STATISTICAL COMMISSION
Eighth Session

DRAFT REPORT TO THE ECONOMIC AND SOCIAL COUNCIL ON
THE EIGHTH SESSION OF THE STATISTICAL COMMISSION
held in Geneva, from 5 to April 1954

INTRODUCTION

Members attending the eighth session


2. The following representatives and alternates attended the session:

- **AUSTRALIA**: Mr. S.R. CARVER
- **CANADA**: Mr. H. MARSHALL
- **CHINA**: Mr. CHOH-MING LI
- **CUBA**: Mr. R. MASFERRE
- **DENMARK**: Mrs. R. SKADE (alternate)
- **FRANCE**: Mr. R. RIVET, Mr. R. DUMAS (alternate)
- **INDIA**: Mr. P.C. MAHALANOBIS
- **IRAN**: Mr. N. SAMII, Mr. A. KHAJEHNOURI (alternate)
- **NETHERLANDS**: Mr. Ph. J. IDENBURG, Mr. J. DIJKGRAAF (alternate)
- **PANAMA**: Miss L.E. QUESADA
- **UKRAINIAN SOVIET SOCIALIST REPUBLIC**: Mr. L.M. KORETSKY
3. The representative of the Union of Soviet Socialist Republics submitted the following draft resolution for the Commission's consideration:

"The Statistical Commission decides to invite a representative designated by the Central People's Government of the People's Republic of China to take the rightful place of China at its eighth session".

The CHAIRMAN ruled the proposal out of order, as the Statistical Commission was a subordinate organ of the Economic and Social Council, which was the competent body to deal with any modifications in the membership of the Commission. The representative of the Ukrainian Soviet Socialist Republic supported the representative of the Soviet Union and challenged the ruling of the Chairman. The ruling was put to the vote and upheld by 9 votes to 3 with one abstention.

4. The following representatives of specialized agencies attended the session:

International Labour Organisation: Mr. R.J. Myers, Mr. H.P. Lacroix.
Food and Agriculture Organization: Mr. P.V. Sukhatme, Mr. L.P.D. Gertenbach.
United Nations Educational, Scientific and Cultural Organization: Mr. B.A. Liu
International Monetary Fund: Mr. W.R. Gardner
World Health Organization: Dr. Y. Biraud, Dr. J.S. Peterson

5. The following representatives of non-governmental organizations with consultative status were present at the session:

**CATEGORY A**

Alliance Coopérative Internationale
International Confederation of Free Trade Unions

**CATEGORY B and REGISTER**

Catholic International Union for Social Service
International Statistical Institute

Dr. M.E. Boson
Mr. H. Pateet, Mrs. A. Tompkins-Effront
Miss J. de Romer
Mr. J.W. Nixon
SECRETARIAT

6. Mr. W.R. LEONARD, acting as representative of the Assistant Secretary-General in charge of Economic Affairs, Mrs. F.M. NOWAK, Secretary to the Commission, Mr. P.J. LOFTUS, Mr. B.N. DAVIES, Mr. W.W. FLEKnER, Mr. B. HELGER.

ELECTION OF OFFICERS OF THE EIGHTH SESSION

7. The Commission unanimously elected the following officers for the eighth session:

   Chairman: Mr. P.C. MAHALANOBIS

   Vice-Chairman: Mr. R. RIVET

   Rapporteur: Mr. Ph. J. IDENBURG

AGENDA

8. The Commission adopted the following agenda for the eighth session:

   (To be inserted)

   External trade statistics

9. In reviewing the progress made in this field, the Commission noted with satisfaction the advances in international comparability which had resulted from recommendations on external trade statistics made at its seventh and earlier sessions. Progress in the application by countries of the Standard International Trade Classification (SITC) had been rapid: 32 countries (accounting for nearly 70 per cent of world trade) now present their trade statistics according to the SITC and over 20 more are arranging to do so in the near future. To assist countries, analytic and alphabetic indexes to the SITC have been produced showing the classification of about 20,000 articles important in external trade. These indexes constitute the most detailed international lists yet produced for such a purpose. The SITC is being used by a number of Latin American countries as the basis of a uniform customs nomenclature. The general use of the SITC, together with the notable co-operation of a large number of countries in supplying their external trade data to the Statistical Office, had permitted the publication of current world trade data each quarter by commodity groups of the SITC analysed by countries of provenance and destination. 1) In

addition, the existence of data classified on the uniform international basis had facilitated the compilation by the Statistical Office of preliminary indexes showing for world trade the price changes of raw materials, food, agricultural products, minerals and manufactured goods.

10. The definition of "transaction value" promulgated by the Economic and Social Council on the recommendation of the Seventh Session of the Commission had for the first time provided countries with an internationally agreed standard conforming with the underlying reality of international exchanges of goods. Most countries will be able to accept the definition in major particulars. Definitions of coverage and of countries of provenance and destination, also made at the seventh session, had led governments critically to examine the methods they use in compiling external trade statistics and to consider means of making the statistics more directly useful and more comparable internationally.

11. The Commission discussed the progress made in adopting the transaction value. It noted that, although the valuation of imports intended by the "Convention on the Valuation of Goods for Customs Purposes" (drawn up in Brussels on 15 December 1950 and to which many European governments are signatories) appears to be the transaction value, information provided to the Statistical Office had indicated some doubt as to the interpretation of the Convention. One signatory appeared to consider that the Convention did not exclude the use of the open market value in the importing country and there was consequently an uncertainty as to the actual practices of countries in implementing the Convention. Delegates to the Commission of governments signatory to the Convention volunteered to study the matter. The Commission was informed in detail of the progress made by countries in adopting the transaction value (E/CN.3/172) and

"Recommends
That the Secretary-General ascertain and report upon the valuation practices in use in the different countries and, where countries are not at present able to adopt the transaction value for national purposes, study appropriate methods of obtaining supplementary data relating to the transaction value.

The Commission further recommends
That Member Governments as far as possible should provide periodically in the descriptions of their external trade statistics, not only the legal definition of value, but also a statement of the methods used in practice for the valuation of goods moving in external trade."
12. At its seventh session the Commission had requested the Secretary-General to consult with Member States on certain problems relating to the coverage of external trade statistics and to the methods of attributing imports and exports to countries of provenance and destination. The Commission discussed the results of these consultations on the basis of a memorandum by the Secretary-General (document E/CN.3/173). Supplementary considerations on this subject were presented in memoranda by the United States (document E/CN.3/173 Add.1), by the Netherlands (document E/CN.3/173 Add.2) and by FAO (document E/CN.3/173 Add.3). The problems relating to coverage were concerned, on the one hand, with the question of whether each of the following categories of goods should be included in the main body of the external trade statistics or tabulated separately: (1) fish landed directly from fishing vessels; (2) bunkers and stores delivered to foreign ships and aircraft; (3) ships and aircraft, whether new or second-hand. On the other hand, there was the question of the definition of re-exports and of their separation from exports and from goods in transit.

13. Fish landed from the original fishing vessel is at present treated differently in the statistics of different countries but, since the countries having important trade of this kind wished it to be included in the statistics, and since the observer from the United Nations Food and Agriculture Organization felt that such an inclusion would be useful in compiling trade and production figures for fish,

"The Statistical Commission

Recommends that, wherever the magnitude of landings is of importance and wherever it is possible to do so, countries should include in their import statistics fish landed on their shores directly from foreign fishing vessels and include in their export statistics fish landed abroad by domestic fishing vessels."

