue for many years to be deficient for the purpose of compiling vital statistics. It was therefore urgent to extend the use of household sample surveys without, however, overlooking the need for more widespread civil registration schemes as recommended by the African Seminar on Vital Statistics (annex II).

The seminar on problems of vital statistics in Latin America, which had been held at Lima in 1964, had enabled the representatives of the various countries of the region to acquaint themselves with the needs of the Pan American Health Organization and the Economic Commission for Latin America in that field. It was for the Governments to take the appropriate measures, bearing in mind that their needs in regard to vital statistics would inevitably increase as time went on. The surest way for the United Nations to assist the countries of Africa, Asia and Latin America in that regard would undoubtedly be to provide them with regional experts on permanent appointment. The first vital statistics programme had been launched in Canada in 1918, but they had always required the active support of the Dominion Bureau of Statistics. Similarly, a world programme in the field of vital statistics would require the permanent support of the Statistical Commission. The way to do that would be for the Commission to adopt as its own the recommendations of the African Seminar on Vital Statistics (annex II).

Mr. ROWAN (United States of America) said that the efforts of the United Nations, the other international organizations and the various countries should be directed toward the establishment and utilization of vital registers; the length of time necessary to obtain concrete results in that field should not prevent the devotion of continuous effort to it. In the meantime, it was necessary to perfect basic methods which would enable the most useful vital statistics rates to be measured. A working group should be set up to evolve a programme of methodological studies on that question. As there were no data on
birth rates and death rates in many countries, it was necessary to collect
information on demographic trends by other means, including, in particular, annual
household surveys.

PROGRESS REPORT ON OTHER STATISTICS FOR SOCIAL PROGRAMMES (E/CN.3/335)

Mr. Bowman (United States of America) considered that the Compendium of
Social Statistics published in 1967 could become a valuable tool for the purpose
of studies on the social situation. It was essential, however, to improve the way
in which the available data were grouped and endeavour to bring statistics on the
social situation and on national accounts closer together. In connexion with the
classification of variables mentioned in paragraph 39 of document E/CN.3/335, he
observed that a more searching analysis of the data should be possible in the
statistically advanced countries. The classification of socio-economic status
used in the United States was based on such variables as income, occupation and
educational level. The United States delegation was willing to place all the
information on the results obtained at the disposal of the secretariat and members
of the Commission.

Mrs. Nov (Hungary) shared the opinion expressed by Mr. McCarthy at the
previous meeting regarding the usefulness of a classification of socio-economic
status. If however it were possible to make such a classification more meaningful,
it would be of undoubted value to all countries, and not merely, as Mr. McCarthy
had said, to small countries. The object of such classification had been clearly
defined by the Conference of European Statisticians. The problem was not new,
but it had certainly been insufficiently studied. Research should bear firstly
on the main factors in social stratification. The studies carried out in Hungary
clearly showed how complex the problem was. While it had initially seemed obvious
that professional status was the principal factor, it had later become clear that
educational level and individual profession were more significant factors and were
considerably more important than income. It was also possible that the closeness
of the links between the various factors and socio-economic status varied
according to the stage of development reached by a country, and its economic and
social situation. It was difficult to determine, at the present time, what factors
could usefully be made of general application. It would be interesting, in that connexion, to know the results of the work undertaken by the Secretariat with a view to preparing the first draft of a standard classification. The countries of Europe were at present almost the only ones to tabulate their population census data by a socio-economic classification. The development of a good classification would doubtless enable more countries to participate in it. The Commission should encourage, to the greatest possible extent, practical research at the national level. For its part, Hungary was willing to furnish members of the Commission with the data obtained in the special stratification-investigation attached to the 1953 micro-census, data which were at present being tabulated.

Sir Harry Campion (United Kingdom) said that social programming (Part III) was expanding in many countries and going forward pari passu with studies on State expenditure. The main problem in connexion with it was the degree of co-ordination between the various branches of social activity which it was possible to achieve. It would be interesting to hear the views of the specialized agency representatives on the subject of statistics for education planning (paras. 25 and 26). It remained to be made clear whether technical information would be supplied separately for each branch of education, or whether it was proposed to make a synthesis of it with the aid of a computer.

Mr. McCarthy (Ireland) said that most countries needed educational and health statistics for purposes of development planning. Aggregate expenditure on public health was difficult to disentangle from the national accounts, as it comprised both public and private expenditure. Additional studies, such as that proposed by WHO in co-operation with the Conference of European Statisticians, were therefore necessary if the economic flows involved in certain fields of interest were to be used in programming and planning. The position was similar in the case of expenditure on education. Document E/CN.3/355 referred solely to the paper prepared by UNESCO in 1962 (para. 25), without mentioning the considerable amount of work done under the auspices of OECD on educational statistics and on educational investment flows, both in the countries of southern Europe and more recently in other countries, including Ireland. The experience acquired by those countries might, nevertheless, be profitably used to expedite development.

/...
Mr. KAPPEL (United Nations Educational, Scientific and Cultural Organization) said that the paper entitled Statistics Needed for Educational Planning, mentioned in paragraph 25, had been designed primarily to list the urgent needs of developing countries in that field. On the other hand, the Conference of European Statisticians had, for its part, become concerned over the need for additional and more detailed educational statistics on the part of the developed countries, especially in order to enable those countries to achieve a better understanding of their needs for highly skilled manpower. UNESCO, in collaboration with the ILO and the Conference of European Statisticians, was planning to convene a joint Working Group in October, 1965, to study that problem. A questionnaire had been sent to Member States to collect detailed information on the availability of educational statistics in each country, and the results of that survey would be reported to the Working Group. In conclusion, he referred to the hope for collaboration between UNESCO and OECD in that field.

Mr. KHAN (Food and Agriculture Organization of the United Nations) noted that document E/CN.3/355 did not mention statistics on food consumption and nutrition, despite their importance in social programming. FAO had not, in fact, been asked to provide any information on that subject. An account of FAO’s activities in that field would, however, be found in document E/CN.3/311. He noted with satisfaction that it was proposed to revise the Handbook of Household Surveys, particularly as important technical comments communicated by FAO were not incorporated in the provisional edition.

Mr. BERTRAND (Organization for Economic Co-operation and Development) said that the procedures for co-operation between OECD and other organizations in the matter of educational statistics were at present under study. OECD had acquired a certain amount of experience in the field of educational planning, particularly for Mediterranean countries, and was preparing to publish in the near future new projections of both the total and the working population of its member States.

Mr. NAIR (India), considered that the Handbook of Household Surveys was an extremely useful document. It rightly pointed out that a standard schedule for multi-purpose inquiries would be impractical, since many factors which had to be taken into account in the execution of household surveys varied from country to country. Since July 1964 India had been organizing integrated sample surveys...
bearing on several hundred items of household expenditure. Apart from those surveys on consumption and expenditure, separate sample surveys bore on birth rates and death rates, land utilization, etc. It had not yet been possible to reach any conclusion, in the light of experience, with regard to the practical utility of integrated surveys designed to study the correlation between the various socio-economic characteristics of the population. For the time being, such surveys had proved difficult, several hours being needed in order to assemble the data on a single household. No attempt had been made to classify social groups according to socio-economic status, given the complexity of that problem in India. However, studies on the level of living of households were continuing. Classification of expenditure according to individual members of households had shown that, as a whole, the standard of living had improved during the period of the last two Five Year Plans (1950-1960), although it was difficult to analyse changes which affected an entire national community.

The meeting rose at 4.55 p.m.
STATISTICAL COMMISSION

Thirteenth Session

SUMMARY RECORD OF THE TWO HUNDRED AND THIRTY-SECOND MEETING

Held at Headquarters, New York,
on Tuesday, 4 May 1965, at 11.10 a.m.

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Draft report to the Economic and Social Council on the thirteenth
session of the Commission (E/CN.3/L.63 and Add.1-11)
PRESENT:

Chairman: Mr. BJERVE Norway
            Mr. ARCHER (Australia)
            Mr. YOUNGMAN Australia
            Mr. DUFFETT Canada
            Mr. JUI China
            Mr. PALANGIE France
            Mr. PETER) Hungary
            Mrs. MOD )
            Mr. NAIR India
            Mr. McCARTHY Ireland
            Mr. MORITA Japan
            Miss QUESADA Panama
            Mr. MARKIN Ukrainian Soviet Socialist Republic
            Mr. VOLODARSKY Union of Soviet Socialist Republics
            Mr. ASHAR United Arab Republic
            Sir Harry CAMPION United Kingdom of Great Britain
            and Northern Ireland
            Mr. VENVENIAN United States of America
            Mr. MARTINEZ Uruguay

Representatives of specialized agencies:

Mr. RILEY International Labour Organisation
Mr. SURHATME) Food and Agriculture Organization
            of the United Nations
Mr. KHAMIS )
Mr. KAPPEL United Nations Educational,
            Scientific and Cultural
            Organization

Representatives of regional economic commissions:

Mr. DAVIES Economic Commission for Europe
Mr. VISWANATHAN Economic Commission for Asia and
            the Far East
Mr. LOEB Economic Commission for
            Latin America
Mr. EL-TAMIL Economic Commission for Africa
PRESENT (continued):

Representatives of inter-governmental organizations:

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<th>Name</th>
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<tr>
<td>Mr. ZHELEV</td>
<td>Council for Mutual Economic Assistance</td>
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<td>Mr. BERTRAND</td>
<td>Organisation for Economic Co-operation and Development</td>
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Secretariat:

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<tr>
<td>Mr. LOFTUS</td>
<td>Director, Statistical Office</td>
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<td>Miss CROSSMAN</td>
<td>Secretary of the Commission</td>
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DRAFT REPORT TO THE ECONOMIC AND SOCIAL COUNCIL ON THE THIRTEENTH SESSION OF THE COMMISSION (E/CN.3/L.63 and Add.1-11)

The CHAIRMAN invited comment on part I of document E/CN.3/L.63, which dealt with the organization of the session, and said that minor factual changes could be communicated to the Secretariat.

Mr. VOLODARSKY (Union of Soviet Socialist Republics) said that when agenda item 15 had been discussed, two additional sub-items had been proposed and accepted. The titles of sub-items (c) and (d) should therefore be included in item 15 of the agenda reproduced in paragraph 6.

The CHAIRMAN said that that would be done. The additional sub-items had been omitted because the document had been prepared before item 15 had been discussed.

Sir Harry CAMPION (United Kingdom) said that the introductory sentence of paragraph 6 would have to be altered accordingly, since the Commission had not at the 216th meeting adopted the agenda as just amended.

Miss QUESADA (Panama) drew attention to the mistranslation in the Spanish version of the word "Developments" at the beginning of the title of item 12 in paragraph 6. The appropriate correction should be made in all the documents relating to item 12. Further, the Spanish translation of the third sentence in part II, paragraph 1¾, was unclear.

The CHAIRMAN said that those remarks would be noted by the Secretariat. Part I of document E/CN.3/L.63, as amended, was adopted.

The CHAIRMAN invited the Commission to consider part II of the document paragraph by paragraph.

Paragraph 7

Paragraph 7 was adopted.

Paragraph 8

Mr. McCARTHY (Ireland) proposed that in the first sentence the words "trend in the work" should be replaced by "development in the statistical work", and the word "supply" by the words "compilation and analysis".

/...
Mr. VENNEMAN (United States of America) proposed that in the same sentence the order of the words "international and national" should be reversed. It was so decided.

Mr. McCARThY (Ireland) proposed that the latter part of the second sentence should be amended to read "the interest both of Governments and of international bodies in achieving economic growth and stability".

Mr. MAIR (India) proposed that the word "trend" in the same sentence should be replaced by the word "development" in keeping with the Irish amendment to the first sentence.

The Irish and Indian proposals were adopted.

Mr. McCARThY (Ireland) proposed that in the penultimate sentence the words "permitted countries to study" should be replaced by "facilitated the study by countries of", and that between the words "planning of" and "national economies" the words "their own" should be inserted. It was so decided.

Paragraph 8, as amended, was adopted.

Paragraph 9

Mr. MOTTA (Japan) said that in the last sentence it would seem more appropriate to quote not only operative paragraph 1 of resolution 11 (XII) but also operative paragraphs 2 and 3. It should be made clear that the centre's function was not only to collect and publish data, but also to provide data from its own work at the request of Member States.

The suggestion was adopted.

Paragraph 9, as amended, was adopted.

Paragraph 10

Mr. VENNEMAN (United States of America) proposed that the first sentence should be amended to read "... the work programme by the use of computers had enabled it to begin to meet the demands...".

It was so decided.
Mr. BERTRAN (Organisation for Economic Co-operation and Development) pointed out that according to the second sentence a computer would be installed at United Nations Headquarters towards the end of 1965, whereas paragraph 2 of document E/CN.3/L.63/Add.1 referred to October 1965. The two paragraphs should be brought into line.

Paragraph 10, as amended, was adopted.

Paragraph 11

Mr. MCCARTHY (Ireland) said it was his understanding that the consultations mentioned in the first sentence had concerned not only the presentation but also the weighting and preparation of index numbers. If that was so, the words "preparation and" might be inserted before the word "presentation".

Mr. LOFTUS (Secretariat) said that in the preparation of index numbers the international organizations had to follow the practice of countries and did not re-weight international data. All that had been discussed with the international agencies was the question of presentation. However, the point made by the Irish representative might be met by altering the end of the sentence to read "the presentation, and where necessary the preparation of index numbers".

It was so agreed.

Mr. KHAMS (Food and Agriculture Organization of the United Nations) said that the index numbers of agricultural production required the adoption of a base year near 1960. He therefore suggested that the words "apart from index numbers for agricultural production" should be added at the end of the last sentence. The FAO would come as near as it could to 1965, but the availability of data was the determining factor.

Mr. LOFTUS (Secretariat) suggested that any reservation made by FAO in its correspondence with the United Nations should be stated in an additional sentence.

Mr. KHAMS (Food and Agriculture Organization of the United Nations) said that his preceding statement constituted the position of FAO and was in agreement with previous correspondence.

It was so agreed.

Paragraph 11, as amended, was adopted.

Paragraphs 12-14

Paragraphs 12-14 were adopted.
Paragraph 15

Mr. VOLODARESKY (Union of Soviet Socialist Republics) said that the reference in the fourth sentence to the unavailability of documents in Spanish or delays in their publication also applied to the Russian versions. The words "and in Russian" should therefore be inserted after the word "Spanish".

It was so decided.

