STATISTICAL COMMISSION
Fifth session
Item 4 of the provisional agenda

Report of the Committee on Statistical Classification

TABLE OF CONTENTS

Introduction

I. Classification of Commodities for International Trade Statistics.

II. Alphabetical Index of Commodities Entering International Trade.

III. Classification of Commodities for General Economic Analysis.

IV. Occupational Classification.

V. Industrial or Social Status Groups.


VII. Other Business.
INTRODUCTION

1. The Fourth Session of the Committee on Statistical Classification met from 2-5 May 1950. The following members were present:

Chairman: Mr. Ph. J. IDENBURG (Netherlands)
Members:
Mr. D. K. LINZ (China)
Mr. G. DARIOIS (France)
*Mr. P. CHERNYSHEV (Union of Soviet Socialist Republic) alternate
Mr. E. CAMPION (United Kingdom)
Mr. S. A. RICE (United States of America)

Representatives of the Specialized Agencies:
Mr. C. TAUERBER Food and Agriculture Organization
Mr. R. M. WOODBURY International Labour Organization

Representatives of Non-Governmental Organizations:
Mr. G. GOUDEWAARD International Statistical Institute

Secretariat:
Mr. W. R. LEONARD Representing Assistant, Secretary General in charge of Economic Affairs
Mr. W. J. BRUCE Secretary to the Committee
Mr. P. J. LOFTUS Statistical Office of the United Nations
Mr. J. DURAND Population Division, Department of Social Affairs
Mr. V. S. KOLESNIKOFF Expert Consultant on Classification of Trade Statistics

* attended opening meeting only.
2. The records of those meetings are contained in documents E/CN.3/C.1/SR.8-12.

3. Mr. CHERNYSHEV (Union of Soviet Socialist Republics) was present at the opening of the first meeting of the Committee. He submitted the following draft resolution:

THE COMMITTEE ON STATISTICAL CLASSIFICATION

RESOLVES to exclude the representative appointed by the Kuomintang group from its body.

4. This proposal was ruled as out of order by the Chairman inasmuch as he did not consider the Committee competent to deal with the issue. When Mr. Chernyshev challenged this ruling it was put to the vote and the Chairman's decision was upheld. Mr. Chernyshev thereupon withdrew from the meeting.

5. The Committee elected Mr. Ph. J. Idenburg Chairman of the Committee and Mr. H. Campion, Rapporteur, and adopted the provisional agenda document E/C.3/C.1/14.
I. CLASSIFICATION OF COMMODITIES FOR INTERNATIONAL TRADE STATISTICS

6. The Committee had before it a memorandum prepared by the Secretariat on "Minimum List of Commodities for International Trade Statistics" (Documents E/CN.3/C.1/19 together with Addenda 1 and 2). These documents set out three systems of classification:

Classification 1. This classification was based on the structure of the League of Nations "Minimum List".

Classification 2. This classification was designed with the purpose of maintaining a rigorous distinction between raw materials, processed materials and manufactures. This classification was originally embodied in the draft circulated to countries for comment in 1948.

Classification 3. This classification given in E/CN.3/C.1/19/Add.2 followed the structure set up by the Expert Group which advised the Secretariat in 1949. Modifications had been made in the scheme drawn up by the Expert Group principally in the section devoted to food which had made it more acceptable to countries which had given comments.

7. The Committee considered whether it would be advisable to approve more than one of the three classifications. It was pointed out that classifications 1 and 2 served alternative kinds of needs, both kinds being important. The Committee felt, however, that it was most important that only one classification should be recommended for international use; that if one classification were recommended and proved generally acceptable, there was a likelihood that it would be regarded as an international standard classification.

8. The Committee was informed of the use that had been made of the League of Nations "Minimum List". It was pointed out that apart from a small number of countries which had made this List their primary classification in the compilation of their own external trade statistics, the majority of countries had confined themselves to reassembling their trade data once a year in the summary form of the Minimum List. It appeared that the Minimum List had not become a part of the established procedure for the collection and analysis of international trade statistics.

/9. Nevertheless, the
9. Nevertheless, the Committee was impressed by the urgent need for a systematic scheme according to which countries might report their figures of international trade. Many international agencies and inter-governmental bodies needed figures of world trade compiled on an internationally comparable basis. The Committee therefore considered it essential that it should approach the problem of classification from the point of view of its usefulness as a means of reporting trade statistics to meet the needs of those bodies.