It was the opinion of the Commission that the attribution of provenance by flag of fishing vessel would usually produce useful figures.
14. Many countries regard the provision of bunkers and other stores to foreign vessels and aircraft as a service rather than as an export. But certain countries, particularly countries which import fuel specifically for bunkering purposes, prefer to record the supply of fuel to foreign ships as merchandise trade in order to avoid the appearance of a large deficit in that account. The Commission doubted whether the attribution of bunkers by flag of the vessel concerned would provide information of much economic value owing to the fact that the country of registration may not coincide with the nationality of the owners.

"The Statistical Commission
Recommends that supplies of bunkers and stores to foreign ships and aircraft be omitted from merchandise trade statistics but that, where they constitute an important item, they be separately shown in the trade accounts."

15. The country to which the import or export of a sea-going ship or an aircraft should statistically be attributed may be very difficult to determine. The country of registration of the ship or aircraft may differ from the country from which the vessel or aircraft operates and from the country owning it. None the less it is usually possible for the statistical authorities of a country in which a new ship or aircraft is constructed to make a reasonable determination of the country to which it should be attributed, and the latter country will usually, in the case of a new ship or aircraft, have no trouble in determining the country of provenance. In the case of second-hand ships bought and sold, the determination of country of origin and destination is much more difficult and there is the additional difficulty that the ship may never cross the customs frontier of either the buying or the selling country. The Commission felt, however, that pending further study by the Secretariat the importance of the trade in ships and aircraft justifies the statistical recording of all major transactions involving them.

"The Statistical Commission
Recommends that new ships and aircraft bought or sold should, wherever possible, be included in the merchandise trade statistics of the countries concerned and that countries should publish, once a year, independently of their trade statistics, the value of the second-hand ships and aircraft entering and leaving their registers."
16. A number of Member Governments have drawn attention to the difficulties relating to the recording of goods moving from one country to a second country for the use of the armed forces or other official agencies of a third country. This problem had also been raised at the Third Regional Conference of European Statisticians. The Commission felt that this problem required special study and consultation by the Secretariat.

17. The suggestion of the Commission that in external trade statistics re-exports be distinguished from exports has given rise to difficulty because it is not easy to frame rules for distinguishing these classes of movements. Difficulty was also being experienced in achieving international comparability in the attribution of imports by countries. Attribution by country of consignment, the usefulness of which had been commended by the expert group, presented a serious problem to countries whose national practices, sometimes based on the Customs law, called for a different system. In addition certain countries had expressed the view that the wording of the definition of country of consignment required further study and clarification. The Commission recognized the national differences of practice and also of concept which underlay these inter-related difficulties. It felt, however, that further study of this matter might reveal that the actual differences in the data compiled by the various methods of attribution by country were smaller than had been originally supposed. The Commission also felt that the relation between re-exports and transit trade required further study.

"The Statistical Commission

Invites the Secretary-General, in consultation with Member Governments, further to examine the possibility of reaching agreement on a more uniform and precise definition and treatment of

(a) re-exports and transit trade

(b) attribution by country of provenance

and to report on the matter to the Ninth Session of the Commission."

18. At its Sixth Session, the Commission noted that the list, annexed to the International Convention Relating to Economic Statistics, of statistical territories to be shown in statements of external trade had become obsolete in
a number of respects. At that session, the Commission agreed on the principle that the Customs area of each country, as defined by the country itself, should be the basis upon which the trading partners of each country compile their statistics of trade-by-countries, and asked the Secretary-General to request Member Governments to provide definitions of their Customs areas for this purpose. A preliminary list of Customs areas summarising official information from countries was before the Commission at its Eighth Session (E/CN.3/174). Members of the Commission drew attention to certain aspects in which the draft list required amendment and revision.

"The Statistical Commission invites the Secretary-General to revise the summary of official definitions of Customs areas for use in internal trade statistics and to circulate it to Member Governments with a view to obtaining comments and views before preparing the list for publication."

19. The Commission discussed the methods of compiling indexes of quantum and unit value for external trade which had previously been the subject of consideration at its Fourth Session. It had before it paper E/CN.3/171 prepared by the Secretary-General. In view of the fact that many countries are compiling their trade-by-commodity figures according to the SITC, the Commission envisaged the possibility of standardizing sub-indexes by commodity class on the basis of the SITC. There was general agreement that the ten "sections" into which the SITC divides all trade were the proper basis for sub-indexes by commodity, and it was suggested that it would be useful to have a further division of those sections referring to manufactured goods (sections 5 - 8 inclusive) to distinguish consumers' from producers' goods.

"The Statistical Commission recommends that countries should endeavour to compile sub-indexes by commodity classes on the basis of the "sections" of the SITC and suggests that countries may wish to compile summary indexes for the following categories:

(a) food, beverages, and tobacco (SITC sections 0 and 1);
(b) manufactured goods other than food, beverages, and tobacco (SITC sections 5, 6, 7 and 8)."
20. The Commission considered the problem of determining the reliability of indexes of quantum and unit value and emphasized that before an index was used it should be ascertained that it is suitable to the intended purpose. Uncertainties in these indexes, it was agreed, stem both from uncertainties, due to changes in the composition of trade, in the unit values computed from the basic commodity headings of the trade statistics, and from the arbitrariness inevitable in the choice of a weighting system.

"The Statistical Commission

Requests that the Secretary-General obtain the views of Member States on the feasibility of establishing a procedure for making a periodic check of the reliability of their indexes of external trade to determine, *inter alia*, whether or not a change of base is advisable."

8 April 1954
At its Seventh Session, the Statistical Commission considered the subject of wholesale price statistics and arrived at conclusions on a number of questions relating to the extent of the price data to be collected, the commodities and varieties to be included, the stage of distribution to which the prices should relate and methods of combining price series into index number. However, no conclusions were reached about the principles to be adopted for compiling index numbers, whether the traditional commodity systems on the one hand or the so-called sector approach, reflecting money (and commodity) flows on the other. On this question, the Commission requested the Secretary-General to undertake further discussions with a view to expanding the area of agreement.

Since the Seventh Session, the question of wholesale price statistics had been discussed at the third Regional meeting of European Statisticians, and among other questions the Regional meeting had discussed the question of the system of index numbers. The meeting had noted that practices varied from country to country in Europe. While it was generally agreed that index numbers for sectors of the economy were valuable for purposes of economic analysis, there was no general agreement on the merits and usefulness of the traditional indexes. The European statisticians had agreed to proceed with the preparation of sector index numbers on an experimental basis.

In the Commission's discussion, the following points were made:

(a) It was possible to over-emphasize the differences for practical purposes between the traditional and sector approaches. Both systems depend
upon the availability of prices on price indices for individual commodities, in which there is much interest in all countries.

(b) The basic difference between the two systems was the way in which commodity indices were averaged. These differences were fundamental and affected nearly every aspect of index number construction, including the classification of the price quotations, the weighting and the treatment of commodities at different stages of processing.

(c) There was general agreement as to the value of sector indexes for economic analysis. It was pointed out, however, that data (e.g. on sales made outside the sector or purchases from other sectors) which were not available to a number of countries at present were necessary for the compilation of some of the sector indexes, especially for the estimation of the weights.

(d) Different views were expressed on the merits of index numbers for commodity groups. On the one hand it was pointed out that these index numbers usually embraced both raw materials and finished products made from the materials, and therefore there were certain conceptual difficulties in their use and interpretation. Generally the narrower and the more homogeneous the commodity group, the more useful the index became.