Paragraph 15, as amended, was adopted.

Paragraph 16

Mr. McCARTHY (Ireland) proposed that the fourth sentence should be amended to read: "In this connexion, the hope was expressed that work would be expedited by the ILO on the manual on consumer price indexes requested by that Conference."

It was so decided.

Mr. VOLODARESKY (Union of Soviet Socialist Republics), referring to the second sentence, said that he was not clear what was meant by "labour costs". In the Russian text at least, those words added nothing to the concept "wages". He would therefore prefer to see them deleted.

Mr. LOFTUS (Secretariat) pointed out that the words formed part of the title of the ILO Meeting of Experts referred to in that sentence. "Labour costs" covered elements, such as "fringe benefits", in the total cost of labour other than earnings. The Secretariat would, however, check the Russian text in order to make sure that the translation was not misleading.

At the request of the UNESCO representative, Mr. Loftus noted that the phrase "made special appropriations" at the end of line 8 was inaccurate and should read "increased its support".

Mr. KHAMS (Food and Agriculture Organization of the United Nations) suggested that, in the last sentence, the words "a report" should be amended to read "the reports".

It was so decided.

Paragraph 16, as amended, was adopted.

Paragraph 17

Paragraph 17 was adopted.
Paragraph 18

Sir Harry CAMFFON (United Kingdom) said that the request to the Secretariat, in the fourth sentence, seemed to be superfluous in view of the rule, applicable to all the functional commissions, that documentation must be issued six weeks before the start of a session.

Mr. NATR (India) pointed out that for distant countries the problem was not so much when documents were issued as when they actually arrived.

Mr. LOFTUS (Secretariat) observed that the responsibility for forwarding documents rested with the Permanent Missions at Headquarters. However, if the Commission wished the Secretariat to follow up the dispatch of documents, the sentence could be redrafted as follows:

"Concerning the documentation for the Commission’s work in general, the Commission wished to remind the Secretariat that documents should be issued at least six weeks before the start of the session, and felt that the Secretariat should endeavour to ensure that in future all documents reached members of the Commission at least one month in advance of the start of the session."

It was so decided.

Paragraph 18, as amended, was adopted.

Paragraph 19

Mr. McCARTHY (Ireland) said that the text as it stood did not reflect all the views expressed. He proposed the following changes. The words "the Commission expressed the view" should be replaced by the words "the view was expressed", a full stop should be placed after the words "different periods", and the rest of the sentence should be deleted. The following sentence should be added: "On the other hand it was felt that this consideration was to an extent outweighed by the advantages of providing data simultaneously for all countries."

It was so decided.

Paragraph 19, as amended, was adopted.

Paragraph 20

Mr. VOLODARSKY (Union of Soviet Socialist Republics), referring to the fifth sentence, said that it seemed premature to speak of a decline in the relative importance of the work of establishing international standards.
After a discussion in which Mr. DUFFETT (Canada), Mr. VOLODARSKY (Union of Soviet Socialist Republics) and Sir Harry CAMPION (United Kingdom) took part, Mr. LOFTUS (Secretariat) suggested the following version: "The importance of the work of establishing international standards was not so great as in the past, although there remained important problems in the fields of national accounts and census programmes, and in certain other fields."

It was so decided.

Mr. McCARTHY (Ireland) proposed that the beginning of the sixth sentence should be amended to read: "The main requirement was to promote implementation of the standards established ...". He also proposed the insertion of the following sentence between the sixth and seventh sentences: "Much of the work of implementation in this field could be carried out by the regional conferences of statisticians."

It was so decided.

Mr. VENNEMAN (United States of America) proposed the deletion of the word "now" in the third sentence. The task referred to was not a new one for the Statistical Office.

It was so decided.

Paragraph 20, as amended, was adopted.

Paragraph 21

The CHAIRMAN invited the Commission to consider the Ukrainian draft resolution (E/CN.3/L.62).

Mr. McCARTHY (Ireland) proposed that the words "Recommends the Secretary-General" should be amended to read "Requests the Secretary-General".

It was so decided.

Mr. LOFTUS (Secretariat) said that operative paragraph 2 seemed to give the impression that there was a certain amount of dissatisfaction with the present publications.

Mr. VOLODARSKY (Union of Soviet Socialist Republics) suggested that that impression might be corrected if the words "to improve the surveys" were amended to read "to improve further the surveys".

It was so agreed.
Mr. NAIR (India) proposed that the words "the surveys and statistical publications" should be amended to read "the statistical surveys and publications".

It was so decided.
The resolution, as amended, was adopted.

The CHAIRMAN invited the Commission to consider document E/CN.3/L.63/Add.1, the portion of the draft report relating to agenda item 4.

Paragraph 1

In reply to comments by Mr. MORITA (Japan) and Mr. BURFITT (Canada) on the wording of the last sentence, Mr. LOTUS (Secretariat) suggested that the words "Besides serving as a 'data bank' for general use" should be amended to read "Besides being intended as a centre for the provision of data for general use".

It was so decided.
Paragraph 1, as amended, was adopted.

Paragraph 2

Sir Harry CAUTION (United Kingdom) suggested that the words "without added expense" should be deleted.

It was so decided.
Paragraph 2, as amended, was adopted.

Paragraph 3

Mr. BERTRAND (Organisation for Economic Co-operation and Development) and Mr. KHAMIS (Food and Agriculture Organization of the United Nations) said that they wished to suggest substantive amendments to the paragraph, which they would submit in writing.

Mr. MCCARTHY (Ireland) proposed the deletion of the third sentence.

The meeting rose at 1.5 p.m.
STATISTICAL COMMISSION

Thirteenth Session

SUMMARY RECORD OF THE TWO HUNDRED AND THIRTY-THIRD MEETING

Held at Headquarters, New York,
on Tuesday, 4 May 1965, at 3.20 p.m.

CONTENTS

Draft report to the Economic and Social Council on the thirteenth session of the Commission

External trade statistics (E/CN.3/L.63/Add.1) (continued)
Tourist statistics (E/CN.3/L.63/Add.2)
PRESENT:

**Chairman:** Mr. EJERVE Norway

**Rapporteur:** Mr. ARCHER (Australia)

**Members:**
- Mr. YOUNGMAN Australia
- Mr. DUFFEET Canada
- Mr. JUI China
- Mr. PALANGE France
- Mrs. MOD Hungary
- Mr. NAIR India
- Mr. MCCARTHY Ireland
- Mr. MORITA Japan
- Miss QUESADA Panama
- Mr. MARKIN Ukrainian Soviet Socialist Republic
- Mr. VOLODARSKY Union of Soviet Socialist Republics
- Mr. ASKAR United Arab Republic
- Sir Harry CAMPION United Kingdom of Great Britain and Northern Ireland
- Mr. VENNEMAN United States of America
- Mr. MARTINEZ Uruguay

Representatives of specialized agencies:

- Mr. RILEY International Labour Organisation
- Mr. SUKHTAM) Food and Agriculture Organization of the United Nations
- Mr. KHALIS )
- Mr. KAPPEL United Nations Educational, Scientific and Cultural Organization

Representatives of regional economic commissions:

- Mr. VISWANATHAN Economic Commission for Asia and the Far East
- Mr. LOEB Economic Commission for Latin America
- Mr. EL-TAWIL Economic Commission for Africa
PRESENT: (continued):

Representatives of inter-governmental organizations:

Mr. ZHELEV
Council for Mutual Economic Assistance

Mr. BERTRAND
Organisation for Economic Co-operation and Development

Secretariat:

Mr. LOFTUS
Director, Statistical Office

Miss GROSSMAN
Secretary of the Commission
Paragraph 3

The CHAIRMAN recalled that a proposal had been made to delete the second and fourth sentences of paragraph 3 and to insert in the paragraph a third sentence reading: "The Commission expressed the hope that satisfactory arrangements to this end would be achieved."

Mr. LOFTUS (Director, Statistical Office) recalled that the representative of Ireland had proposed the insertion, in place of the third sentence of paragraph 3 of the draft, of the following two sentences: "It was recognized that most of these demands arose from the activities of technical committees and that the representatives of Governments on these bodies were often unaware of the difficulties posed for national statistical offices by the detailed questionnaires which emerged. It was suggested that a full appreciation of such difficulties should be promoted both within Governments and within the international secretariats."

Mr. KHAMIS (Food and Agriculture Organization of the United Nations), Mr. BERTRAND (Organisation for Economic Co-operation and Development) and Mr. LUTFI (Canada) supported the proposed amendments which the Chairman and Mr. Loftus had read out.

Mr. ARCHER (Australia), Rapporteur, and the CHAIRMAN said that the two sentences whose deletion was proposed seemed to them to reflect the opinions previously expressed by members of the Commission.

Mr. KHAMIS (Food and Agriculture Organization of the United Nations) considered it essential that the various specialized agencies and international organizations should have at their disposal the kind of statistical data they needed. That was why he had proposed the deletion of the two sentences. He wished to emphasize, however, that he favoured close co-operation in that field.

Mr. LOFTUS (Director, Statistical Office) suggested that in order to take into account the objection raised by Mr. Khamis, the fourth sentence of the paragraph should be retained with the words "of trade data" replaced by the words "of the same basic trade data".
Mr. BERTRAND (Organisation for Economic Co-operation and Development) said that it was the penultimate sentence of the paragraph, especially, which raised a problem as far as his organization was concerned. It was only natural that the various international organizations which were independent of the United Nations should seek to retain as much freedom as possible in the compilation and tabulation of data. Those organizations were nevertheless prepared to co-operate with the other international agencies in eliminating all discrepancies which might exist in international statistics.

Mr. LOFTUS (Director, Statistical Office) suggested that Mr. Bertrand's objection should be met by adding the words "without however limiting the publication by other organizations of the basic data resulting from the work of the Centre" at the end of the penultimate sentence of the paragraph.

Mr. VOLODARSKY (Union of Soviet Socialist Republics) said that he was no longer sure how the text of the paragraph now read. He would prefer to see the two sentences mentioned by the Chairman deleted. He proposed that the proposals made by the representatives of international organizations and the representative of Ireland should be accepted as a basis for discussion and that the Secretariat should be requested to re-draft the paragraph in a form which took account of the various observations made.

It was so decided.

Paragraph 4

Mr. McCARTHY (Ireland) proposed that the end of paragraph 4 should be worded as follows: "and the Secretariat should consult with specialized agencies and regional bodies with a view to attempting to collect more detailed data, in terms of the national classifications, in the areas of interest to such bodies, in order to avoid special requests from these sources to Governments".

Mr. KHAMIS (Food and Agriculture Organization of the United Nations) proposed the deletion of the word "special" in the penultimate line of the English text.

Paragraph 4, as thus amended, was approved.
Paragraph 5

Mr. ARCHER (Australia), Rapporteur, proposed the addition, at the end of paragraph 5, of the following sentence: "Attention was drawn to the need for publication by the Centre of the main aggregates of world trade adjusted for seasonal variations."

Paragraph 5, as thus amended, was approved.

Paragraphs 6 and 7

Paragraphs 6 and 7 were approved.

Paragraph 8

Mr. MORITA (Japan) recalled that under the terms of operative paragraph 2 of resolution 11 (XII) of the Commission all countries and organizations must have free access to the documentation assembled by the Centre. However, the second sentence in paragraph 8 of the draft report gave the impression that the Centre would have a sort of monopoly in that field. In order to eliminate that contradiction, that sentence should be deleted as well as that part of the last sentence of the paragraph, which began with the words "and would impose only such limitations on their use ...".

Sir Harry CAMPION (United Kingdom) proposed that the first sentence of the paragraph should be amended to read: "In discussing the distribution of data on magnetic tape, it was suggested that, when experience had been obtained in the operation of the computer at United Nations Headquarters, a schedule of charges for tapes might be established." He also suggested that the remainder of the paragraph should be replaced by the following sentence: "The Secretariat will also have to consider the conditions on which it could supply tapes to other organizations."

Mr. MORITA (Japan) supported the proposal made by the representative of the United Kingdom and agreed to withdraw his own amendment.

Mr. KHATIS (Food and Agriculture Organization of the United Nations) said that it would be useful if it were made clear that certain print-outs of the basic statistical data submitted to the Centre would be provided free of charge to the interested specialized agencies, as already agreed by the United Nations and the Statistical Commission at its twelfth session.
Sir Harry CAMPION (United Kingdom) said that that was more a matter which came under the heading of general relations between the Centre and the various organizations, which was dealt with in paragraph 3.

Mr. LOFTUS (Director, Statistical Office) suggested that the Secretariat should be asked to study the matter.

Paragraph 8, as amended, was approved.

Paragraph 9 was approved.

Paragraph 10

Mr. KHAMIS (Food and Agriculture Organization of the United Nations) proposed the insertion, after the words "Commission members" in the second sentence of the paragraph, of the words "and specialized agencies".

Mr. McCARTHY (Ireland) proposed the insertion, after the words "express their views" in the first sentence of the paragraph, of the words "which should be taken into account".

Paragraph 10, as amended, was approved.

Paragraph 11 (draft resolution)

Mr. MORTA (Japan) proposed the deletion in the first preambular paragraph of the draft resolution of the phrase: "... and that central processing allows more information to be extracted from a given set of data than would otherwise be possible".

The first preambular paragraph of the draft resolution, as thus amended, was approved.

Mr. MORTA (Japan) proposed the deletion, in the fourth preambular paragraph, of the words "an important part of".

The CHAIRMAN said that the deletion of the words "an important part of" would logically entail the deletion of the phrase "without expense to the United Nations", which followed it.

/...
Mr. Loftus (Director, Statistical Office) said that he agreed with the Chairman.

Sir Harry Campion (United Kingdom) observed that the object of the fourth preambular paragraph of the draft resolution was to inform the Economic and Social Council that the printing and distribution of the data would not involve any additional expense for the United Nations.

Mr. Morita (Japan) said that his amendment had been prompted by a desire to avoid giving the Centre a veritable monopoly. He agreed, however, to withdraw it.

The Chairman said that the Secretariat proposed the replacement of the word "distributing" in the fourth preambular paragraph of the draft resolution, by the word "publishing".

The fourth preambular paragraph of the draft resolution, as amended, was approved.

Mr. Pialangé (France) said that, in the French text, the phrase "que les gouvernements ne recoivent plus d'une fois" in operative paragraph 3 should be replaced by the phrase "que les gouvernements ne recoivent pas plus d'une fois".