10. The conclusion reached by the Committee was that the general system of classification embodied in classification number 3, with certain modifications, might be adopted as a standard system for the reporting of trade data for international purposes. The Committee was strongly of the opinion that if the Commission recommends this classification for international use, it should not constitute an additional burden on countries but should be used as far as possible by all United Nations organs, specialized agencies, and inter-governmental bodies in substitution for the different kinds of classification which they were at present using for the reporting of international trade statistics. The Committee felt that classification number 3, after modifications in the light of the suggestions received, would be suitable to meet the continuing needs of many agencies. It was recognized that the classification could not be sufficiently detailed to meet every request for data that was likely to be made by international and inter-governmental agencies. The Committee considered it essential, however, that each request for data should be consistent with the standard classification. The view was expressed that many requests would be unnecessary if regular publication of data could be arranged in terms of the proposed classification.

11. The Committee realizes the burden which international requirements of various kinds have imposed upon countries. The Committee desired that this classification should be a means of reducing these demands. For this reason the Committee requests the Secretary-General to arrange that the instructions which accompany the classification, when it is finally approved, should make it clear that countries will not be asked to present their trade data in the full detail of the classification where the amounts involved do not warrant it. The main object of the classification is to obtain systematic data concerning
the important commodities or groups of commodities entering in world trade as well as the trade of each country.

12. The Committee recommends that

(a) the classification system set out in Document E/CN.3/C.1/19/Add.2, as amended by the Secretariat in the light of the Committee's discussion, be adopted for international use in substitution for the Minimum List of Commodities for International Trade Statistics drawn up by the League of Nations;

(b) the Commission request the Economic and Social Council to urge all Member Governments to make use of the International Standard Industrial Classification either by

(i) adopting this system of classification as a national standard with such modifications as may be necessary to meet national requirements, without disturbing the framework of the classification, or

(ii) rearranging their statistical data in accordance with this system for purposes of international comparability;

(c) where data for international use are required from any country, such additional data should be requested in terms consistent with the new classification;

(d) the attention of all United Nations organs, regional commissions and specialized agencies and all such other international organizations as may be appropriate, be drawn to the establishment of this classification and that they be requested to formulate their requests for international trade data in terms of the new classification.

(e) that the Commission should be asked to consider how frequently and in what detail the Member countries should be asked to report in terms of the Standard Classification.
II. ALPHABETICAL INDEX OF COMMODITIES ENTERING INTERNATIONAL TRADE

13. The Committee had before it a memorandum prepared by the Secretariat calling attention to the action by the Statistical Commission at its fourth session, requesting the Secretary-General to make arrangements for the preparation of a list of terms for multi-lingual use arranged alphabetically, to serve as a coding manual showing the particular articles of trade in each item of the Standard List of Commodities for International Trade Statistics (E/CN.3/C.1/20). The memorandum stressed the magnitude of the task involved in the preparation of such a list, and referred to the possibility of utilizing the results of work already done or to be undertaken in different countries on the compilation of alphabetical lists or other guides being used in the classification of trade commodities. Reference was made also to the work undertaken by the Inter-American Statistical Institute in this field.

14. The Committee, although aware of the magnitude of the task, agreed nevertheless on the desirability of undertaking at least the first steps toward the preparation of materials for a manual which would serve to secure the adoption of uniform interpretations and practices in the application of the Standard List of Commodities for International Trade Statistics. The Committee, therefore, recommends that the Statistical Commission request the Secretary-General to undertake with the aid of expert consultants, if necessary:

(a) a survey of the work which has already been done, or which will be undertaken, by individual countries and other international organizations or groups of countries, which might be used in the preparation of a comprehensive manual or guide to the application of the Standard List of Commodities for International Trade Statistics;

(b) the formulation of plans for the correlation or co-ordination of this work with a view to the issue ultimately of such a manual in the official languages of the United Nations; and

(c) the preparation, for submission to the sixth session of the Commission, of a report on the progress achieved in this work and suggestions for its further development.

/III. CLASSIFICATION
III. CLASSIFICATION OF COMMODITIES FOR GENERAL ECONOMIC ANALYSIS

15. The question of possible future work on the classification of commodities for general economic analysis was considered by the Committee in the light of a memorandum prepared by the Secretariat (E/CN.3/611), referring to previous consideration of the question by the Statistical Commission and seeking to clarify the possible scope and character of future work in this field. The conclusion was reached that in view of the work now going forward in developing and applying definitions related to production, trade, transport and prices, all of which involve classification systems, and in view of the relatively greater urgency attaching to other work, it would not be desirable to recommend that any of the limited facilities and resources available to the Secretariat should now be devoted to additional undertakings in this field. The Committee, therefore, recommended that the question of classification of commodities for general economic analysis be deleted from the agenda of the Statistical Commission for the time being, and that decisions on the scope of further commodity classification work to be recommended by the Commission be deferred to a future session.