(e) A number of countries stated that it would be impossible at present for them to abandon the construction of group indices for commodities at different stages of fabrication and especially of the general wholesale price index for all commodities. A great number of consumers of statistics were familiar with these groupings and would expect to continue to receive them. Also in some countries a great number of business contracts were related to the movements of the general wholesale price index or some commodity group component of it, and for this reason - if for no other - it would be necessary to continue the compilations on this basis. Where the sector indices were in use, however, it was stated that the same problems had been successfully dealt with, the old indices being continued until contracts based on them would expire.

(f) The view was expressed that the issues in the controversy having now been discussed and clarified, the right policy for the Commission was to leave the question of the system of index numbers in abeyance for a time, while
countries experimented with sector indices which had undoubted economic value. It would be valuable for the Statistical Office of the United Nations to collect and to disseminate information on these experiments and on the sector indices being prepared and published by some countries and to study further the practical problems of collecting the necessary prices and weights for sector indices. The Commission recognized that while experimentation continued many countries would wish to maintain their present wholesale price indices.

(g) The Statistical Commission

(a) recommends governments not at present compiling price index numbers of the sector type, to experiment with the compilation of such index numbers, selecting first the sector index numbers which are of greatest economic significance in the circumstances of the country;

(b) Requests the Secretary-General to collect information on the progress of such experiments to circulate information to countries and to report on them to the Statistical Commission on this subject at its next session.
STATISTICAL COMMISSION
Eighth Session

DRAFT REPORT ON INDUSTRIAL STATISTICS

Enterprise Statistics

At its Sixth Session, the Statistical Commission recommended to countries a specified list of industrial statistics for periodic collection and compilation and requested the Secretary-General to assist countries by preparing definitions of the various recommended items of data. A draft set of definitions was drawn up in the light of extensive discussions in Geneva at the Second Regional Conference of European Statisticians and in Bangkok at the Second Regional Conference of Statisticians in the ECAFE area. Informal consultations on the draft were also held with countries. The Secretary-General presented these definitions in a memorandum entitled "Definitions in Basic Industrial Statistics" (E/CN.3/145) which was considered by the Commission at its Seventh Session.

As a result of the discussion on basic industrial statistics, the Commission, at its Seventh Session, requested the Secretary-General to make a study of the problems of statistics relating to enterprises (financial structure, type of ownership, etc.) and to present the results of the study to the Eighth Session of the Commission. Accordingly, the Secretary-General presented a memorandum entitled "Statistics of Enterprises" (E/CN.3/169) describing information about enterprises collected by countries in their industrial censuses, discussing some of the difficulties of obtaining useful information in this field, and making suggestions for further work which might be commended by the Commission.
The Commission considered that the statistics of enterprises could be regarded as two entirely distinct subjects. First, industrial statistics could be related and analysed according to enterprises instead of according to establishments, which were the traditional units of analysis. The establishment is a somewhat artificial concept in highly developed economies. There are possibilities of obtaining, by means of enterprise statistics, significant information on the relationships of different categories of production, employment and resources. The enterprise itself, however, is an entity difficult to define in meaningful economic terms, particularly for international purposes. It can variously be considered as a legal, financial or controlling unit. The Commission considered that insufficient work had been done in this field by countries to permit the presentation of internationally comparable data. It asked, however, that it should be kept informed by the Secretary-General of developments and experiments which might be made by industrial countries.

The statistics of enterprises might also be considered in relation to social accounts and the flow of funds between enterprises and other sectors of the economy and in relation also to changes in the structure of enterprises and of the institutional basis of the economy. Financial statistics of enterprises could be illuminating in regard both to flows of funds and to the institutional structure, and a considerable amount of work had been done in a number of countries in compiling and analysing statistics of this kind. Such information was not obtainable from establishment statistics.

The Commission requested the Secretary-General to prepare a report on the financial statistics of enterprises compiled in different countries and on the sources of these statistics and to investigate their usefulness in the better understanding of economic systems.

**Individual Industries**

At previous sessions, the Commission had discussed problems of statistics of stocks and consumption as two phases of industry on which current statistics were particularly inadequate. The Commission reviewed this matter on the basis of a memorandum by the Secretary-General entitled "Statistics of Individual Industries" (document E/CN.3/176). In that memorandum the Secretary-General presented, as
examples, certain tables of statistics of the fuel and power industry and of the iron and steel industry. In these tables the data were arranged to show the quantities of the materials used and commodities produced distinguishing different stages of processing and showing stocks and consumption at the different stages.

The Commission felt that such studies were important for certain industries and certain commodities, particular mention being made of fuel and power which was the subject of this kind of study in a number of industrial countries. It was felt that presentations of the kind made by the Statistical Office were important in exposing gaps in information particularly for the important raw materials and basic industrial products. The Commission considered that extension of these studies to a wider range of industries involved serious difficulties. On the other hand, there was a great need for studies of the presentation of data on bases which integrated the activities of the different parts of the economic structure as a whole. The Commission noted that such studies had been provided for in the work programme of the Conference of European Statisticians and that the result of this work would be reported to the Commission for its consideration at a later date and priority should be given to this work.

The Commission requested the Secretariat to continue its work on the subjects of stocks and consumption.
DRAFT REPORT ON HOUSING STATISTICS

1. The Commission had before it memoranda by the Secretary-General (E/CN.3/187; E/CN.3/187/Add.1) outlining the results of an analysis of items included in recent housing censuses and a discussion of methods which might be recommended with a view to improving statistics on housing and dwellings.

2. The Commission emphasized the importance of adequate and up-to-date statistics in this field and expressed its satisfaction over the substantial efforts to obtain such statistics which have been made by numerous countries in recent years. It was pointed out that statistics on housing pertain not only to the dwelling-unit and its facilities but require to be supplemented by other kinds of statistics such as the proportion of occupant's housing expenditure to total expenditure. Some concern was felt in regard to the delays which obviously in many cases had occurred in the tabulation and publication of the results of recent housing censuses. In order to avoid delays which reduce the usefulness of data, the Commission found that it would be advisable not to include too many details in general housing censuses, particularly when they are combined with population censuses.

3. The Commission was informed that the Netherlands, for the purpose of a continuous record of the number and characteristics of dwellings, was planning to organize a system of local registers of all dwelling-units. Yugoslavia is maintaining a housing register for the large cities. The registers were to be kept up-to-date by adding particulars concerning new dwelling-units and by deleting from the register records of demolished houses. Most countries were apparently not in a position to introduce so elaborate a system and would therefore have to rely upon other methods for obtaining up-to-date information on the
quantity and quality of housing available. Examples were given of a successful use of sampling surveys for this purpose.

4. It was also found that sampling surveys could be recommended with a view to supplementing general housing censuses in regard to items such as the floor space of dwelling-units and the mortgages on owner occupied houses, which could not easily be included in censuses. Some countries would undoubtedly have to rely essentially on sampling surveys as the main source for their knowledge of the general housing situation. Sampling surveys would avoid the delays usually encountered in the tabulation stages of a combined population and housing census and at the same time make possible the collection of family and income statistics in connection with data on the physical characteristics of dwellings.

5. It was pointed out that sampling surveys in the field of housing have a diagnostic value in that they are capable of indicating what regions and what sectors of the population suffer from sub-standard housing conditions. They may also be sufficient for a general assessment of the housing problem and broad policy decisions. However, when it comes to the planning and implementation of improvement projects on a local level, complete surveys are usually indispensable. In view of the emphasis laid by the Economic and Social Council on the need for practical action to improve housing conditions and increase the supply of adequate family dwellings and community facilities for the lower income groups (Resolution 434 I (XIV), the Commission thought it would be useful to examine what statistics have the greatest interest for practical purposes and what methods are the best suited for their collection and presentation.