Mr. Khanis (Food and Agriculture Organization of the United Nations) proposed that, in operative paragraph 3, the word "trade" should be inserted between the words "statistical" and "data" and that the words "regular consultation by international organizations with the Centre" should be replaced by the words "arrangements between the international organizations and the Centre for this purpose".

Operative paragraph 3, as thus amended, was approved.

Mr. Bertrand (Organisation for Economic Co-operation and Development) said that a legal difficulty arose in connexion with operative paragraph 2. It was doubtful whether the Commission could make recommendations to organizations not affiliated with the United Nations. The words "urges international organizations" might therefore be replaced by the phrase "hopes that there will be close collaboration between the Centre and the various international organizations".

Mr. Loftus (Director, Statistical Office) agreed that the use of the expression referred to might give rise to legal problems; he therefore proposed the following wording: "Expresses the hope that the international organizations will further reduce ...".
Mr. BERTRAND (Organisation for Economic Co-operation and Development) said that, while he did not attach too much importance to the matter, he would like to see the word "co-operation" used as well, in order to show that it was merely a question of an invitation.

The CHAIRMAN observed that the word "hopes" was connected with the idea of co-operation; the wording suggested by the representative of the Secretariat seemed appropriate to him.

Paragraph 11, as amended, was approved.

Paragraph 12

Mr. ARCHER (Australia), Rapporteur, proposed the deletion of the last sentence of the paragraph.

Paragraph 12, as thus amended, was adopted.

Paragraphs 13 and 14

Paragraphs 13 and 14 were approved.

Paragraph 15

Sir Harry CAMPION (United Kingdom) proposed that the words "see above", at the end of the paragraph, should be replaced by the words "see paragraphs 4 and 5 above".

Paragraph 15, as thus amended, was approved.

Paragraphs 16 and 17

Paragraphs 16 and 17 were approved.

Paragraph 18

Mr. VOLODARSKY (Union of Soviet Socialist Republics) proposed the deletion, after the words "the SITC" in the second sentence of the paragraph, of the following phrase: "which was necessarily based largely on the physical nature of articles".

Paragraph 18, as thus amended, was approved.
Paragraph 19

Paragraph 19 was approved.

Paragraph 20 (draft resolution)

Paragraph 20 was approved.

TOURIST STATISTICS (E/CN.3/L.55/Add.2)

Paragraph 1

Paragraph 1 was approved.

Paragraph 2

Mr. DUFFETT (Canada) said that it would be preferable to delete the last sentence of the paragraph so as not to encourage countries to reduce frontier formalities to the point where the collection of data might be adversely affected. Moreover, it was unlikely that the competent authorities would impose excessive or arbitrary formalities on the persons concerned.

Mr. McCARTHY (Ireland) agreed with the Canadian representative on that point. In addition, he thought that the wording used in the penultimate sentence regarding persons who crossed a frontier for casual family visits ("which it was desirable to exclude from data for the use of the tourist industry") was too categorical; it might be softened by saying: "which it might be advisable to exclude....". The first sentence should merely state that "a number of countries would find it very difficult to collect data...." instead of "a number of countries would find it impossible to collect data....".

Paragraph 2, as thus amended, was approved.

Paragraph 3

Mr. McCARTHY (Ireland), referring to the first part of the sentence, said that the data in question related only to the number of tourists; he proposed the insertion between the word "definitions" and the word "should" of the following phrase: "should both be based on a consistent set of recommendations covering all types of international movements of persons and".

Mr. DUFFETT (Canada) thought that it was going too far to state that data "could only be collected as part of the data on the total movement of persons across frontiers", since such information could also be obtained from hotels and boarding-houses.
Mr. Loftus (Director, Statistical Office) suggested the following wording: "... that data on the number of tourists form part of the data on the total movement of persons across frontiers".

Mr. Duffett (Canada) accepted that wording.

Mr. Venneeman (United States of America) proposed that the words "The Commission also restated its view that ..." should be replaced by the phrase "The Commission also expressed the view that ...".

Paragraph 3, as amended, was approved.

Paragraph 4

Paragraph 4 was approved.

Paragraph 5

Sir Harry Campion (United Kingdom) proposed the addition of the words "and other international organizations" at the end of the paragraph, in order to include OEC.

Paragraph 5, as thus amended, was approved.

Paragraph 6 (draft resolution)

Mr. McCarthy (Ireland) noted that it was suggested in paragraph 5 that the problem "could be studied at the regional level"; it would perhaps be appropriate, therefore, to refer in the recommendation to the regional statistical organizations.

Mr. Loftus (Director, Statistical Office) observed that any request addressed to the Secretariat concerned not only the Statistical Office in New York but also the regional bodies.

Mr. McCarthy (Ireland) wondered whether the Conference of European Statisticians came under the authority of the Secretary-General or whether it was a semi-autonomous body.

Mr. Loftus (Director, Statistical Office) said that the Secretariat dealt with the question as a whole and that the relationship of the Conference of European Statisticians to the Secretariat did not pose any problem.

/...
The CHAIRMAN took note of the fact that the representative of Ireland did not wish to make any changes in the text of the draft resolution.

Paragraph 6 was approved.

The meeting rose at 5.5 p.m.
STATISTICAL COMMISSION

Thirteenth Session

SUMMARY RECORD OF THE TWO HUNDRED AND THIRTY-FOURTH MEETING

Held at Headquarters, New York,
on Wednesday, 5 May 1965, at 10.5 a.m.

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Five-year programme of international statistics (E/CN.3/336)
PRESENT:

Chairman: Mr. BJERVE Norway
Rapporteur: Mr. ARGEEER Australia
Members:
Mr. DUFFETT Canada
Mr. JUI China
Mr. PAJANILE France
Mr. PETERS) Hungary
Mrs. MCD )
Mr. NAIR India
Mr. McCURDY Ireland
Mr. MORITA Japan
Mr. OREST Venezuela
Mr. MARKIN Ukrainian Soviet Socialist Republic
Mr. VOLGDARSKY Union of Soviet Socialist Republics
Mr. ASKIA United Arab Republic
Sir Harry CAMPION United Kingdom of Great Britain and Northern Ireland
Mr. BOWMAN United States of America
Mr. MARTINEZ Uruguay

Representatives of specialized agencies:
Mr. RILEY International Labour Organisation
Mr. SUKHAIM Food and Agriculture Organization of the United Nations
Mr. KHAMIS )
Mr. KAPPEL United Nations Educational, Scientific and Cultural Organization

Representatives of regional economic commissions:
Mr. DAVIS Economic Commission for Europe
Mr. VISWANATHAN Economic Commission for Asia and the Far East
Mr. LOEB Economic Commission for Latin America
Mr. EL-TAWIL Economic Commission for Africa
PRESENT (continued):

Representatives of inter-governmental organizations:

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FIVE-YEAR PROGRAMME OF INTERNATIONAL STATISTICS (E/CN.3/336)

The CHAIRMAN emphasized the importance of the item before the Commission. He said that although there was general agreement that the preparation of long-term programmes was the most efficient method for achieving co-ordination in the field of international statistics and for establishing priorities, the important question was to what extent the Commission should place greater emphasis on that aspect of its work in the future than it had done in the past and to what extent it should concern itself with the discussion of over-all programming rather than with technical details.

Mr. MCCARTHY (Ireland) said that although he was pleased that the Statistical Office and the various international and regional organizations had, in response to the request made by the Commission at its twelfth session, provided the information given in document E/CN.3/336, he was at the same time disappointed that the material had not been organized in a way which would have enabled the Commission to comment on the proposed programme in a really useful fashion.

In the Commission's terms of reference, contained in the report of the Nuclear Statistical Commission, mention was made of two functions of the Commission which related to the subject under discussion: advising the Secretary-General on the development of the United Nations Statistical Office, and promoting the co-ordination of the statistical work of the specialized agencies. As to the first function, there was still considerable room for improvement in so far as the integration of the Statistical Office with other sections of the Department of Economic and Social Affairs in the Secretariat was concerned. It was not enough for the Statistical Office to provide the Secretariat with raw data; it should also be concerned with the way in which such data was assessed and used.

The United Nations Statistical Office's programme was presented in such a way in document E/CN.3/336 that it was well-nigh impossible to distinguish the important from the unimportant items or to gain any concept of the balance which existed, or should exist, in its work. It was likewise impossible to assess what resources were available or required for the various projects, or to envisage any particular time schedule. Under such circumstances, it was difficult to see how the Commission could assess priorities or establish a programme.

A long-term programme was not to be envisaged as something immutable, since it would need to be revised continually in the light of changing circumstances; its
importance lay rather in the fact that it was impossible to organize the day-to-day work of any organization unless that work was viewed in the perspective of long-term plans. If the Commission was to discharge its first task of advising the Secretary-General on the development of the Statistical Office, a far more systematic presentation of the proposed programme was required. The fact that in the past many subjects to which the Commission had attached high priority had not been dealt with was to some extent the Commission's own fault. The Commission had tended to prepare lists of high priority subjects, usually far too long, without any indication of the relative importance of the items and with insufficient knowledge of the available resources.

In the first instance, the document should distinguish between the Statistical Office's routine tasks, such as publications, the International Trade Statistics Centre, training facilities and so on, and what might be called its "growing points", such as the revision and extension of SNA, the development of a general system of price statistics, the development of statistics needed for economic planning and programming, the links between the different systems of national accounts and so on. Although all such items were contained in the document, they were presented as if they ranked in importance with such tasks as the preparation of bibliographies. Most important of all was the need for more details on the various items. It was possible to assess the probable benefits to be derived from the various proposals but, without more detailed information, it was not possible to assess what resources were needed and what resources were available for such projects. He hoped the Secretariat would be able to prepare a document on the lines he had suggested for the Commission's next session.

As to the Commission's second function of promoting the co-ordination of the statistical work of the specialized agencies, the Nuclear Statistical Commission had decided that the co-ordination process was an operating function to be performed by the Secretariat within the framework established by the recommendations of the Commission. In his view, the Commission would be well advised to try to use that method of ensuring inter-agency co-ordination.

As to the argument that the specialized agencies were autonomous and independent bodies, it should be noted that the report of the Nuclear Statistical Commission stated, in reference to the rights and obligations of those agencies
to collect such statistics as were uniquely relevant to their own fields, that such recognition was without prejudice to the rights of the United Nations to concern itself with statistics in the same area so far as they might be essential for its own purposes or for the improvement of statistics throughout the world. The improvement of the co-ordination of population and agricultural censuses, for example, was one such field in which the United Nations had the right to demand the co-operation of the specialized agencies.

In pursuance of that aim, the Nuclear Statistical Commission had further recommended the establishment of a statistical co-ordinating committee, consisting of one representative from the United Nations own statistical service and one from the statistical services of each of the specialized agencies. The United Nations representative on the committee was to serve **ex officio** as chairman. That committee had functioned at one stage but was now more or less moribund, and he doubted whether it had ever operated in an effective manner. As it was probably impossible for the Commission as such to work effectively on the problem of co-ordination he recommended that that committee should be reactivated and should be asked to produce a document covering the statistical work of the specialized agencies. The most important decision that the Commission could take at the present session was to set up some machinery to do that work in the future, since the machinery now available did not make it possible to give more than a general indication of priorities.

**Mr. Bowman** (United States of America) said that he was in substantial agreement with the statement made by the representative of Ireland, and he suggested that, in light of that statement, the Commission should not approve the five-year programme at the present session but should examine it at the next session when a document along the lines suggested would be available to it. While he recognized that that was not an easy task for the Statistical Office, it was important at the present stage in the development of international statistics to give some thought to first principles. In particular, one of the main concerns of the Statistical Office in the future should be the co-ordination on an operative basis of work in international statistics.
Sir Harry CAMPION (United Kingdom) expressed his agreement with the remarks made by the representative of Ireland. He said that he welcomed the paper, which, from the point of view of the national statistical offices, was a potentially useful guide to the way in which the work of the international agencies fitted together and to the relative importance of the various projects which national agencies were asked to support. He would like to see some reorientation of the document into subject matter. The regular statistical work of the various agencies, for example, should be dealt with separately, since certain features of that work were dictated by the character of the agency itself.

It was important to be able to see how far the programmes of the different international bodies relating to one particular field did in fact tie in with each other. In the field of demographic statistics, for example, the Statistical Office's programme included a whole range of subjects, almost beyond the capacity of the existing staff. It would be useful to know to what extent the priority of that work was geared to the fact that the Commission was to consider the 1970 round of population censuses at its 1966 session and to what extent the housing programme was related to it, and also whether the other agencies were doing a comparable amount of work in that field. The ILO was proposing that a revision of the International Standard Classification of Occupations should be considered by the eleventh International Conference of Labour Statisticians in 1966, and some questions in that regard were whether that would be done before the Commission's next session and how the revision was related to the population censuses. The Commission would also like to know whether the classification was going to be altered before 1970 and whether the alteration, if made, would be part of the Statistical Office's programme.

There were many such questions in that and other fields that needed to be resolved, and he would like to see some reappraisal of the programme. The international agencies should consult with each other and decide on the general direction and emphasis of their work; they should ask the Commission for specific indications on the question of priorities.

Mr. VOLODARSKY (Union of Soviet Socialist Republics) said that a combined description of the programmes of the Statistical Office, international agencies and regional bodies in one document was most useful. At that stage, the Commission might simply take note of the report, bearing in mind that changes could be made as new requirements and problems arose. The Secretariat should be encouraged to carry the
report further and revise it in the light of comments so that it could be discussed and approved at the Commission's next session.

The formulation of certain items might be made more specific. Paragraph 5 on page 5, for example, related to further work on a topic that had been discussed at the present session, and something more explicit would be required for discussion at the next session. In the section on industrial statistics, the list of measures outlined for 1970-1974 contained a number of important topics but seemed to be too far distant in the future; he hoped that measures less remote in time could be suggested, when the programme was revised. With regard to demographic statistics, he doubted whether the project in paragraph 3 ranked in importance with the many urgent contemporary problems.

The section on the programme of the Conference of European Statisticians was of great interest. Work on the links between SNA and MPS, which at present formed part of the 1964-1965 programme, should, because of its importance, be continued beyond that period and be co-ordinated with the work of the Statistical Office on the same topic.

With regard to the International Labour Office's programme, further study of labour efficiency should be stressed with a view to making possible the comparison of levels of efficiency in different countries and branches of the economy. Much remained to be done in that regard, and the work, which should be reflected in future work programmes, should proceed on the basis of contacts between the Statistical Office, the ILO and the Conference of European Statisticians.