IV. OCCUPATIONAL CLASSIFICATION

16. At its fourth session the Statistical Commission requested the International Labour Office to submit a report at its fifth session on the progress made in establishing a classification of occupations (E/1312, para. 22).

17. The Committee had before it a report by the ILO on this subject (E/CN.3/611) and a report by the Secretariat on the proposed occupational classification for the 1950 Census of the Americas (E/CN.3/611). The representative of the ILO reported that at the Seventh Conference of Labour Statisticians in September 1949 agreement had been reached on nine major groups but not on the composition of sub-groups and unit groups. Further work on the task of extending this classification and of defining sub-groups and occupational unit groups was being undertaken. At the meetings held in Bogotá in January 1950 general agreement had been reached on 34 sub-groups to be used at the 1950 Census of the Americas.

18. The Committee recommend that the Statistical Commission take note of some progress made and request that a further report on progress be submitted at the sixth session.
V. INDUSTRIAL OR SOCIAL STATUS GROUPS

19. At its fourth session the Statistical Commission considered suggestions made by the Population Commission for defining and enumerating "industrial or social status" groups, and asked for a further opportunity to consider these suggestions after comments on them had been received from governments (E/1312, paragraphs 68-70). The Committee considered a report submitted by the Secretariat on the comments received from governments (E/CN.3/C.1/22/Corr.1 and E/CN.3/C.1/22/Add.1) and on revisions suggested to the previous proposals, together with proposals for the co-ordination of the three classifications by industry, occupation and industrial or social status. (E/CN.3/C.1/17 and E/CN.3/C.1/18).

20. The first proposal was for a clarification of the treatment of managers and directors and other employees of "incorporated" businesses and for a limitation of the class of unpaid family workers to those working for at least one-third of a work period, including those paid a cash allowance (E/CN.3/C.1/18, paras. 3-6). Various difficulties were likely to arise in the application of the new proposals, including the difficulties of defining incorporated businesses, and of interpreting strictly the rule that only persons working more than one-third or any fixed proportion of time should be included. The Committee however did not wish at present to propose definitive amendments to these proposals.

21. The second proposal was that the sub-division of employees, in the classification by industrial or social status groups, as previously proposed, should be eliminated for the time being (E/CN.3/C.1/18, paras. 7-9) and a sub-division by government and other employees substituted instead. (E/CN.3/C.1/17, para. 10). The Committee agreed with the elimination of the previous sub-division. With regard to a sub-division by government and other employees, however, the Committee wish to point out that this information cannot be collected accurately at a census of population and that more reliable information is likely to be obtained by the collection of the necessary data from the public enterprises themselves.

22. The third proposal (E/CN.3/C.1/17, para. 11) was that the Secretariat in collaboration with the ILO should prepare a technical manual concerning the application of the three classifications to national statistics, and that high priority should be given to this project. The Committee were informed that the kind of manual proposed could probably be prepared in 2 to 3 months and would therefore be
therefore be in time to assist in the tabulation of the population censuses of 1950. The Committee recommend that a manual should be prepared which would apply to both census and other methods of collecting data, and that problems of co-ordination between the sorts of data should be considered, so far as this is possible in the time available.

23. The fourth proposal was that the total coverage of the three classifications should be made co-extensive by adding an item for the armed forces to the occupational classification (E/CN.3/C.1/17, paras. 7 and 8). The Committee recommend that this proposal be adopted.
VI. STANDARD TERMINOLOGY FOR STATISTICS RELATING TO THE ECONOMICALLY ACTIVE POPULATION

24. Following a request by the Population Commission at its fourth session (E/1313, paragraph 17), subsequently endorsed by the Statistical Commission (E/1312, paragraph 72), the Secretariat, in collaboration with the International Labour Office, has prepared for consideration by the two commissions at their fifth sessions a number of specific proposals for standard terminology for statistics relating to the economically active population (E/CN.9/46 -- E/CN.3/C.1/16).

25. The Committee considered that the proposals presented constitute the most reasonable choice among available alternatives and are likely to prove generally acceptable for use in international publications. The Committee expressed the hope that, as consistency in terminology in national compilations of data as well as in the various international publications would greatly facilitate understanding and analysis of the statistics, the terms proposed may also be adopted by national Governments in presentation of their national population data.

26. The Committee therefore recommends to the Statistical Commission that it concur with the proposals made in paragraph 18 of E/CN.9/46-E/CN.3/C.1/16 and that it recommend that the Population Commission take similar action.

VII. OTHER BUSINESS

27. In transmitting this report, the Committee suggests that the Statistical Commission might wish to consider whether the Committee should meet regularly as hitherto since the Committee has now accomplished the major tasks for which it was set up.

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