6. The Commission took note of the efforts made by the Economic Commission for Europe to assemble and make available statistics for European countries concerning residential construction and related matters, and welcomed a similar initiative, recently taken by the Economic Commission for Asia and the Far East. It was hoped that further studies aimed at achieving greater uniformity of data would be undertaken. It would be desirable for the Secretary-General to obtain as much information as possible on the methods used by countries in compiling statistics on residential construction and on their limitations.

7. Attention was also drawn to the problem of definition which cannot be regarded as solved even with regard to the elementary concept of a dwelling-unit.
Not only are there many different types of dwelling-units within a single country or area, but there is a wide difference in what constitutes a dwelling-unit from one country to another. This subject requires further study, especially as to the definitions and policies of different countries.

8. The Commission

Recommends that the Secretary-General:

(a) continue to examine national housing and dwelling statistics on the basis of recently collected census data and to give advice and assistance to countries, at their request, for the completion of this work;

(b) study methods and proposals for the development of housing and dwelling statistics by examining the items to be included, and the priorities that should be attached to these items, taking account of climatic, social and economic conditions;

(c) re-examine the concepts and definitions currently used in housing statistics taking into account regional and local differences with regard to housing habits, and the characteristics of existing accommodation, with a view to determining what differences are distinctive for regions and countries, and at the same time ascertaining a reasonable degree of comparability of the data, at least on a regional level;

(d) study the possibility of different methods, such as sampling surveys or the setting up of a permanent register of houses and dwellings, for the purpose of obtaining up-to-date information on housing conditions and occupancy, and set out the advantages and disadvantages of these methods from the point of view of the practical problems involved in housing policies and town and country planning;

(e) present to the next session of the Commission a report on progress achieved in the field of housing statistics.
1. The Commission considered a memorandum prepared by the Secretariat of UNESCO on Improving the international comparability of statistics on illiteracy and education (E/CN.3/188). In view of its responsibility for co-ordinating the statistical activities of the United Nations and the Specialized Agencies, the Commission welcomed this opportunity to discuss in some detail a subject of great importance for the assessment of the social advancement of peoples in all parts of the world.

2. The memorandum presented certain definitions, methods of measurement, classification and tabulation of data relating to illiteracy and education, as proposed by a UNESCO Committee of Experts, and modified in the light of comments received by the UNESCO Secretariat from Member States. These proposals were to be submitted to the next Central Conference of UNESCO (Montevideo, 1954), and further communicated, in the form of a draft manual of suggestions for the collection of statistics relating to these subjects, to Member States for their comments.

(a) Statistics on illiteracy and educational levels of the population

3. The Commission was of the opinion that statistics on illiteracy are of basic importance to many countries where education is less generally developed, whereas in other countries the interest lies mainly in studies of the educational levels attained by the population.

4. The Commission felt that the ability to read and write is a variable rather than a discreet characteristic, so that there is need for a precise definition of what shall be regarded as literacy for the purpose of statistical
investigations. The UNESCO Committee of Experts had proposed the following definitions:

"(i) A person is considered literate who can both read with understanding and write a short simple statement on his everyday life.

(ii) A person is considered semi-literate who can read with understanding but not write, a short simple statement of his everyday life."

5. The Commission considered that the distinction thus introduced between literates and semi-literate was useful, particularly in view of the fact that in some countries there exist traditional schools where reading but not writing is generally taught.

6. For the purpose of accuracy as well as international comparability, it would seem desirable that suitable objective tests be devised for the measurement of the degree of literacy as defined by the UNESCO experts. The use of these tests in connection with general population censuses would be difficult if not impossible, but such tests would undoubtedly be feasible in sample surveys of literacy.

7. In the absence of direct information on literacy status, it had been proposed that four years of formal schooling successfully completed be regarded as satisfying the criterion of literacy. Although this formula might be useful for purposes of estimation, the Commission felt that it was subject to serious limitations. On the one hand, persons having completed four or even more years of schooling could still relapse into illiteracy through lack of practice, and, on the other hand, adults very often acquire the ability to read and write without any formal schooling.

(b) **Statistics on educational systems**

8. The Commission emphasized the difficulties confronting any attempt to achieve international comparability in regard to educational statistics, bearing in mind the great diversity of educational systems in different countries and even within the same country where educational administration is decentralized. Nevertheless, it commended the efforts put forth by UNESCO in working towards some improvement in this field of statistics, in spite of the great difficulties. In the opinion of the Commission, progress in this respect could only be made in gradual stages, with due regard to the different degrees of development of
educational systems in various countries or regions. It would seem advisable
to start with a modest programme aimed at improving the comparability in certain
broad aspects of education, and to keep sufficient flexibility within this
programme to accommodate the needs and conditions of different countries.

9. Detailed comments were submitted by several members of the Commission
regarding a number of specific items included in the proposals presented by
UNESCO. In particular, attention was called to the fact that statistical data
on private schools would necessarily be incomplete for many countries, including
those countries where certain types of schools are traditionally operated by
religious bodies and financed largely by private endowments.

10. Data on educational expenditure, though recognized as of great interest,
are likely to be difficult to obtain on a comparable basis, particularly in view
of the widely different concepts as to coverage and objects of expenditure.

11. Finally, it was suggested that, in addition to the usual quantitative
data, information of a qualitative nature should also be secured, as, for
example, concerning the sufficiency of material facilities in educational
institutions, the accessibility of various types of education to the population,
and the proportion of students completing their respective courses of instruction.

(c) Recommendations of the Commission

12. In the light of the foregoing discussion, the Commission
recommends:

(1) That the statistical offices of the United Nations and of
UNESCO continue to study the possibilities of improving the international
comparability of statistics relating to illiteracy and educational levels
of the population;

(2) That the two secretariats co-operate in appraising the results
of the most recent population censuses containing such data, so as to
enable the Commission, at its next session, to review the definition of
literacy for census purposes (which had been recommended for the censuses
taken around 1950) and the tabulation of census results on literacy and
other educational characteristics of the population;
(3) That UNESCO be encouraged to continue its efforts toward the gradual improvement of the international comparability of statistics relating to educational systems;

(4) That an item on the improvement of educational and cultural statistics be placed on the agenda of the Commission for its next session, and that UNESCO be requested to inform the Commission of progress made in this field.
DRAFT REPORT ON REVIEW OF INTERNATIONAL STATISTICS

1. The Commission discussed the report of the Secretary-General (document E/CN.3/170) dealing with developments in international statistics since the previous report on the subject (E/CN.3/148) to which the present report was supplementary. The present report was confined mainly to the status of work in the development and application of standard concepts, definitions and methods. It included statements of the work programme of the Food and Agriculture Organization, the International Labour Office, the World Health Organization, the International Civil Aviation Organization, the United Nations Educational, Scientific and Cultural Organization, and the International Monetary Fund, as regards balance of payment statistics, as well as the work of the Statistical Office of the United Nations. In addition, the report contained accounts of the programmes of the International Statistical Institute, the Inter American Statistical Institute, and the Organization for European Economic Cooperation.