Mr. DUFFEIT (Canada) said that he supported the remarks of the Irish representative. The broad lines of development of the work of the Statistical Office and the Commission deserved careful attention because of their value as a guide in establishing priorities both for the Statistical Office and for individual countries, which had difficulty in deciding on priorities in their statistical programmes.

The Commission might also give thought to the way it divided its time between technical discussions of papers and the planning and co-ordination of statistical activities in the United Nations and international bodies. The first task was useful but could be done by other bodies, such as expert groups. The Commission might preferably concentrate on the second task, which it alone could perform.
Mr. MORITA (Japan) said that he shared the general impression of the document voiced by other members. He regretted, however, that no indication was given of how the programmes and schedules of the agencies were co-ordinated. That was a fundamental problem which he would like the Secretariat to investigate further. Moreover, the whole question of long-term programmes should be given further consideration by the Statistical Office and the Commission.

Mr. MARKIN (Ukrainian Soviet Socialist Republic) said that he considered the document valuable but would like to make just two remarks. In the section on industrial statistics under the Statistical Office's programme, suggestion (a) in the fourth sentence of paragraph 2 was not quite clear, as the question was one of broadening the groups rather than of expanding their description. Secondly, in the UNESCO section, the expression "long-dormant" used in connexion with the educational statistics programmes referred to on page 40 might well be deleted, as it gave a false impression which was belied by the more positive assessment made on the following page.

Miss QUESADA (Panama) expressed support for the comments by previous speakers and stressed the need for co-ordinating the various programmes in order to establish priorities and thereby assist national statistical services in preparing their individual work programmes.

In so far as the programme of the Inter-American Statistical Institute (IASI) was concerned, the need for better co-ordination in the American region was recognized. Efforts in that direction were being made through programmes such as those with FAO, and various meetings were planned. The suggestion at the bottom of page 28 that permanent sub-committees might be established to work with the Secretariat on long-term questions was of great interest. The methods by which the Conference of European Statisticians financed such activities should be studied with a view to applying them in Latin America.

The document would be even more useful if the various international organizations could follow the same plan in presenting their programmes so as to facilitate comparison. She welcomed the inclusion of programmes of regional bodies. It would be helpful to have a programme for ECLA for 1964-1969, although she recognized that the difficulties mentioned on page 22 constituted a serious obstacle.

Mr. NAIR (India) said that he agreed with the views of the Irish representative. His country was facing a similar problem of co-ordination in the formulation and implementation of its five-year plans. Statistics in India were
decentralized. Besides the Central Statistical Organization, the central Government maintained statistical centres in the major ministries, and each State and Union territory had its own statistical bureau with further statistical centres in the ministries. The fourth five-year plan, which was to begin in 1966, was now in preparation. Under the Planning Commission, the Central Statistical Organization had collected the necessary data and asked the various agencies to indicate their financial and manpower requirements.

On his return to India he would call a meeting of statisticians for the purpose of establishing priorities. The document was of some help in that regard, although it should specify more clearly the needs of the developing countries. The main priorities in India were food statistics, statistics of employment potential and population statistics. As all efforts at economic development in his country had been neutralized by the growth in population, a reliable estimate was needed of the extent of that growth and the impact of family planning projects.

India had taken the initiative in the collection of statistics relating to expenditure and staff in the field of scientific research and technology and therefore welcomed the inclusion of that topic in the UNESCO programme. It would also like to see it included in the programme of the Conference of Asian Statisticians.

With regard to the FAO census programme, the FAO representative had said that the developing countries had not taken much advantage of the 1960 world programme because of their lack of funds. He wondered whether that had been due more to insistence on a 100 per cent count or to the encouragement given to countries to carry out a sample census where funds for a full census could not be found. His own country had participated in the 1960 world programme on a sample basis only, and it might not have the necessary funds for a 100 per cent count in 1970 despite its great need for estimates of food production.

He hoped that the document would be revised in the light of the discussion and be submitted to the Commission at its next session so that the Commission might then be able to give more helpful suggestions on priorities.

Mr. Archer (Australia) expressed support for the Irish representative's positive approach to the topic and for the action he had suggested. There was room for a new look at ways of improving and developing co-ordination between the Statistical Office and the various international agencies. He hoped that that task could be undertaken with a sense of urgency in order to prevent the situation from becoming any worse.
Mr. PALANGIE (France) said that he agreed with the representative of Ireland on the need for a more detailed document to facilitate discussion by the Commission and on the importance of establishing a co-ordinating body. In France, where the statistical system was not entirely centralized, co-ordination problems were settled, although not always in an entirely satisfactory manner, by a co-ordinating committee which met several times each year. If no such body was set up by the Commission, it would have to devote several days at a future session to studying the problems of co-ordination between the international agencies.

Mr. FEHER (Hungary) said that there were considerable differences between the working methods of the Conference of European Statisticians, in which Hungary had long participated, and those of the United Nations Statistical Commission and Statistical Office. In the European organization, all detailed work was carried out by subsidiary bodies such as working groups, expert groups and groups of rapporteurs. While he appreciated the difficulties of employing such a system in an organization with a world-wide membership, he believed that many of the comments made by the representatives of Ireland and Canada arose out of the manner in which the Commission's work was organized. He also inquired what actual tools the Commission and the Statistical Office had at their disposal for co-ordinating the statistical activities of the different agencies.

Mr. ASKAR (United Arab Republic) said that his delegation welcomed the Secretary-General's report (E/CN.3/336). The United Arab Republic had already embarked on a five-year programme of statistical development for the years 1965-1970. The programme would be carried out by the central statistical administration and the various competent agencies. Its purpose was to close the gaps in the existing statistical data with the ultimate aim of increasing production and thus improving the national economy. His delegation would provide the Secretariat with a copy of the five-year programme for study and would welcome any observations that would help in charting the programme.
Mr. JUI (China) said that in the preparation and revision of manuals and other publications on methodology during the coming five years, it was important for flexibility in content and adaptability to different national systems to be borne in mind particularly in so far as the interests of the less developed countries were concerned.

Mr. MARTINEZ (Uruguay) said that document E/CN.3/336 was an encouraging first step in the presentation of reports on five-year programmes. He hoped that it would be revised and improved along the lines suggested by various members. His delegation would thus be able, at the next session, to comment in more detail and with a greater knowledge of the facts.

The CHAIRMAN, speaking as the representative of Norway, said that he was in general agreement with the previous speakers, who had displayed remarkable unanimity in their views. The Secretary-General's report (E/CN.3/336) seemed so useful that it ought to be circulated, after whatever revision was feasible at the present time, to all national statistical offices. He hoped that a document on a five-year programme for the years 1967-1971 would be submitted to the Commission at its 1966 session. He hoped, too, that it would include programmes for all the international bodies represented at sessions of the Commission, for some of them were not represented in the document under discussion. The revised report should be so organized as to indicate separately every major international statistical project or activity, together with a suggested time schedule. It should also mention the extent to which consultants, working groups and expert groups would be required to carry out the various projects and activities and should specify the staff and funds available - or, if not available, required - to implement them.

He agreed with the representative of Hungary that many of the comments on the form of the report had probably been influenced by delegations' experience of the work of the Conference of European Statisticians and that, despite the difficulty of operating on a world-wide basis, the Commission should endeavour, so far as possible, to organize its work along similar lines.

As noted by previous speakers, the document under discussion was not a report on an integrated five-year programme, but simply a collection of the programmes submitted by various agencies. It appeared to be generally agreed that the
Commission would like to have an integrated programme to prevent overlapping and inconsistencies between the activities of the different agencies. For the Secretariat to be able to present a report of that kind, some co-ordinating machinery would have to be established, and he supported the Irish representative's suggestion that the Consultative Committee on Statistical Questions should be revived. That Committee had apparently failed in the past to function as anticipated, perhaps because it had been established prematurely, but he believed that the time was now ripe for the kind of activities which it could undertake.

Mr. LOFTUS (Secretariat) said that some of the criticism of the Secretary-General's report seemed to have been based on the assumption that every international organization had a long-term programme of statistics which, if arranged in a certain way, preferably by subjects, would enable the Commission to take decisions. In fact, that was not the case; the number of meetings which any of the international organizations could arrange and the number of consultants, or even of staff, which it could employ were determined on a year-to-year basis by the resolutions of its governing body.

Owing to that fundamental system of organization, no agency had anything approaching a five-year plan, and the Secretariat had been unable to do more than present an account of various developing activities, in the hope that the Commission would indicate which of them, in its view, were appropriate and which were not. The information had been presented in very summary form because full details of individual activities appeared in other documents; for instance, a complete and detailed account of the arrangements for the 1970 World Population and Housing Census Programmes, including a time-table, was given in the annex to document E/CN.3/337. The Statistical Office nevertheless recognized that the Commission wished the document to be organized in a different manner, and note had been taken of the suggestions made.

The fundamental problem of co-ordination preoccupied the Economic and Social Council at every session and had been the subject of vast documentation. That problem was particularly difficult in the case of statistics because each agency required statistics for the special purpose for which it had been set up. It was thus apparent that all the different activities could scarcely be co-ordinated into even a two-year programme.
The representative of Hungary had asked what tools were available for co-ordination, and the answer was that no machinery existed for that purpose. The Consultative Committee on Statistical Questions, which the representative of Ireland had suggested should be revived, had operated with some success during the early years of the United Nations in drawing up agreements for the division of labour within the United Nations family. Once that preliminary work had been done, however, it had proved impossible for the Secretariat to prepare agendas covering the interests of all the agencies.

In arriving at a decision on the question, the Commission should give full consideration to what was actually involved. The Consultative Committee had been allowed to lapse because it had been felt that substantive officials might be so occupied with machinery that they would have no time to carry out their work. He still believed that it was for each individual, despite pressure from his own agency for certain kinds of statistics, to try to integrate his activities with those of the other agencies in order to achieve a rational coverage of international statistics. He was convinced that a revived Consultative Committee on Statistical Questions would not be a suitable tool for co-ordination and felt that the Commission should consider other ways of achieving the objective which it clearly desired.

Mr. BILEY (International Labour Organisation) said that, as the Irish representative had pointed out, the specialized agencies did enjoy a degree of autonomy which necessarily made international co-ordination more difficult. They were answerable to their governing bodies and were bound to carry out the instructions issued by those bodies. Part of the responsibility for better co-ordination therefore lay with the Governments represented on those bodies.

It sometimes happened that activities undertaken by one specialized agency, on instructions from its governing body, conflicted with or duplicated the activities of another agency. The statistical services of the agencies were accordingly justified in calling for better co-ordination on the part of the member countries themselves, which should endeavour to ensure that their delegations approached the whole range of international activities in a more unified fashion. A suitably revised version of document E/CN.3/336 could serve as a useful means to that end. The agencies needed a more exact indication of the form in which the Secretariat would wish them to present their work programmes; perhaps the United Nations Statistical Office could circulate proposals to that effect.
Reference had been made to the preparation of a revised International Standard Classification of Occupations (ISCO). If the ILO had realized that the Commission desired more detailed information on that matter, it could have submitted its timetable for the work of revision. The ISCO was a lengthy document, and a group of job-description experts would be working on the revised draft before it was finally submitted to the eleventh International Conference of Labour Statisticians in September or October 1966.

Some representatives had stressed the need to give more attention to the requirements of the developing countries. The ILO was endeavouring to do so, particularly in connexion with its work on operating manuals intended for the guidance of countries which were undertaking statistical work for the first time in areas of special interest to the ILO.

Mr. Sukharme (Food and Agriculture Organization of the United Nations) said that the current programme of the Statistics Division of FAO was the result of decisions taken by the FAO Conference. Although FAO had a continuing programme in the field of statistics, the bulk of its statistical activities for any biennium was a direct result of decisions by the Conference to integrate statistics programmes with organization-wide activities of FAO.

Turning to the question of inter-agency co-ordination with regard to censuses, he pointed out that agricultural censuses were indispensable for the planning of agricultural development, but that many countries were prevented from taking them by lack of resources. For such countries, the best solution was to conduct an agricultural census at the same time as the population census, integrating them as closely as possible. He welcomed the resolution on the 1970 round of population censuses adopted by the Commission, and in particular the recommendation that countries should be given all possible assistance in that connexion. There was perhaps a tendency on the part of national statistical offices to underestimate the importance of agricultural censuses; however, the FAO programme of work in that field had been circulated to Governments more than a year earlier, and it was now time for action.

In view of the importance of statistics for development planning, he wondered whether the numerous technical assistance missions being dispatched to the developing countries should not be preceded by groups of statistical experts to prepare the ground and to assist those countries in making their requests.
Although there was no lack of willingness on the part of the specialized agencies to seek better international co-operation, there were inherent difficulties such as lack of time and funds and the pressure of substantive work which militated against a greater preoccupation with organizational concerns. It was against that background that the Commission should consider its recommendations in the matter of co-ordination.

The CHAIRMAN expressed the hope that those parts of the FAO census programme which concerned relations between agriculture and population could be left open so that they might be profitably discussed by the Commission at its fourteenth session in October 1966.

Mr. SUKHATME (Food and Agriculture Organization of the United Nations) said that the agricultural census programme was already in final form and would shortly be submitted to the Governing Council for approval. All he could do at that stage was to inform the Council of the Commission's wish that those parts of the programme relating to agriculture and population should be re-examined in the next round of meetings to be held at the regional level over the next two years.

Mr. KAPPEL (United Nations Educational, Scientific and Cultural Organization) said that UNESCO, like the other specialized agencies, was willing to co-operate to fullest extent possible, subject to the proviso that it, too, had its own governing body and must act in response to the special demands made on it.

Although the five-year programme outlined in document E/CN.3/335 was provisional and subject to budgetary limitations, the report had brought to the fore the problems of co-ordination. While it was, of course, for the Commission to decide what should be done, he would suggest that the Commission might consider participating itself in some informal manner, in the work of revising that document.

Mr. DAVIES (Economic Commission for Europe) said that to improve co-ordination at the European level, ECE normally invited representatives of the specialized agencies and other interested organizations to participate fully in all meetings of the Conference of European Statisticians and its subsidiary bodies. Success in solving the problems of co-ordination by such means had been achieved with regard to statistical standardization and co-ordination of the recommendations of the different agencies rather than with regard to work programmes as a whole.
The work programme of the Conference of European Statisticians provided for joint meetings with one or more specialized agencies. Such meetings treated problems going beyond the interests of a single organization or problems of main concern to one organization but of importance for general statistical programmes. That method, while time-consuming, was proving to be an effective way of achieving improved co-ordination.