2. The Commission expressed general satisfaction with the scope and content of the report but debated the question of whether future reports should not be even more comprehensive, be organized on a subject matter rather than on an institutional basis and be prepared less frequently. It was concluded, however, that the report might well be continued in substantially its present form since a more ambitious plan would probably involve a considerable amount of extra work. Nevertheless, it might be possible that future reports could reflect a greater degree of integration along subject matter lines. As regards the frequency of the report, it was felt that because developments in statistics were occurring
rapidly it was desirable to have a general summary of them available at the beginning of each session of the Commission in order to draw the Commission's attention to developments in the many diverse fields of economic and social statistics. If this were done it would assist the Commission in dealing comprehensively with the work programme, especially as regards those aspects of it which involve the relationships of one field with another. The Commission felt it was important to be sure that consistent concepts and definitions were employed in every instance where they would be applicable. The schemes of work of the different agencies should fit together.

3. The Commission particularly welcomed the participation of the specialized agencies in the discussion of the work programmes in international statistics, and expressed the hope that at future sessions of the Commission this participation could be considerably increased.

4. The Commission urged that subsequent reports should contain summaries of developments in the applications of statistical sampling. While a wide variety of sample surveys are described in Sample Surveys of Current Interest, compiled and published annually by the Statistical Office, what is wanted is some synthesis of these together with an account of assistance in this field provided to countries by the international agencies. In this connexion it was brought out that future reports should contain more detailed information about all aspects of technical advice and assistance to governments in statistics.

5. The Commission also drew attention to the desirability of compiling a list or bibliography of statistics compiled by the international agencies. This would be of value to the work of the Commission but would serve the interests of the general public as well since more and more attention was being paid to international statistics, and the publications themselves were not always easily available for examination in many places. The Commission recalled that a provisional list of international series had been drawn up some years ago, at its request, but this list needed to be brought up-to-date and made more generally available.

6. In connexion with its review of work being done in the development of statistical standards, the Commission also noted the Annotated List of International Standards for Statistics (document E/CN.3/181) prepared by the Secretary-General
at the request of the Commission at its seventh session. This list, compiled with the co-operation of the specialized agencies, contains a short description of each standard definition, concept, clarification and method recommended by international agencies. The Commission recommended that the Secretary-General keep this list up-to-date as new recommendations are made and to circulate the list to national statistical offices.

7. In commenting upon the review of developments in international statistics, the Commission noted the suggestion that it might wish to consider whether it should try to establish suggestions for a minimum programme of economic and social statistics which would be available to countries wishing to improve the usefulness of their statistical systems. The Commission generally considered that this proposal was fraught with a number of difficulties. There were a great many factors which determined the scope and nature of a country's statistical programme, and the question of priorities, as for example between a population census and an agricultural census, might create additional problems. Nevertheless, the Commission considered that some further attention should be paid to the general proposal that a basic list of important statistical series should be drawn up since there were situations in which such a list would prove useful to countries. The Commission felt that particular importance attached to such a programme of statistics when it was directed towards economic analysis in countries engaged in making plans for economic development and stability. The Commission therefore requested the Secretary-General to give further attention to this question and to submit a report on it at the next session.

8. The Commission also discussed the need to continue activities directed toward the encouragement of statistical sampling and the exchange of information among countries on new applications of the sampling methods. It considered that the work could be suitably carried on by the Secretariat, possibly with the assistance of ad hoc groups from time to time. A group would either direct its attention to a particular problem, or to a group of closely related problems, or could take up the various common elements among many different fields of economic and social statistics. It was important in this connexion that the unity of sampling as a whole be kept in mind in the Secretariat's work.
9. The Commission noted with appreciation that countries with well-developed statistical systems were prepared to provide scientific and technical assistance in the field of statistics to those under-developed countries which wished to have such aid.
1. The Commission heard a report by the representative of the International Monetary Fund on progress in the development of balance of payments statistics (document E/CN.3/182). It was noted that the forthcoming (fifth) Balance of Payments Yearbook will contain statistics for some 70 countries, based upon the classifications contained in the Balance of Payments Manual. The statistics will be shown in a standard form permitting international comparisons, with varying sub-items depending upon the particular country. In addition, the separate country tables will be expanded to allow further analysis and they will be accompanied by more textual analysis.

2. The Commission noted the intention of the Fund to undertake the preparation of a revised edition of the Manual, which will take account of the changes introduced in the Yearbook and offer an opportunity to harmonize certain inter-connected concepts in the Manual and the United Nations' System of National accounts. The Commission drew particular attention to the desirability of this activity and welcomed this opportunity for the Fund and the United Nations to collaborate. It is planned to carry on the work in the fall of 1954 by means of a conference.

3. The Commission expressed appreciation of the work being carried on in balance of payments statistics and requested that it be kept informed of subsequent activities, particularly the results of the work to integrate the balance of payments accounts and the national accounts at the points at which they are inter-connected.
TIME REFERENCE FOR AGRICULTURAL STATISTICS

4. The Food and Agriculture Organization requested the suggestions and advice of the Statistical Commission on how crop production figures of the northern and southern hemispheres could most suitably be combined; i.e. should the crop statistics of the southern hemisphere countries (where harvests are made late in one calendar year and early in the next calendar year) be added to the northern hemisphere figures of that calendar year or to the figures of the next calendar year, or is there some other suitable solution? The fact that different countries and agencies employ diverse practices leads to considerable confusion in the presentation of the statistics, resulting, in some instances, in one set of world figures showing an increase in total world production, and another set showing a decrease.

5. The present method used by FAO is based upon a decision of the Consultative Committee on Statistical Matters, a sub-committee of the Administrative Committee on Co-ordination, which had agreed, in 1950, that southern hemisphere statistics of crop production should be added to northern hemisphere statistics of the same or previous year (i.e. crops harvested in the crop year 1953-1954 would be added to northern hemisphere crops harvested in 1953). This solution had not proved entirely satisfactory in practice, and the FAO suggested (document E/CN.3/189) that the procedure should be reversed, or possibly that, for any given country, the statistics of crop production should be attributed to the calendar year in which most of the harvest occurred.

6. The Commission discussed these two proposals, as well as others, but did not reach a conclusion on the alternatives, preferring on the whole that, in principle, present procedure be maintained subject to further review of its practical application by the FAO and other interested international agencies in the hope that a more satisfactory solution could be reached in the future. It considered that a small group of experts representing regional interests and practices might reach agreement on international practices and make recommendations on national practices to the extent these are involved. The Commission considered that there was much to be said for the maintenance of existing production and trade years long established by international bodies for particular crops.
CLASSIFICATION OF GOVERNMENT ACCOUNTS

7. The Commission noted the progress report contained in paragraphs 107-108 of document E/CN.3/170 describing the work being carried on by the United Nations in the preparation of a manual for the classification of government accounts in accordance with General Assembly resolution 407(V). The draft manual contains a system of economic character classification, a system of functional classification and a detailed discussion of the classification of expenditures for economic development. The Commission recognized that the manual was primarily for the information and guidance of under-developed countries and noted especially the many points of inter-connection between the government accounts, on the one hand, and the economic accounts (including balance of payments accounts) on the other. The Commission therefore felt that it would be extremely desirable that the Secretary-General submit the draft manual for comments to the national statistical offices as well as to national fiscal authorities. The Commission also requested that the Secretary-General submit a report on this subject to the next session of the Statistical Commission.

PRICE AND QUANTITY INDEXES

8. At its seventh session the Commission had requested that the Secretary-General continue to study methods by which national product and expenditure estimates could be expressed in constant prices. The Secretary-General had also been requested to study the various methods used by governments in compiling such data in constant prices and to study the relationship between special purpose index-numbers and the corresponding components of national product and expenditure.

9. The Commission reviewed this subject on the basis of a memorandum by the Secretary-General (document E/CN.3/177) which constituted a progress report outlining the different methods used in a number of countries and indicating the problems and uses of index-numbers of this kind. The Commission's discussion revealed that there was a great need for standardisation of the terminology used to describe the various practices of countries in this matter. In order that the Secretariat might undertake systematically to classify and describe these practices, countries should be encouraged to provide more detailed information on their methods. The subject was still in the experimental stage and much further
work was still required. The Commission recognized that the many purposes for which international comparisons of national product and related quantities were required sometimes compelled the Statistical Office and other agencies to compile data which, though adequate approximations for the use envisaged, were interpreted as having wider significance than the compilers intended. The Secretariat was requested to review data of this kind published by the United Nations and the specialized agencies with the object of ensuring that stringent qualifications were attached to such compilations in the future.

10. The Commission noted that the methods used to express the aggregates in constant prices ranged from detailed revaluations of components product-by-product to the simple application of global price index-numbers to current value aggregates. It was pointed out that in countries where rapid changes were taking place in the form of industrialization, it might be necessary for the countries involved to revalue the products of each year in terms of the prices of the previous year, in order to avoid the distortions involved in comparison with a distant and inappropriate base year.

11. The Commission requests the Secretary-General:

(a) to continue to collect and examine information from countries on current developments in the estimation of national income in constant prices;

(b) to continue to examine the significant uses, forms and methods governing preparation of these estimates, with due attention to the major problems remaining in this work;

(c) to continue to collect and publish periodically statistics of national income in constant prices and information on methods of estimation;

(d) to continue to request countries to provide information on their practices in this field in the greatest possible detail.
1. The Commission had before it a document (E/CN.3/190) prepared by the International Chamber of Commerce which described the work of the Chamber on the subject of Census of Distribution. The Chamber also presented a resolution (document E/C.2/377) passed by its Council on the need for an international working party to investigate certain problems of method in the field of distribution statistics. The Commission heard a report from the representative of the International Chamber of Commerce concerning the work of the Chamber.

2. The Commission emphasized that statistics of the structure of the distribution sector and the resources involved in it were of great importance for many purposes. It was for each country to decide the priority which should be accorded to work in this field. The Commission noted with satisfaction the work which was being carried on by the International Chamber of Commerce. It noted also that the problems of statistics of current operations of retail and wholesale trade were being studied by the Conference of European Statisticians and would come before the Commission at a later date. The Commission considered that much work required to be done to clarify and define the basic concepts and methods involved in Distribution Censuses preparatory to consideration of the problem by an expert meeting.

3. The Commission

Requests the Secretary-General

To continue work on the subject of distribution censuses and on statistics of wholesale and retail trade in co-operation with the International Chamber of Commerce giving particular attention to the development of basic concepts and definitions suitable for use internationally.
DRAFT REPORT ON SOCIAL STATISTICS

1. The Commission considered a memorandum by the Secretary-General concerning social statistics (E/CN.3/178). The memorandum outlined the general scope of social statistics and dealt in some detail with three subjects of major importance, namely, social stratification, family and household structure, and the distribution of income and wealth. ¹

2. There was a general agreement that social statistics deserve a high priority among the subjects with which the Commission is concerned. Several members reported that great interest had been devoted in recent years to social statistics in their own countries, not only by governmental agencies for general policy purposes, but also by business and other organizations.

3. The Secretary-General had rightly discussed the need for social statistics mainly from the point of view of the formulation and conduct of government policies aimed at improving conditions of life. It was emphasized that the formulation of social policies required the association of data on social conditions with a wide range of economic statistics.

4. The Commission agreed with the point of view put forward by the Secretary-General that the development of social statistics is not so much a

¹ A draft report on the wider aspects of social statistics and work being done by international agencies in this field was made available to the members of the Commission as a working paper (in English), entitled "Survey of Social Statistics" although it did not form part of the official documentation.
question of collecting information of a new type as arraying data which are regularly collected in many countries, in such a way as to make possible an analysis of the differences which appear among socially and economically significant groups, and among countries, in regard to various items such as health, nutrition, housing, education, and conditions of work and employment. In this connexion, special attention should be devoted to the conditions of vulnerable groups, for example, children, aged people, physically handicapped labourers in lower-paid occupations and, on certain conditions, wage earners and other broad occupational groups generally. A great deal of interest is also attached to statistics indicative of various measures actually carried out for the improvement of the living conditions of different groups.

5. The Commission also agreed with the view expressed in the Secretary-General's memorandum that a systematic development of social statistics requires more ample and precise knowledge than hitherto has been available in most countries concerning social stratification, family and household structure and the distribution of income and wealth.

6. In regard to social stratification, it was recalled that the Population Commission had discussed the definition of "social status" for census purposes, without arriving at a definite conclusion. The Statistical Commission thought, however, that a satisfactory grouping of population from this point of view might be arrived at by means of a cross-classification of occupation by status (as employer, employee, etc.), in particular if the occupational classification made it possible to distinguish manual and non-manual workers, skilled and unskilled labour and the like. The Commission emphasized the importance of the work carried out by the International Labour Office with a view to establishing a fully developed standard classification of occupations. The Commission also found that it would be desirable to examine the question whether the occupational data collected on the occasion of a census ought to refer, by preference, to the usual occupation of the individuals as "gainful workers", or to their activities on census day - the "labour force" approach, or whether a simultaneous application of both concepts were to be recommended.
7. The importance of family and household statistics had not perhaps been fully recognized in the past. It was the Commission's opinion that the family household, as the basic unit of society, deserves to be studied statistically much more intensely than hitherto. In addition to tabulations bearing upon the conjugal group and aimed at studying fertility, the Commission felt that census data should be tabulated with a view to the analysis of the composition of households. Certain recommendations to this effect had been formulated by the Population Commission, but these investigations should if possible be carried further by means of an intensified study of a sample of the census returns, or otherwise by means of sample surveys organized ad hoc.

8. The Commission was aware of the conceptual and technical difficulties involved in studies of social stratification and of household composition. The Commission considered that the Secretary-General should devote attention to the experience acquired in this respect in recent censuses and otherwise and that definitions, classifications and methods employed be analysed and reported on to the Statistical Commission at its next session. The Commission also felt that countries should be encouraged to experiment on the different tabulations that might be made to provide data descriptive of the characteristics of different social groups and of the composition of households.

9. The Commission called attention to the recommendation of the Sub-Commission on Statistical Sampling (E/CN.3/114) that sampling surveys be undertaken in order to collect data on family income, and to the Sub-Commission's statement that "the usefulness of statistics on the distribution by size of family income for purposes of economic analysis would be greatly increased, if they are classified by composition and size, occupation and other family characteristics".

10. The Commission discussed questions of statistics of child welfare care of the physically handicapped, care of aged people and social defence, which are of special interest to the United Nations in view of its activities in the social field. The Commission noted that the Secretary-General, within the frame of available resources, will continue to examine the availability of statistics on these subjects and their adequacy and will present progress reports to the Commission at future sessions.
11. The view was expressed that the Secretariat should be requested to include in the work programmes in social statistics the question of a detailed study of methods for collecting and preparing statistical data on unemployment and social security, with particular reference to the formulation of methods for obtaining statistics on partial unemployment and the number of unemployed not registered at labour exchanges.