For the future, the Conference of European Statisticians was arranging to hold consultations with the specialized agencies and other organizations active in European statistics with a view to identifying the chief areas in which there was need for better co-ordination. It was hoped that the organizations concerned would submit reports on their work programmes and the demands they expected to make on national statistical services. Those reports would then be circulated to the national statistical offices, which would be invited to comment on them and, if they wished, to participate in the consultations. He hoped to be able to report to the Commission, at its next session, on the results of that arrangement.

The meeting rose at 1 p.m.
STATISTICAL COMMISSION

Thirteenth Session

SUMMARY RECORD OF THE TWO HUNDRED AND THIRTY-FIFTH MEETING

Held at Headquarters, New York,
on Thursday, 6 May 1965, at 10.5 a.m.

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(continued)
PRESENT:

Chairman: Mr. BJERVE Norway
Rapporteur: Mr. ARCHER (Australia)
Members:
Mr. YOUNGMAN Australia
Mr. DUFFEIT Canada
Mr. GOLDBERG
Mr. JUI China
Mr. PALANGIE France
Mrs. MOD Hungary
Mr. NAIR India
Mr. McCARTHY Ireland
Mr. MORITA Japan
Miss QUESADA Panama
Mr. MARKIN Ukrainian Soviet Socialist Republic
Mr. VOLODARSKY Union of Soviet Socialist Republics
Mr. ASKAR United Arab Republic
Sir Harry CAMPION United Kingdom of Great Britain and Northern Ireland
Mr. BOWMAN United States of America
Mr. MARTINEZ Uruguay

Representatives of specialized agencies:
Mr. RILEY International Labour Organisation
Mr. SIKHATME) Food and Agriculture Organization of the United Nations
Mr. KHAMIS )
Mr. KAPPEL United Nations Educational, Scientific and Cultural Organization

Representatives of regional economic commissions:
Mr. VISWANATHAN Economic Commission for Asia and the Far East
Mr. LOEB Economic Commission for Latin America
Mr. EL-TAWIL Economic Commission for Africa
PRESENT (continued):

Representatives of inter-governmental organizations:

Mr. ZHELEV  
Council for Mutual Economic Assistance

Mr. BERTRAND  
Organisation for Economic Co-operation and Development

Representatives of non-governmental organizations:

Category A:  Mr. RIDGEWAY  
International Chamber of Commerce

Category B:  Mr. MONTENEGRO  
Inter-American Statistical Institute

Secretariat:  Mr. LOFTUS  
Director, Statistical Office

Miss GROSSMAN  
Secretary of the Committee
FIVE-YEAR PROGRAMME OF INTERNATIONAL STATISTICS (E/CN.3/336) (continued)

Mr. VISWANATHAN (Economic Commission for Asia and the Far East) said that ECAFE was actively co-operating with the United Nations Statistical Office and with the specialized agencies, particularly the ILO, FAO and UNESCO. Such co-operation had a vital role to play in preparation for the 1970 round of population, housing and agricultural censuses. He thanked all concerned for their interest and participation.

Mr. LOPEZ (Economic Commission for Latin America) said he agreed with the view that the contribution of ECLA to document E/CN.3/336 could be profitably expanded. He would accordingly submit a revised presentation of the work programme of ECLA upon completion of the eleventh session of ECLA, which was now taking place in Mexico.

No serious problems of co-ordination with the specialized agencies had been encountered by ECLA. There was continuing contact with the ILO, FAO and UNESCO on current projects, and representatives of those agencies travelled widely throughout the region. Co-operation with the Inter-American Statistical Institute was conducted on a practical day-to-day basis; while it had not yet proved possible to achieve full co-ordination of long-term programmes, the situation had improved over the past two years, and he viewed the future with optimism.

Mr. BERTAND (Organisation for Economic Co-operation and Development) said that as OECD, like the specialized agencies, had no statutory commitment to long-term programmes, he could do nothing more than indicate the views of the OECD secretariat on the work programme likely to be carried out over the next five years.

Since OECD was not a member of the United Nations family, it would be unable to participate actively in any inter-agency co-ordinating machinery which might be set up. As an observer, it would be unable to defend its views; neither would it be bound by the decisions of any such co-ordinating body. To avoid such difficulties, he suggested that informal consultations might be held between the Bureau of the Conference of European Statisticians and representatives of the various organizations concerned. The Commission itself might participate in such consultations, as the ECE representative had suggested at the previous meeting. An arrangement of that kind would make it possible for all parties to discuss the problems of co-ordination on a free and equal footing, which was the prerequisite for success in so delicate a field.
Mr. MONTENEGRO (Inter-American Statistical Institute) said that IASI had followed the Commission's work closely for many years and, while not itself a member of the United Nations family, had endeavoured to co-ordinate its activities with those of the specialized agencies and the United Nations Statistical Office. Such co-ordination had yielded increasingly better results, particularly in regard to censuses and agricultural statistics. Joint machinery had been established by IASI and FAO for the development of such statistics in the Americas region and was functioning satisfactorily.

The review of international statistics (E/CN.3/311) and the report on the five-year programme of international statistics (E/CN.3/336) contained general information on the activities of IASI. All the long-range activities described in those documents would continue to be systematically developed over the next several years.

He agreed with the ILO representative that more might be done to overcome the difficulties arising from inconsistency in the positions taken by national delegations in different bodies meeting at different levels.

The CHAIRMAN, speaking as the representative of Norway, said that in view of the explanation by the Director of the Statistical Office that inter-agency co-operation could best be achieved by informal negotiations, possibly on a bilateral basis, he would not press for the revival of the Consultative Committee on Statistical Questions as had been proposed by the Irish representative at the previous meeting. It was the goal of better co-ordination that mattered, not the means by which it was achieved. At its fourteenth session, the Commission would have before it a new document on the five-year programme of international statistics; it could then consider whether it had proved possible in the meantime to secure better co-ordination in that field. If that should not be the case, the Secretary-General might be asked to indicate how it could be achieved.

Mr. BOWMAN (United States of America) said that a number of important points had emerged from the discussion on the five-year programme of international statistics.

First, all members recognized that a five-year programme could not be considered as offering anything more than guidelines which autonomous international and national organizations might or might not wish to follow; however, endorsement of the programme by the Commission should facilitate its successful implementation.
Second, the need for more attention to co-ordination by the Statistical Office did not mean that specialization by the agencies would be eliminated or that their activities should be subject to authoritative control from a single centre. For the purposes of co-ordination, the emphasis should be on those elements of each agency's programme which were interrelated in special ways. Such programmes would be largely independent of the need for specific co-ordinating activities; only where they impinged on one another would co-ordination become important, once the specialized responsibilities had been determined and assigned to the responsible organs. In that connexion, he agreed with the Chairman that more effective means of securing better co-ordination might well be found than resuscitation of the inter-agency machinery discussed at the previous meeting.

Third, regional programmes need not - and probably should not - be identical; they should merely provide for recognized common elements, particularly with respect to timing and statistical standards.

Fourth, a five-year programme such as that under discussion would itself be an instrument for co-ordination among autonomous or semi-autonomous international organizations. It would also guide conscious efforts by the United Nations Statistical Office to win approval for common programme elements or to stimulate agency activities in the directions important for broad advances.

The major emphasis in a five-year programme should be on the activities of the United Nations Statistical Office. Only those activities of the specialized agencies would be stressed which raised specific problems of integration and timing in the period projected; other regular activities of the agencies would merely be described, for information purposes, as in document E/CH.3/336.

The programme should distinguish between those elements which were fairly routine and established, those which could presumably be encompassed within existing resources and those which might require new resources. The emphasis should be on a world programme in which agency specialization was recognized but special attention was given to those elements which called for inter-agency co-ordination. While its outlook should be world-wide, the programme should focus special attention on the needs of the developing countries; that meant that no uniform programme for all countries or all geographical areas was either feasible or desirable.

A five-year programme must therefore recognize the autonomous character of the individual agencies. The point had now been reached where better international
co-ordination was essential, but it was more likely to be achieved through agreement and conciliation than through the imposition of an authoritative pattern.

Mr. RIDGEWAY (International Chamber of Commerce) welcomed the Commission's efforts to secure better co-ordination among the various programmes in the field of international statistics, and said that the International Chamber of Commerce would do anything it could do to help promote such measures.

Mr. NAIR (India) said that if copies of the FAO document on the 1970 world agricultural programme had indeed been circulated to Governments, as the FAO representative had stated at the previous meeting, he could only say that no such document had reached the Central Statistical Organization of his country. The document had in fact come to his attention only after the Bangkok seminar on that programme held in December 1964 had taken place; he had finally obtained the necessary number of copies only by making a personal request to Mr. Khamis at Rome.

Although a representative of the Central Statistical Organization had attended that seminar, that did not imply the acceptance by India of any or all of the FAO proposals. His Government's statistical services would in due course give their views, after consultation with other government departments, on the feasibility of holding joint population and agricultural censuses, as proposed by FAO.

Mr. MORIYA (Japan) recalled that at the sixth session of the Conference of Asian Statisticians particular stress had been laid on the need to establish a statistical research and training centre to promote the over-all statistical development of the countries of the region. The Conference had proposed that an expert group should be appointed to draw up plans for such a centre. The Conference had also contemplated the establishment of a data processing centre where member countries could carry out their own national tabulations. The possibility of such "transferred data processing" was referred to on page 36 of document E/CN.3/336, in the section devoted to FAO activities.

Sir Harry CAMPTON (United Kingdom) regretted that the report on the five-year programme of international statistics could not have been made available
earlier, and the present discussion held at the beginning rather than the end of the session. Nevertheless, his delegation welcomed the report and thought that it should be circulated, in revised form, to national statistical offices. The Secretariat should prepare a similar paper for the Commission's next session.

Despite the arguments to the contrary, he still favoured some kind of inter-agency consultation to ensure that each agency knew what the others were doing and to see to it that the long-term programmes fitted together properly. Some such arrangement was necessary if national statistical offices were to be able to anticipate the demands of the various agencies.

Mr. McCarthy (Ireland) agreed with the representative of the United States that no coercive system that would effect the autonomy of the international agencies had been suggested. There were, however, certain types of statistics, such as demographic, labour and education statistics, which represented what might be termed inter-disciplinary activities, and some organization was needed to look at those activities as a whole.

He suggested that the Commission might follow the example of the Bureau of the Conference of European Statisticians, which met regularly in an informal way in the interval between its plenary sessions in order to discuss the progress that had been achieved in its programme and to make preparations for the following plenary session. Meetings of the International Statistical Institute held in the interval between the Commission's regular sessions might well be the occasion for informal meetings between the Secretariat and the offices of the Commission, since the question of co-ordination was a very difficult one to deal with in formal meetings and some kind of machinery was needed to provide an effective basis for that work. He wished to emphasize that the basic function of the United Nations Statistical Office was to provide effective leadership in the field of international statistics.

The Chairman, summing up, said that the Commission welcomed the information in document E/CN.3/336 but considered it essential that the five-year programme submitted to the Commission at future sessions should be arranged by subject-matter and should contain more detailed information on the proposed projects. The Commission recommended that the present document should be circulated, if possible in revised form.

/...
The Commission had also considered the general problems of co-ordination and its own functions in that field. It was generally agreed that sufficient time had not been devoted to that aspect of the Commission's work in the past and that sufficient information had not been available to the Commission. Although it had been suggested that the Consultative Committee on Statistical Questions should be revived, a more informal procedure was felt to be preferable. The Secretariat had suggested that it should itself consult with the international agencies and report to the Commission at all future sessions on the major problems of co-ordination in international statistics. A progress report on that topic would be submitted to the Commission at its fourteenth session.

PRIORITIES OF THE COMMISSION'S WORK PROGRAMME AND CONTROL AND LIMITATION OF DOCUMENTATION (E/CN.3/L.64 and L.65)

The CHAIRMAN said that if there were no comments on the control and limitation of documentation (E/CN.3/L.65), the Commission would pass directly to a consideration of the priorities of its work programme (E/CN.3/L.64).

Mr. PALANCHER (France) said that he was surprised at the lack of balance between the two classifications of ad hoc projects. Since there were as many as twenty-six projects listed as high priority and only two as lower priority, there was a danger that the lower priority projects would be neglected. In point of fact, both of the latter projects were of considerable interest to his country; the study of methods in transport statistics relating to movement of goods in international trade was of particular importance, since by the end of the decade it was hoped to abolish frontier controls in the European Common Market.

Mr. McCArTHY (Ireland) agreed with the French representative that there was a lack of balance in the priority classification. Certain high priority projects were of higher priority than others, and particular stress should be laid on the importance of the projects related to national accounts (paras. 20-22).

While he agreed that the development of manpower statistics in relation to the systems of national accounts (para. 24) was an important project, it was also very important that manpower statistics should be developed in relation to programming and planning. He therefore suggested that paragraph 24 should read:
"Study of statistics of manpower and population in relation both to the systems of national accounts and balances and to the needs for such data in regard to programming and planning."

He was not sure what was meant by the projects described in paragraphs 16 and 27. He asked whether paragraph 16 referred to a study of short-term indicators of industrial activity, such as index numbers, or to an analytical examination of the indicators of industrial activity, such as was dealt with in document E/CN.3/316. Although the project in paragraph 27 was probably concerned with a common basis of valuation for international comparisons of national accounts aggregates, the wording seemed to indicate that national accounts and other data within a country should have a common basis of valuation. He was likewise not sure of what was implied by experimentation in methods of establishing a 'data bank' of population census information (para. 35); the Commission in its discussions had been doubtful what work to recommend in that field.

Mr. DUFFETT (Canada) agreed that the number of high priority projects was somewhat large and said that it would be helpful if the Secretariat could give the Commission some idea of the possibilities of carrying out those projects. Although he recognized the difficulty of establishing some kind of order of priority, that should be done in case the list had to be shortened.

Mr. MORITA (Japan) said that there were more high priority projects than could be carried out in the time available. He agreed with the representative of Ireland that the projects relating to national accounts should have the highest priority and stressed the importance of the projects described in paragraphs 19, 29, 30, 32, 36 and 37.

Mr. VOLODARSKY (Union of Soviet Socialist Republics) expressed his agreement with previous speakers regarding the projects described in paragraphs 19 and 20. He also felt that the study referred to in paragraph 25 should be expanded to include inter-sectoral balances.