12. The Statistical Commission requested the Secretary-General to continue the study of social statistics with a view to the ultimate formulation of standards in this field, and to co-operate with the specialized agencies in their field, of social statistics with a view to reporting to the Commission thereon at its next session.
STATISTICAL COMMISSION
Eighth session

DRAFT REPORT ON LEVELS OF LIVING

1. The Commission had before it a Report on International Definition and Measurement of Standards and Levels of Living by a Committee of Experts convened by the Secretary-General of the United Nations jointly with the International Labour Office and the United Nations Educational, Scientific and Cultural Organization (E/CN.3/179). The Committee had been appointed in pursuance of General Assembly resolution No. 527 (VI) and the Economic and Social Council resolution No. 434 B (XIV) for the purpose of reporting "on the most satisfactory methods of defining and measuring standards of living and changes therein in the various countries, having regard to the possibility of international comparisons". In a preface to the Report, the Secretary-General had pointed out that the policymaking bodies of the United Nations and the specialized agencies, in their discussion of the overall planning of international action in the economic and social field, had sensed the need for a definition of the concept "level of living" and for adequate measurements of existing levels of living. Particular interest had centered upon the measurement of levels of living within economically less developed countries, where it is important for national and international relief and development programmes, to assess needs and to record progress in meeting need.

2. Comments of the Food and Agriculture Organization and of UNESCO on the Experts' Report were presented in separate documents (E/CN.3/179/Add.1 and Add.2).

3. The Commission considered that the Experts' Report represented a definite step forward in the discussion of this complex and intricate subject. Although, as pointed out by the experts themselves, the Report did not give a final answer
to many of the problems involved, it contained a number of stimulating ideas
and indicated the general direction of the approach to a systematic study of
levels of living.

4. The Commission was of the opinion that the experts were right in
confining themselves to a discussion of problems related to existing conditions
of life and work, leaving it to the policy-making agencies concerned, on a
national or an international level, to establish standards and norms which they
might find appropriate in the pursuit of their efforts to raise levels of living.
The Commission also approved of the terminology adopted by the experts according
to which the expression "level of living" refers to actual living conditions,
whereas the terms "standard of living" and "norm" refer to what is considered
adequate or desirable in this respect. It recommended that this connotation of
"level", "standard" and "norm" be adopted for general use.

5. The Commission found itself in full agreement with the experts con-
cerning their major conclusions, namely that:

(a) no single index of the level of living can be devised to measure
    as a whole differences in levels of living between countries;
(b) no type of monetary index as a general international measure of
    levels of living can be recommended;
(c) the problem of levels of living must be approached by analysis of
    various "components" representing internationally accepted values
    (health, nutrition, education, etc) and by the use of various
    "indicators" for these components;
(d) the statistical analysis of "indicators" and "components" should
    be accompanied by background information of a descriptive nature,
    particularly in the form of social and cultural analyses;
(e) in addition to current efforts in the field of economic and social
    statistics to improve the factual basis for various inter-country
    comparisons, family-living studies should be undertaken for the
    purpose of securing more direct information on the actual conditions
    of life and work of individuals and families as well as a comprehensive
    and balanced picture of these conditions;
(f) annual reports on levels of living, as requested by the General
Assembly Resolution 527 (VI) would not be feasible at present.

6. It was pointed out that the statistical indicators selected by the
experts were of a different order in regard to their relevance from the point of
view of actual living conditions of individuals and families. Some of the
indicators were closely related to these conditions (for example, those which
were supposed to measure actual consumption) whereas others referred to available
amenities and resources (such as medical and educational institutions) and still
others to potential means for a better satisfaction of needs (total savings,
steel and coal supply and other "macro-economic" indicators).

7. The Commission agreed with the experts that an analysis of macro-
economic factors should be included in a comparison of levels of living because
they give an overall picture of the economic and social advancement of peoples,
and are of importance for an interpretation of present living conditions and the
appraisal of existing potentialities. However, it was felt that efforts should
be made in the first place to assemble statistics which are capable of showing
how individuals and families actually live. For this purpose it would be
desirable to obtain information not only concerning the availability of various
facilities and services, but also concerning their actual use. It might also
be possible to develop new indicators in addition to those mentioned by the
experts.

8. In this connection, it was stressed by the Commission that national
averages and other overall measures are insufficient for inter-country
comparisons. Statistics concerning various indicators should as far as possible
be given in the form of frequency distributions, and by preference they should
refer to socially and economically significant groups of the populations
concerned. It was found that statistical investigations into social stratification
and family and household composition would be greatly helpful if not indispensable
for the purpose of such comparisons.

9. The Commission stated that a considerable interest is attached to the
study of changes which occur in the levels of living in particular countries.
Even though monetary indices were not to be recommended for inter-country
comparisons, they could often be used for such studies when only one country
was concerned. Other indicators which are not capable of inter-country comparisons, could also be used for such purposes, for example, in regard to African territories, the import of certain industrial goods.

10. The Commission noted with approval that the experts had attached great importance to studies concerning unemployment and under-employment in connexion with investigations into levels of living. Some members were of the opinion that the recommendations of the experts should have been made more explicit in this respect. They also considered that the availability and actual functioning of social security systems in various countries deserved more attention in level of living comparisons than had been given to this subject in the Experts' Report.

11. The Report had been communicated to the members of the Commission relatively late. For this reason, and in view of the complexity of the problems involved, the Commission was not able to give specific recommendations as to the various points, which were brought out in the Report. Expressing its approval of the general conclusions referred to above, the Commission recommends:

(a) that the United Nations and the specialized agencies concerned study, each in its own field, the adequacy of the indicators proposed by the experts, as well as the availability and accuracy of statistics relating to those indicators;

(b) that contact be maintained between the secretariats in the course of this work and that ad hoc working groups be set up, as need may arise, for the discussion of particular points of common interest to the international agencies.

(c) that, for purposes of co-ordination, the Secretary-General of the United Nations be kept informed of the progress achieved by the specialized agencies, and that a comprehensive progress report be worked out by the Secretary-General for consideration by the Commission at its next session;

(d) that national statistical agencies study the Experts' Report and examine whether the indicators proposed are applicable to, and significant of, conditions in their respective countries, and whether suitable statistics in regard to the indicators exist or might be collected;
12. The Commission also recommends that the International Labour Office proceed with the setting up of an expert committee for the consideration of matters relative to family studies conceived in a broad sense, as recommended by the Seventh International Conference of Labour Statistics, and that the United Nations and the specialized agencies concerned be represented on this Committee.
1. In a memorandum on population census activities (E/CN.3/185) the Secretary-General gave an account of the progress made in this field of statistics since the end of the war. The memorandum also contained a summary of United Nations activities aimed at promoting national censuses, standardising definitions and procedures, assisting countries in the carrying out of censuses and making census results available for international studies.

2. Several members gave examples of the advantages which individual countries had realized from the recommendations formulated by the Population Commission and the Statistical Commission in regard to census work and from the United Nations methodological studies on this subject. These recommendations mainly dealt with the definition of various items, methods considered suitable for the collection of census data, and certain standard classifications. In the light of the experience gained, it might be found that certain modifications of these recommendations are desirable. The Commission stressed the importance of an early examination of definitions and methods employed in the 1950-1951 censuses to determine whether revised recommendations were required for the next round of censuses in 1960-1961.

3. There was need, therefore, to determine what types of questions are essential in a general population census, with a view to concentrating on those questions. There was need also to study the extent to which sample surveys could be utilized, in place of complete enumeration, to obtain detailed and supplementary information on certain subjects.
4. Other aspects of the census which, in the Commission's view, should receive more emphasis, referred to early national planning and testing of proposed procedures, adequate education for obtaining the cooperation of the public, suitable arrangements for the training of key personnel and methods of speeding up the release of preliminary and final results.