Sir Harry CAMPION (United Kingdom) said that the question of how much could be accomplished in the time available materially affected any decisions to be taken on priorities. He suggested that the ad hoc projects of high priority
should be introduced by a paragraph stating that in view of the uncertainty of the date of the Commission's next session, priority would be accorded to the national accounts and population projects and that the other projects would be undertaken if there was sufficient time.

Mr. NAIR (India) stressed the necessity of according high priority to the project described in paragraph 37, which was of great importance to the developing countries. He pointed out that related projects had been included in the work programmes of the Conference of Asian Statisticians for 1965, 1966 and 1967.

Mr. BOWMAN (United States of America) said that if the Commission was to meet in 1966, it was extremely important that very high priority - particularly in relation to timing - should be given to the projects on national accounts, population and housing. There appeared to be no reference in the list to vital statistics, which were important for work on population, or to the special paper which the Secretariat had been asked to prepare on the co-ordination of the population and agricultural censuses.

The CHAIRMAN, speaking as the representative of Norway, said he assumed that the project described in paragraph 14 was a revision of broad categories only and that it was meant to be an interim and not a complete revision. Countries needed to know whether a new International Standard Industrial Classification was to be used in the 1970 census.

Mr. RILEY (International Labour Organisation) said that the list of priorities left the question of co-ordination in abeyance. It would be desirable for the Commission to mention in its report that the list included a number of items necessitating co-operation between the Statistical Office and the specialized agencies, and to express the hope that the specialized agencies would do all in their power to conform to the priorities set out in the list.

Mr. DUFF (Canada) observed that items (2), (12) and (18) of the list of ad hoc projects of high priority in paragraph 139 of the report of the twelfth session of the Commission (E/23653) were absent from the present list. He would like to know why that was so.
Mr. LOFTUS (Secretariat), referring to the United Kingdom suggestion for a paragraph introducing the ad hoc projects of high priority, said that there had been some doubt when the programme had been formulated as to the date of the Commission's next session. The projects listed could, according to present estimates, be completed by the fifteenth session in 1963.

With regard to the project in paragraph 14 of document E/CN.3/L.64, it was intended that an interim revision of ISIC would be prepared to enable the discussion of SNA to proceed, but that the final changes would be embodied in a revised classification to be submitted to the Commission at its 1963 session.

In reply to the Canadian representative, he said that item (12) in the list of ad hoc projects of high priority in the previous session's report related to the estimation of capital formation and now formed part of the general review of SNA. When that review was completed, a paper would be produced on methods of obtaining the necessary data. Item (18) of that same list, relating to international migration and tourist statistics, did not appear in the same form in the new programme, but the closely related item of travel statistics appeared in paragraph 38 of document E/CN.3/L.64.

A paper describing the programme's financial implications would be submitted to the Commission on the following day.

The question of co-ordination of the population and agricultural censuses had not been included in the programme, but it could be added to the list if the Commission so wished.

The CHAIRMAN said the Commission had decided that a paper on the relationship between the two censuses should be prepared by the Statistical Office in co-operation with FAO and should be submitted to the Commission at its next session. The hope had been expressed that FAO would not commit itself on the final details of points which concerned both censuses until that paper had been discussed. He trusted that the FAO secretariat would assist the Commission in that respect.

Mr. SUKHATME (Food and Agriculture Organization of the United Nations) repeated the statement made at the previous meeting that the principles of the 1970 agricultural census had already been given their final form. The chief interest of FAO over the next five years would be the question of promotion, and
in that connexion many countries would, of course, gain from co-ordination between the two censuses. He hoped that the promotional efforts of FAO would be taken into account in the Commission's recommendations regarding the promotion of the population census.

Sir Harry CAMPION (United Kingdom) said that what he wanted was the assurance that work on the co-ordination of the agricultural and population censuses would continue; it was immaterial to him whether or not the subject appeared in the list.

Mr. LOFTUS (Secretariat) said that if the Commission so desired, the Statistical Office, in co-operation with FAO, could submit a paper on co-ordination of the two censuses to the Commission at its fourteenth session. There was no need for the subject to be on the list, which did not exclude papers arising from the Statistical Office's regular work.

In reply to a question put by Mr. BOWMAN (United States of America), the CHAIRMAN said he regarded document E/CN.3/L.64 would be revised in the light of the discussion.

Mr. LOFTUS (Secretariat) said that if the document was to be revised, the changes required might be indicated more precisely. With regard to the project in paragraph 14, the Secretariat would take account of what had been said, but no change would be required. The suggestion that the project in paragraph 39 should be advanced in priority could be followed. The references to priorities within the high priority list had been noted, but the order in which projects were carried out would depend on the expertise of the available staff.

Mr. BOWMAN (United States of America), supported by Mr. McCARTHY (Ireland), said that some of the comments in the discussion seemed to necessitate more specific attention to the way in which the programme was presented. As the document was of considerable importance, he suggested that the Chairman might appoint a small Committee to review it in the light of the discussion and then resubmit it to the Commission.
The CHAIRMAN invited the representatives of the United States, Ireland and Hungary to form a drafting committee. He said that the drafting committee would have to prepare its proposals that same day if the Commission was to be able to complete its work by the following day.

It was so agreed.

DRAFT REPORT TO THE ECONOMIC AND SOCIAL COUNCIL ON THE THIRTEENTH SESSION OF THE COMMISSION (E/CN.3/L.63 and Add.1-14) (continued)

E/CN.3/L.63/Add.1

The CHAIRMAN invited the Commission to consider the redraft of paragraph 3, which had been circulated in mimeographed form.

Mr. DUFFETT (Canada) proposed that the sixth sentence should be inserted after the second sentence, since the third, fourth and fifth sentences referred to the activities of technical committees and Governments of which the Secretariat could hardly be aware.

Mr. McCARTHY (Ireland) proposed that in the present third sentence the word "most" should be replaced by "many".

The Canadian and Irish proposals were adopted.

Mr. BERTRAND (Organisation for Economic Co-operation and Development) said that OECD had long experience in dealing with external trade statistics; its methods did not, however, necessarily correspond with those of the Centre. It was thus essential that the methods of obtaining external trade statistics should be co-ordinated by means of agreements between the Centre and the international organizations concerned. Until that was possible the Centre's data would require re-processing. From the point of view of economy, however, it seemed preferable for the processing of the data to continue to be done, by organizations which already had the necessary programmes and specialized staff. He suggested that the last sentence should be redrafted in accordance with his remarks.

Mr. LOFTUS (Secretariat) said that consultation between the Centre and other organizations was a normal function of the Secretariat. It took place on a continuous basis in an effort to ensure that the Centre's work was of value to users.

/.../
Mr. SUNTAHME (Food and Agriculture Organization of the United Nations) suggested, as a means of taking the viewpoint of OECD into account, that the words "processing or" should be inserted before the word "publication" and that the words "in any form suitable for their own purposes" should be added at the end of the sentence.

The CHAIRMAN, noting the absence of support by members of the Commission for the suggestions made by the representative of FAO, proposed that the paragraph should be adopted with the amendments already approved.

It was so decided.

Mr. KHAMS (Food and Agriculture Organization of the United Nations), speaking on a point of order, said that in view of the decision just taken FAO reserved its position on the last two sentences of the paragraph as redrafted.

Paragraph 1
Paragraph 1 was adopted.

Paragraph 2

Mr. BOWMAN (United States of America) proposed that in the last sentence the words "in the use" should be inserted after the word "limitations".

It was so decided.
Paragraph 2, as amended, was adopted.

Paragraph 3
Paragraph 3 was adopted.

Paragraph 4

Mr. McCARTHY (Ireland) proposed that in the first sentence the words "avoid changes in" should be replaced by the words "continue to be based on".

It was so decided.
Paragraph 4, as amended, was adopted.

Paragraph 5
Paragraph 5 was adopted.
Paragraph 6

Mr. McCArTHY (Ireland) proposed that the second sentence should be amended to read: "The Commission felt that the document did not fully meet the intentions of the relevant resolution of the twelfth session, possibly because the terms of reference laid down had not been sufficiently precise." He also proposed that the last sentence should be deleted and the substance of it incorporated in paragraph 10.

Mr. BOWMAN (United States of America) felt that it was wrong to imply, as was done in the fourth sentence, that document E/CN.3/316 was of use to only one group of countries. He therefore proposed that in that sentence the word "useful" should be inserted before the word "framework" and that the phrase "the planning and development of the less industrialized countries" should become simply "planning and development", followed by a new sentence reading: "It should be circulated for this purpose." The third sentence could then be deleted.

Mr. GOLDEN (Canada) proposed that, in the revised text of the fourth sentence proposed by the United States representative, the word "formed" should be replaced by the words "might form" in order to soften the impression of finality which did not entirely reflect the Commission's discussion.

Mr. MORITI (Japan) proposed the addition at the end of the paragraph of a further new sentence, reading: "It was also pointed out that the list could serve as an index for reference purposes to various statistical standards which had been compiled or published in connexion with the use of industrial statistics by various international organizations."

It was so decided.

Paragraph 6, as amended, was adopted.

Paragraph 7

Paragraph 7 was adopted.

Paragraph 8

Sir Harry CAMPTON (United Kingdom) proposed that paragraph 8 should be deleted.

It was so decided.
Paragraph 9

Mr. McCarthy (Ireland) asked whether it was necessary to adopt a resolution on the subject.

Mr. Bowman (United States of America) said that his delegation preferred to avoid the adoption of resolutions wherever the Commission could make its views clear in its report.

The Chairman suggested that the substance of paragraph 9 should be presented as part of the report rather than in the form of a resolution.

It was so decided.

Paragraph 9, as amended, was adopted.

Paragraph 10

The Chairman noted that, in accordance with the proposal made by the representative of Ireland, the substance of the last sentence of paragraph 6 in its original form would be incorporated in paragraph 10.

Sir Harry Campion (United Kingdom) proposed that the word "engineering" in the first sentence should be replaced by "technological".

It was so decided.

Mr. McCarthy (Ireland), supported by Mr. Nair (India), suggested that the activities mentioned in paragraph 10 should be included in the revised list of priorities of the Commission's work programme (E/CN.3/L.64).

It was so decided.

Paragraph 10, as amended, was adopted.

Paragraphs 11-13

Paragraphs 11-13 were adopted.

Paragraph 14

Mr. McCarthy (Ireland) proposed that the last part of the penultimate sentence should be amended to read: "... the possibility of maintaining a corps of highly trained personnel for such inquiries."

It was so decided.

Paragraph 14, as amended, was adopted.
Paragraph 15

Mr. BOWMAN (United States of America) said that it was not clear whether the list of selected individual commodities referred to in the draft resolution was to be used for the taking of censuses or for the purpose of current statistics. He had understood that the purpose was to ensure international comparability for census purposes.

Mr. LOFTUS (Secretariat) said that the list was intended both for censuses and for current surveys.

The CHAIRMAN suggested that the word "basic" might be inserted before the word "list" in order to make that point clear.

It was so decided.

Sir Harry CAMPION (United Kingdom) said that if the draft resolution was taken out of its present context, it would not be apparent that it related to industrial statistics.

Mr. ARCHER (Australia) proposed that the word "industrial" should be inserted before the word "production".

It was so decided.
Paragraph 15, as amended, was adopted.

The meeting rose at 12.50 p.m.
STATISTICAL COMMISSION

Thirteenth Session

SUMMARY RECORD OF THE TWO HUNDRED AND THIRTY-SIXTH MEETING

Held at Headquarters, New York
on Thursday, 6 May 1965, at 2.40 p.m.

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Rapporteur: Mr. Archer Australian 
Members: Mr. Youngman Australian 
Mr. Goldberg Canadian 
Mr. Jui Chinese 
Mr. Palang Carter French 
Mr. Peter Hungarian 
Mrs. Nedic Yugoslavian 
Mr. Nair Indian 
Mr. McCarthy Irish 
Mr. Yanai Japanese 
Mr. Kitagawa Japanese 
Miss Quesada Panamanian 
Mr. Mankin Ukrainian Soviet Socialist Republic 
Mr. Volodarsky Union of Soviet Socialist Republics 
Mr. Askar United Arab Republic 
Sir Harry Campion United Kingdom of Great Britain and Northern Ireland 
Mr. Bowman United States of America 
Mr. Martinez Uruguayan 

Representatives of specialized agencies:

Mr. Riley International Labour Organization 
Mr. Khams United Nations Food and Agriculture Organization of the United Nations 
Mr. Kappel United Nations Educational, Scientific and Cultural Organization 

Representatives of regional economic commissions:

Mr. Viswanathan Economic Commission for Asia and the Far East 
Mr. Loeb Economic Commission for Latin America 
Mr. El-Tawil Economic Commission for Africa
PRESENT (continued):

Representatives of inter-governmental organizations:

Mr. ZHELEV  Council for Mutual Economic Assistance
Mr. BERTRAND  Organisation for Economic Co-operation and Development

Secretariat:
Mr. LOFTUS  Director, Statistical Office
Miss GROSSMAN  Secretary of the Commission
Paragraph 19

Mr. BOLMAN (United States of America) proposed the substitution of the words "building firms" for the words "construction enterprises".

Paragraph 19, as amended, was adopted.

Paragraph 20

Mr. VOLODARSKY (Union of Soviet Socialist Republics) remarked that instead of saying the Commission agreed "that no recommendation could be made at this time", it would be better to say "that it was difficult to make recommendations at this time...".

Mr. McCARTHY (Ireland) proposed that the following sentence should be added at the end of the paragraph: "It would also be valuable if forward-looking indicators of the amount of construction activity likely to arise in the future could be developed."

Paragraph 20, as amended, was adopted.

Paragraph 21

Mr. VOLODARSKY (Union of Soviet Socialist Republics) thought that it would again be more logical to say: "The Commission agreed that, at this time, it was difficult...".

Paragraph 21, as amended, was adopted.

Paragraph 22

Paragraph 22 was adopted.

Developments in compilation and related work in national accounts (E/CN.3/L.63/Add.4)

Mr. GOLDBERG (Canada) proposed that in the last sentence of paragraph 9 the words "in the developing countries" should be inserted after the words "This was felt to be more practicable".

The part of the draft report in document E/CN.3/L.63/Add.4, as amended, was adopted.
Measures of economic growth (E/CN.3/L.63/Add.5)

The part of the draft report in document E/CN.3/L.63/Add.5 was adopted.

Problems of input-output tables and analysis (E/CN.3/L.63/Add.6)

Paragraph 1

Paragraph 1 was adopted.

Paragraph 2

Mr. YOYODARSKY (Union of Soviet Socialist Republics) proposed that the following words should be added at the end of the last sentence: "and of the methods used in the Socialist countries for preparing inter-sector balances of production and product distribution".

Mr. LOFTUS (Secretariat) observed that the USSR representative had felt obliged to make that comment because the Secretariat document (E/CN.3/317) had not yet been translated into Russian; inter-industry relations were in fact taken into account in the inter-sector balances. The Secretariat was prepared to take account of any proposals the USSR representative would like to make when the document had been translated into Russian.

Mr. YOYODARSKY (Union of Soviet Socialist Republics) withdrew his proposal and said that he proposed to submit comments when he had received the Russian text.

Mr. McCARTHY (Ireland) proposed that the words "and after consultation of the statistical offices" should be added at the end of the last sentence.

Paragraph 2, as amended, was adopted.

Paragraph 3

Mr. McCARTHY (Ireland) proposed that in the second sentence the words "rectangular tables" should be amended to read "rectangular industry by commodity tables".

Paragraph 3, as amended, was adopted.

Paragraphs 4 and 5

Paragraphs 4 and 5 were adopted.
Paragraph 6

Sir Harry CAMPBELL (United Kingdom) asked that operative paragraph 1 should state more specifically: "To revise and publish the present study ...". With regard to operative paragraph 2, he proposed that "System of National Accounts" should be written out in full and that the words "specific policy and similar" should be deleted.

Paragraph 6, as amended, was adopted.

National accounts (E/CN.3/L.63/Add.7)

Paragraph 1

Mr. VOLODAZKY (Union of Soviet Socialist Republics) proposed that in the last sentence the words "SNA and MPS" should be inserted after the words "the two systems".

Paragraph 1, as amended, was adopted.

Paragraphs 2 and 3

Paragraphs 2 and 3 were adopted.

Paragraph 4

The CHAIRMAN, speaking as the representative of Norway, proposed that the end of the first sentence should be amended to read: "... and other social statistics that were closely related to, and to some degree even integrated with, the systems of national accounts and balances".

Paragraph 4, as amended, was adopted.

Paragraph 5

The CHAIRMAN, speaking as the representative of Norway, proposed that in the last sentence the word "basis" should be replaced by "framework".

Paragraph 5, as amended, was adopted.

Paragraph 6 and 7

Paragraphs 6 and 7 were adopted.
Paragraph 8

Mr. McCARTHY (Ireland) proposed that in the first sentence the word "type" should be inserted between "industrial" and "classification".

Paragraph 8, as amended, was adopted.

Paragraph 9

Paragraph 9 was adopted.

Paragraph 10

Mr. GOLDEN (Canada) proposed that in sub-paragraph (iii) the words "supporting Table 1 b" should be replaced by "supporting Tables 1 A and 1 B", and that the words "current and constant" should be inserted before "market prices".

Mr. YOUNG (Australia) proposed that in sub-paragraph (ii) the latter part of the first sentence following the words "the Treasury" should be deleted.

Paragraph 10, as amended, was adopted.

Paragraph 11

Paragraph 11 was adopted.

Paragraph 12

Mr. ARCHER (Australia), Rapporteur, proposed that the following sentence should be added at the end of the paragraph: "In discussing classifications some reservation was indicated concerning the suggested breakdown of financial enterprises and the view was expressed that the classification of assets and liabilities might furnish an adequate basis for international reporting but not fully satisfactory as a basis for national compilation and presentation".

Mr. YAMAL (Japan) proposed that the following sentence or something similar should be inserted after the second sentence: "One view was expressed that the probable revision of ISIC should be in order to ensure the inter-temporal comparison of census data."

Paragraph 12, as amended, was adopted.
Paragraphs 13 and 14

Paragraphs 13 and 14 were adopted.

Paragraph 15

Mr. GOLDNER (Canada) proposed that the beginning of the first sentence should be amended to read: "The Commission accepted the general approach and the general structure of accounts and tables set out in document E/CONF.3/320, modified in accordance with the recommendations of the Commission...".

Paragraph 15, as amended, was adopted.

Paragraph 16

Mr. DOWMEN (United States of America) proposed that in the second sentence the term "gross national output" should be replaced by the term "gross domestic output".

Mr. KOLODARSKY (Union of Soviet Socialist Republics) said that since MPS included the gross social product and national income, it would be better to speak of "gross social product".

Mr. DOWMEN (United States of America) proposed that at the end of the third sentence the term "balances of national wealth" should be replaced by the term "balances of national capital".

Paragraph 16, as amended, was adopted.

Paragraphs 17 and 18

Paragraphs 17 and 18 were adopted.

Paragraph 19 (draft resolution)

Mr. McCARTHY (Ireland) proposed that the following words should be added at the end of operative paragraph 1: "with a view to the completion of the task before the fifteenth session of the Commission".

He proposed that in operative paragraph 2 the words "national and sector" should be inserted before the words "balance-sheet statistics".
Mr. RILEY (International Labour Organization) said that he was not quite clear about what was intended in operative paragraphs 1 and 4. It appeared that the Secretary-General was being asked to make proposals that countries should develop their own labour, demographic and social statistics. It should be stated that the co-operation of the specialized agencies would be sought in regard to the statistics which concerned them.

Mr. KHAWIS (Food and Agriculture Organization of the United Nations) asked that the co-operation of international organizations should be mentioned.

Mr. LOFTUS (Secretariat) proposed that the following words should be added at the end of paragraph 4 after the word "experts": "in consultation with the specialized agencies concerned".

Paragraph 4, as amended, was adopted.

Estimates of national product and expenditure at constant prices (E/CN.3/L.63/Add.8)

The part of the draft report in document E/CN.3/L.63/Add.8 was adopted.

Classification of Government accounts (E/CN.3/L.63/Add.9)

Mr. McCARTHY (Ireland) proposed that the second sentence of paragraph 7 should be redrafted as follows: "The Commission stressed the need to relate the classification of public debt transactions to the national accounts and balance-sheets and in particular to clarify concepts and terminology and develop alternative classifications as well as to promote international comparability in this field."

In reply to objections from the CHAIRMAN and Mr. GOLDBERG (Canada), Mr. LOFTUS (Secretariat) proposed that the words "at its fifteenth session", in paragraph 8, should be replaced by the words "at a subsequent session".

The part of the draft report in document E/CN.3/L.63/Add.9, as amended, was adopted.

Principles and practices in the collection and compilation of price statistics (E/CN.3/L.63/Add.10)

Mr. GOLDBERG (Canada) proposed that the last sentence of paragraph 3 should be deleted.

/...
Mr. KHAN (Food and Agriculture Organization of the United Nations) proposed that, in paragraph 6 of the document, the words "with the International Labour Office" in operative paragraph 1 of the draft resolution should be replaced by the words "with the specialized agencies".

The part of the draft report in document E/CN.3/L.63/Add.10, as amended, was adopted.

Balance of payments statistics (E/CN.3/L.63/Add.11)

The part of the draft report in document E/CN.3/L.63/Add.11 was adopted.
The meeting was suspended at 3.45 p.m. and resumed at 4.15 p.m.

The CHAIRMAN suggested that since Addenda 12, 13 and 14 of document E/CN.3/L.63 were not yet available in Spanish, French and Russian, those documents should be discussed but that the non-English-speaking members of the Commission should be given an opportunity to return to them, if necessary, at the following meeting.

Data bank (E/CN.3/L.63/Add.12)

In response to an observation by Mr. YANAI (Japan), Mr. IOTTUS (Secretariat) suggested that the title "Data Bank" should be replaced by the expression "Demographic Data Centre".

Paragraph 2

Mr. BOWMAN (United States of America) proposed that the words "in principle" should be inserted after the word "support", in the thirteenth line of the English text.

Paragraph 3

Mr. McCARTHY (Ireland) proposed that in the first sentence the words "for countries" should be inserted after the word "involve". He proposed further that the second, third and last sentences should be deleted and the following sentence inserted between the two remaining sentences: "It was agreed that further information was necessary on the proposal before the Commission could formulate a considered judgement of it".

Paragraph 3, as amended, was adopted.

/...
Paragraph 4

Mr. McCarthy (Ireland), Sir Harry Campion (United Kingdom) and Mr. Bowman (United States of America) expressed doubts as to the real usefulness of the resolution.

The Chairman suggested that discussion of the paragraph should be postponed to the following meeting.

It was so decided.

1970 World Population and Housing Census Programmes (E/CN.3/L.65/Add.13)

Paragraphs 1 to 5

Paragraphs 1 to 5 were adopted.

Paragraph 6

Sir Harry Campion (United Kingdom) proposed that the words "civil registration" in the first sentence of the English text should be replaced by the expression "registration of vital events".

The paragraph, as amended, was adopted.

Paragraphs 7 to 10

Paragraphs 7 to 10 were adopted.

Paragraph 11

Mr. Bowman (United States of America) proposed that in the first sentence the word "were" should be replaced by the words "should be".

The paragraph, as amended, was adopted.

Paragraph 12 (draft resolution)

Sir Harry Campion (United Kingdom) proposed that, in sub-paragraph 1 of the first operative paragraph of the draft resolution, the article "the" should be replaced by the article "a".

/.../
After an exchange of views in which Sir Harry CAMPION (United Kingdom) and Mr. BOWMAN (United States of America) took part, Mr. ARCHER (Australia), Rapporteur, proposed the following version of sub-paragraph 1 of the first operative paragraph: "To proceed with the development of a 1970 World Population and Housing Census Programme".

Mr. LOFTUS (Secretariat) proposed that, in the second operative paragraph of the draft resolution, the words "a population and a housing census" should be replaced by the words "population and housing censuses".

Paragraph 12, as amended, was adopted.

1960 world population and housing census programmes (E/CN.3/L.63/Add.14)

The part of the draft report in document E/CN.3/L.63/Add.14 was adopted.

The meeting rose at 4.55 p.m.
STATISTICAL COMMISSION

Thirteenth Session

SUMMARY RECORD OF THE TWO HUNDRED AND THIRTY-SEVENTH MEETING

Held at Headquarters, New York,
on Friday, 7 May 1965, at 10.10 a.m.

CONTENTS

Draft report to the Economic and Social Council on the thirteenth session of the Commission (E/CN.3/L.63/Add.12-19) (continued)
PRESENT:

Chairman: Mr. BJERVE (Norway)
Rapporteur: Mr. ARCHER (Australia)
Members:
Mr. YOUNGMAN (Australia)
Mr. GOLDBERG (Canada)
Mr. JUI (China)
Mr. PALANGGE (France)
Mr. PINTER (Hungary)
Mrs. MCD (India)
Mr. NAIIR (India)
Mr. McCARTHY (Ireland)
Mr. MORITA (Japan)
Miss GUSADA (Panama)
Mr. MARTIN (Ukrainian Soviet Socialist Republic)
Mr. VOLODARCKY (Union of Soviet Socialist Republics)
Mr. ASKAR (United Arab Republic)
Sir Harry CAMPION (United Kingdom of Great Britain and Northern Ireland)
Mr. BOWMAN (United States of America)
Mr. MARTINEZ (Uruguay)

Representatives of specialized agencies:
Mr. SULHAJME (Food and Agriculture Organization of the United Nations)
Mr. KIPPEL (United Nations Educational, Scientific and Cultural Organization)

Representatives of regional economic commissions:
Mr. VISWANATHAN (Economic Commission for Asia and the Far East)
Mr. LOEB (Economic Commission for Latin America)
Mr. EL-TAWIL (Economic Commission for Africa)
**Present (continued):**

**Representatives of inter-governmental organizations:**

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<tr>
<th>Name</th>
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<tr>
<td>Mr. Zhelev</td>
<td>Council for Mutual Economic Assistance</td>
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<tr>
<td>Mr. Bertrand</td>
<td>Organisation for Economic Co-operation and Development</td>
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<tr>
<td>Mr. Loftus</td>
<td>Director, Statistical Office</td>
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<tr>
<td>Miss Grossman</td>
<td>Secretary of the Commission</td>
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DRAFT REPORT TO THE ECONOMIC AND SOCIAL COUNCIL ON THE THIRTEENTH SESSION OF THE COMMISSION (E/CN.3/L.63/Add.12-19) (continued)

The CHAIRMAN suggested that the meeting should be suspended for half an hour in order to give representatives time to study those sections of the draft report which had just become available.

It was so decided.

The meeting was suspended at 10.10 a.m. and resumed at 10.40 a.m.

E/CN.3/L.63/Add.12

The CHAIRMAN invited the Commission to continue its discussion of the document.

Paragraph 2

Mr. ARCHER (Australia), Rapporteur, proposed that the last sentence should be amended to read: "Since the scope of demographic analysis is dependent upon the availability and comparability of basic population data, it seems appropriate for the Secretariat to explore ways of organizing international population data so as to be able to bring to bear the efficient processing techniques provided by electronic computers."

It was so decided.

Paragraph 2, as amended, was adopted.

Paragraph 4

Mr. ARCHER (Australia), Rapporteur, proposed the following amended version: "Bearing in mind these considerations, the Commission requests the Secretary-General (i) to continue to study the collection, tabulation and analysis of population census statistics at the international level in the light of possible applications of electronic data processing; and (ii) to prepare a report on the scope of the project and the procedures necessary to implement it, for consideration by the Statistical Commission."

The text of paragraph 4 proposed by the Rapporteur was adopted.
The heading of the document on page 1 should be amended to read: "DRAFT PRINCIPLES AND RECOMMENDATIONS FOR POPULATION AND HOUSING CENSUSES (Item 20 (b) and (c))," and the heading preceding section B on page 2 should be deleted. In the draft resolution in paragraph 9, the words "and population" should be inserted after the word "housing" in the fourth preambular paragraph, and in operative paragraph 3 the words "in housing censuses" should be deleted.

Paragraphs 1 and 2

Paragraphs 1 and 2 were adopted.

Paragraph 3

Mr. DOWMAN (United States of America) said that while he had no objection to the last sentence, it appeared to suggest that the only possible modifications were those of supplementation.

Mr. Mccarthy (Ireland) proposed that the latter part of the sentence should be amended to read: "framework, within which the regions could develop programmes appropriate to their special needs".

After a discussion in which Sir Harry Campion (United Kingdom), Mr. MANTUZ (Uruguay) and Mr. Volkodarsky (Union of Soviet Socialist Republics) took part, Mr. Loftus (Secretariat) suggested that the sentence might be deleted, as the thought expressed in it was repeated in the last sentence of paragraph 7.

It was so decided.

Paragraph 3, as amended, was adopted.

Paragraphs 4, 5, 6 and 7

Paragraphs 4, 5, 6 and 7 were adopted.
Paragraphs 8 and 9

Sir Harry CAMPTON (United Kingdom) proposed that the fourth preambular paragraph of the draft resolution contained in paragraph 9 should be deleted and included as a separate sentence at the end of paragraph 8.

It was so decided.

Paragraphs 8 and 9, as amended, were adopted.

Document E/CN.3/L.65/Add.15, as amended, was adopted.

E/CN.3/L.65/Add.13

Paragraph 1

Paragraph 1 was adopted, with minor drafting changes.

Paragraph 2

Mr. MCCATHY (Ireland) proposed that the latter part of the second sentence should be amended to read "and more information should be provided on the resources required as well as on the timing and method of carrying out the projects by the Secretariats of the organizations concerned and the feasibility of these projects in the light of all the circumstances".

After a discussion in which the CHAIRMAN, MR. GOLDBERG (Canada), Mr. BOMAN (United States of America), Mr. KAPPEL (United Nations Educational, Scientific and Cultural Organization) and Mr. VLODAREK (Union of Soviet Socialist Republics) took part, Mr. LORTIE (Secretariat) suggested the following version: "and more information should be provided on the resources required as well as on the timing and method of carrying out the projects by the Secretariats of the organizations concerned and the feasibility of carrying them out in the changing circumstances of each agency over the period covered".

It was so decided.

Paragraph 2, as amended, was adopted.

Paragraph 3

Mr. SUBAAMAT (Food and Agriculture Organization of the United Nations) stressed that paragraph 3 reflected the views of the United Nations Secretariat alone. For its part, FAO felt that bilateral contacts were not enough; there were /...
many problems of co-ordination which could be solved only by periodic consultations in which all the specialized agencies would take part. He accordingly believed that the Commission should recommend revival of the consultative committee on statistical matters, which might meet once or twice a year at the headquarters of each of the specialized agencies in turn.

Sir Harry CAMPION (United Kingdom) proposed that the fourth, fifth and sixth sentences should be replaced by the following sentence: "The Commission was informed that there had been a consultative committee on statistical matters, which was abolished some years ago." The last sentence should be amended to read: "The Commission felt that, despite the difficulties hitherto encountered, it was imperative ...".

It was so decided.

Mr. BOLMAN (United States of America) proposed that, for the sake of clarity, the last sentence should be further amended to read: "... positive efforts should be made by the Secretary-General to achieve ...".

It was so decided.

Paragraph 3, as amended, was adopted.

Paragraph 4

Mr. ARCHER (Australia), Rapporteur, announced that the following new paragraph (1) of the draft resolution should be inserted in paragraph 4 of the document:

"(1) to circulate document E/CN.3/535 to national statistical offices with any revisions of the work programmes that the agencies and regional commissions may wish to make".

The former paragraph (1) and remaining paragraphs of the draft resolution should be renumbered accordingly, and what had now become paragraph (4) should be amended to read:

"(4) to revise and bring up to date a five-year programme of international statistics extended to the year 1971 in accordance with the views expressed by the Commission for consideration by the Commission at its fourteenth session".

/...
Mr. McCarthy (Ireland) proposed that the new paragraph (4) of the draft resolution should speak of an "integrated" five-year programme.

It was so decided.

Sir Harry Campion (United Kingdom) proposed that the four paragraphs of the draft resolution should be arranged in a more logical order: the new paragraph read out by the Rapporteur would remain in first place, the original paragraph (3) as amended would be placed second, the original paragraph (1) would be placed third and the original paragraph (2) would be last.

With regard to the new paragraph (1), he proposed that the words "regional commissions" should be amended to read "regional secretariats". Review of the document by the commissions themselves could entail considerable delay. He further proposed that in the original paragraph (1) the word "all" in the phrase "all future sessions" should be deleted.

It was so decided.

Paragraph 4, as amended, was adopted.

Document E/CN.3/L.63/Add.18, as amended, was adopted.

Documents E/CN.3/L.63/Add.12-14 (continued)

The Chairman said that documents E/CN.3/L.63/Add.12-14, containing parts of the Commission's draft report, which had already been provisionally approved, were now available in all the working languages. If the French-, Spanish- and Russian-speaking delegations had no comments, he would consider those parts of the report formally adopted.

It was so decided.

The meeting rose at 12 noon.
STANDARID COMMISSION
Thirteenth Session

SUMMARY RECORD OF THE TWO HUNDRED AND THIRTY-EIGHT MEETING

Held at Headquarters, New York,
on Friday, 7 May 1965, at 3.10 p.m.

CONTENTS
Draft report to the Economic and Social Council on the thirteenth session of the Commission (E/CN.3/L.63/Add.16, 17 and 19) (continued)
Priorities of the Commission's work programme (E/CN.3/L.64 and Corr.1 and Add.1)
Other business
Closure of the session
PRESENT:

Chairman: Mr. BREVE Norway
    Mr. ARCHER (Australia)
    Mr. YOUNGMAN Australia
    Mr. GOEBELG Canada
    Mr. JUI China
    Mr. PAILANCIE France
    Mrs. MOD Hungary
    Mr. FUR India
    Mr. MACKENZIE Ireland
    Mr. MCINTYRE Japan
    Miss QUÉSADA Panama
    Mr. MARKIN Ukrainian Soviet Socialist Republics
    Mr. VOLODARSKY United Arab Republic
    Mr. ASKAR United Kingdom of Great Britain and Northern Ireland
    Sir Harry CAMPION United States of America
    Mr. BOWMAN Uruguay
    Mr. MARTINEZ

Representatives of specialized agencies:

Mr. SUCHAT (Food and Agriculture Organization of the United Nations)
Mr. KHANIS
Mr. KAPPEL United Nations Educational, Scientific and Cultural Organization

Representatives of regional economic commissions:

Mr. VISWANATHAN Economic Commission for Asia and the Far East
Mr. LOEB Economic Commission for Latin America
Mr. EL-TAWIL Economic Commission for Africa
PRESENT (continued):

Representatives of inter-governmental organizations:

Mr. LAHLAW
Council for Mutual Economic Assistance

Mr. DEFTAND
Organization for Economic Co-operation and Development

Secretariat:

Mr. LOFTUS
Director, Statistical Office

Miss GROSSMAN
Secretary of the Commission
DRAFT REPORT TO THE ECONOMIC AND SOCIAL COUNCIL ON THE THIRTEENTH SESSION OF THE COMMISSION (E/CN.3/L.63/Add.16, 17 and 19) (continued)

Demographic statistics (other than population census) (E/CN.3/L.63/Add.16)

Paragraph 1

Paragraph 1 was adopted.

Paragraph 2

Mr. ARCHER (Australia), Rapporteur, proposed that in the first sentence the words "in vital statistics" should be inserted after the words "current practice".

It was so decided.

Paragraph 2, as amended, was adopted.

Paragraph 3

Mr. GOLDBERG (Canada) proposed that in the third sentence the word "has" should be replaced by the word "requires".

It was so decided.

Paragraph 3, as amended, was adopted.

Paragraph 4

Paragraph 4 was adopted.

Paragraph 5

Sir Harry CAMPION (United Kingdom) proposed that, in the first sentence the word "a" should be substituted for the word "definite".

It was so decided.

Draft resolution

Sir Harry CAMPION (United Kingdom) proposed that, in the first preambular paragraph, the words "the most important single gap" should be replaced by the words "a serious gap", and the latter part of the sentence from the words "impeding the pace" should be deleted; that, in the second preambular paragraph the words "that it is a matter of the highest importance" should be deleted, and the word "should" inserted after the word "efforts"; and that, in the first operative paragraph, the words "by every means at his disposal" should be deleted.

It was so decided.
Mr. McCARTHY (Ireland) proposed that, in sub-paragraph 3 of the first operative paragraph, the words "particularly in providing information on vital rates" should be inserted after the words "demographic data".

It was so decided.
Paragraph 5, as amended, was adopted.

Paragraphs 6 and 7
Paragraphs 6 and 7 were adopted.

Population projections (E/CN.3/L.63/Add.17)
Paragraph 1
Paragraph 1 was adopted.

Paragraph 2
Sir Harry CAMPION (United Kingdom) proposed that in the second sentence the words "an up-dated" should be replaced by the word "a", and the words "were welcomed" by the words "were noted".

It was so decided.
Paragraph 2, as amended, was adopted.

Paragraph 3
Sir Harry CAMPION (United Kingdom) proposed that in the first sentence the word "endorsed" should be replaced by the words "agreed with".

It was so decided.
Paragraph 3, as amended, was adopted.

Time and place of next meeting (E/CN.3/L.63/Add.19)

Mr. MARKIN (Ukrainian Soviet Socialist Republic) pointed out that the title of the document referred to the place of the next meeting but no recommendation was made in the text that followed. He accordingly proposed the deletion of the words "and place" in the title.

It was so decided.

/...
Paragraphs 1 and 2

Paragraphs 1 and 2 were adopted.

Paragraph 3

Mr. McCARTHY (Ireland) proposed that in the first sentence, after the words "its work programme", the following text should be inserted: "and in particular of the necessity for speeding progress in the work on national accounts and balances as well as for the completion of the work on censuses of population and housing in time to enable countries to finalize their own programmes for 1970 censuses".

It was so decided.

Mr. ARCHER (Australia), Rapporteur, proposed that in the same sentence the words "Having reviewed" should be replaced by the words "The Commission reviewed", and the words "the Commission decided to recommend" by the words "and for these reasons decided to recommend".

It was so decided.

Sir Harry CAMTON (United Kingdom) proposed that in the second sentence the words "to recommend" should be inserted after the words "The Commission decided".

It was so decided.

Mr. BOWMAN (United States of America) proposed that in the same sentence the words "about ten days" should be replaced by the words "not more than ten days".

It was so decided.

Mrs. MOD (Hungary) proposed that in sub-paragraph 2 of the paragraph the words "revision of the System" should be replaced by the words "revision of Systems".

It was so decided.

Paragraph 3, as amended, was adopted.

PRIORITIES OF THE COMMISSION'S WORK PROGRAMME (E/CN.3/L.64 and Corr.1 and Add.1)

Mr. BOWMAN (United States of America) said that in revising document E/CN.3/L.64 the Committee had confined itself to the questions on which it had been possible to reach general agreement.

/...
Mr. McCARTHY (Ireland) considered that a project on the co-ordination of population and agriculture censuses, and also the points recommended in the draft resolution reproduced in document E/CN.3/L.63/Add.18, should be added to the ad-hoc projects of high priority (24 A and 29 A) listed in document E/CN.3/L.64/Corr.1.

Mr. LOFTUS (Secretariat) recalled that the Commission had taken a decision along those lines at the previous meeting.

The CHAIRMAN suggested that numbers should be given to those two items and that they should be added to the ad-hoc projects of high priority.

It was so decided.

The CHAIRMAN suggested that, as proposed in document E/CN.3/L.64/Corr.1, the text to be inserted before paragraph 12 of document E/CN.3/L.64 should be adopted, items 24 A and 29 A should be added, the text of items 14, 24, 26 and 27 should be amended, paragraph 36 should be moved and paragraph 39 should be inserted among the projects of higher priority.

It was so decided.

Mr. PALANGIE (France) remarked that it was rather surprising to have only a single project of lower priority (item 38). It would be simpler to divide all the projects into two groups: continuing projects of high priority and ad-hoc projects of high priority.

Mr. LOFTUS (Secretariat) considered that the only solution would be to place item 38 among the projects of high priority and to delete, with suitable explanation, the category of ad-hoc projects of lower priority. In reply to a question put by the representative of Australia regarding items 29 A and 29 B, he explained that the only elements which would be mentioned before paragraph 12 would be those not already mentioned in paragraphs 18 and 19.

Mr. BOWMAN (United States of America) observed that items 29 A and 29 B were closely connected with the 1970 population census and did not need to be considered at length before the fourteenth session.

The CHAIRMAN suggested that all items not on the agenda of the fourteenth session should be deleted.

It was so decided.
Mr. ARCHER (Australia), Rapporteur, proposed the substitution of the following text for paragraphs 38 and 39: "In view of the heavy work programme consisting of items of high priority, the Commission felt it would not be possible for the Secretariat to carry out any projects of lower priority in the period before its fourteenth session, when it would again review its priorities, and consequently did not include any such items in the work programme".

It was so decided.

Mr. LOFTUS (Secretariat) pointed out that paragraph 2 of document E/CN.3/L.64/Add.1 had been drafted before the Commission had considered the programme of work and the priorities. Provision had subsequently been made (29 A) for another working group which might require the assistance of several consultants at a cost of about $5,000. The final costs for 1966 would therefore amount to $31,000 for consultants and $18,000 for expert groups.

Sir Harry CAMPION (United Kingdom), Mr. BOWMAN (United States of America) and Mr. VOLODARSKY (Union of Soviet Socialist Republics) expressed the hope that the cost of the projects envisaged would not exceed the total allotments made by the General Assembly, and they reserved their delegations' positions on the matter.

OTHER BUSINESS

The CHAIRMAN recalled that it had been proposed at the twelfth session that the officers of the Commission should meet between the thirteenth and fourteenth sessions.

Mr. MccARTHY (Ireland) welcomed the fact that the Commission had been given an opportunity to discuss the various items of the agenda directly with the appropriate members of the Secretariat, and he hoped that that practice would be continued in future.

Sir Harry CAMPION (United Kingdom) considered that it was not necessary for the Commission to prepare a formal statement on that item of the agenda in its report.

It was so decided.

The draft report to the Economic and Social Council (E/CN.3/L.63 and Add.1-19), as a whole, as amended, was adopted.

/...
CLOSURE OF THE SESSION

Mr. McCarthy (Ireland) and Mr. Volodarsky (Union of Soviet Socialist Republics) paid a tribute to the Chairman for the way in which he had conducted the proceedings, and also thanked the Vice-Chairman, the Rapporteur, the staff of the Statistical Office and, in general, those members of the Secretariat who had made the Commission's work possible.

The Chairman thanked the members of the Commission for their co-operation during the session and associated himself with the tributes paid to the Vice-Chairman, the Rapporteur and the members of the Secretariat. He then declared the thirteenth session of the Commission closed.

The meeting rose at 4.40 p.m.