5. One major point gained from past experience was the need for suggestions and recommendations in regard to the tabulation of census data. Many countries had encountered obstacles in this stage of the census work, so that delays and cuts in the tabulation programmes had become unavoidable. In some instances it was clear that essential information would remain untabulated due to the lack of a planned and balanced tabulation programme. General advice on this subject in the form of well conceived and technically correct suggestions concerning the overall planning of census tabulations would help many countries to make great economies and would result at the same time in the presentation of more and better information. Study was also needed on the relative advantages of various tabulation methods and on economical methods of reproduction.

6. Furthermore, the Commission found that study should be given to the extent to which sampling procedures might be proposed for various stages of census operations and for different purposes such as obtaining preliminary results as soon as possible, checking the quality of data collected and in controlling the quality of the data in the tabulation process.

7. The Commission discussed the problem of a standard census period, such years ending in 0 and 1, to make results more readily comparable on an international basis. The Commission was aware that legal, administrative, financial and other considerations often made it impossible for a country to adhere to a particular pattern in the timing of their population censuses. The Commission nevertheless stated that it would be highly desirable, for the purpose of international studies, that as many countries as possible plan to undertake a census in 1960 or 1961.

8. In the light of these considerations, the Commission recommends:
   (a) that the Secretary-General continue to study the methods, definitions and classifications used in the recent censuses, paying
special attention to experience gained in the uses of sampling in connexion with the different stages of the census process;

(b) that the experience gained in conducting recent censuses should be used in developing recommendations for the organization of the 1960 censuses;

(c) that these draft recommendations should be prepared by the Secretary-General and submitted to the Population Commission and to the Statistical Commission at appropriate times to anticipate the various stages of the 1960-1961 censuses.

9. The Commission also had before it a document (E/CN.3/NGO/4) submitted by the Catholic International Union for Social Service recommending certain tabulations of population census statistics. It was pointed out that some countries were in a position to supply some of these tabulations.

VITAL STATISTICS

1. The Commission noted a progress report (document E/CN.3/186) on activities in the field of vital statistics being carried on by the Secretary-General. The view was expressed that the Principles for a Vital Statistics System, which had been approved by the Statistical Commission and by the Population Commission at their seventh sessions, was serving a very useful purpose, particularly for the under-developed countries many of which were attempting to establish complete systems of vital registration. The Commission noted with interest the plans of the Statistical Office to produce a manual of vital statistics methods in the near future, expressing the opinion that this would be a useful and necessary supplement to the Principles.

2. In this connexion several members of the Commission expressed interest in the training centres in vital statistics which had been conducted during the past several years, in particular, the Inter-American Centre of Vital Statistics in Santiago, Chile, which appears to be performing a valuable task in the training of vital statisticians in Latin American countries. The Commission hoped that similar training methods could be initiated in other regions.

3. The Commission discussed the need for improving accuracy in vital statistics, feeling that it was important that further attention be given to this subject.
The Commission requested the Secretary-General to continue his efforts in this direction.

4. The Commission also took note that sampling surveys could frequently serve as a check on the accuracy of vital registrations. Another check may be provided by censuses of population. In cases where a serious inaccuracy was known to exist in the registration figures, it was pointed out that it was not useful to make detailed cross-tabulations of the statistics. These would tend to magnify the original errors and produce very misleading results. Sampling surveys, whether used as a check or not, could be used to relate vital statistics to social and economic characteristics which could not normally be done by the use of the registration record alone. It was pointed out, in reference to vital statistics, that sampling was an auxiliary method and should not be considered as an alternative one to a registration system.

5. Attention was drawn to the desirability of continuing the study of methods and principles which might suitably be recommended to countries which are not yet at a stage of development where they could adopt the conventional registration system as set out in the Principles for a Vital Statistics System.

6. The Commission also discussed the use of continuous population registers as alternatives to the conventional registration system. It was reported that several countries had started or were intending to start registers, and the Commission requested that the Secretary-General investigate the use of registers and the methods employed, in order to inform countries that might be interested about the prevailing practices. Particular attention should be paid to the cost of a population register and to administrative difficulties in maintaining it.

CLASSIFICATION OF OCCUPATIONS

1. The Commission, in document E/CONF.3/167, was informed of the work being carried on by the International Labour Office in the preparation of the International Standard Classification of Occupations. The representative of the International Labour Office further explained the status of the work on the Classification which will be considered in detail by the Eighth International Conference of Labour Statisticians. The Commission was particularly pleased to
note that every effort is being made by the International Labour Office to complete the Classification at least through two digits well in advance of the time when it will be needed for the purpose of planning the 1960-1961 round of population censuses. Special attention was drawn to the need for suitable indexes to the Classification in order that countries could properly classify particular occupations. It also expressed appreciation of the work being done by the International Labour Office on this important question and requested that it be informed at its ninth session of the progress made.

EDUCATION AND TRAINING

1. The Commission discussed recent developments in activities directed towards the education and training of statisticians particularly in under-developed countries. The Commission noted with appreciation the activities of the International Statistical Institute and the Inter-American Statistical Institute. It also recognized the continuing activities of the United Nations and of the specialized agencies in the organization and conduct of regional and international training centres, seminars and conferences. The view was expressed that, even if individual countries developed their own educational and training facilities, there would still be need for regional and international centres. These served the important function of providing a means to exchange information about methods and to coordinate technical statistical activities.

2. The Commission noted the various methods that have been evolved to assist countries in the development of their national statistics—the granting of fellowships, direct assistance, education centres, training centres and the preparation of manuals and other training materials. The Commission considered that, at its next session, it should make a systematic evaluation of the results attained by each different element of the programme. The Commission therefore requested the Secretary-General, in collaboration with the International Statistical Institute, the Inter-American Statistical Institute, UNESCO and other interested specialized agencies, to prepare a report on the character and scope of the present programmes of assistance. The report should also evaluate the different aspects of the programme in terms of the requirements of countries for
assistance in education and training and for direct assistance.

CONFERENCE OF EUROPEAN STATISTICIANS

1. The Commission had before it E/CN.3/191, on the Conference of European Statisticians. Under arrangements established by the Economic and Social Council, regional meetings of European statisticians had been held in 1949, 1951 and 1953. At the last meeting, in order to meet a generally felt need for intensified efforts to improve European statistics, the participants agreed henceforth to meet annually as the Conference of European Statisticians, under the auspices of the United Nations. The participants had elected a Bureau consisting of a Chairman and two Vice-Chairmen. Five subjects had been selected for the first work programme, and Working Groups of national experts had convened on two of these subjects.

2. In discussion, the following points were made:

(a) It would be necessary to ensure the continuation of an orderly procedure for the discussion of statistical questions by the Statistical Commission and by the Conference of European Statisticians, respectively. This question of course was not confined to Europe, but applied to the other regions in which regional meetings of statisticians were held and in which regional statistical organizations existed.

(b) Regional statistical meetings could effectively support and complement the work of the Statistical Commission by working towards the implementation of world standards established by the Commission, and by discussing questions of particular concern to the countries of the region. Regional arrangements had an extremely valuable role to play in the practical discussion of statistical problems, and in fields which were not ripe for the establishment of world standards by the Statistical Commission.

(c) Regional meetings could also take initiative in drawing the attention of the Statistical Commission to statistical questions which in their view need consideration in their wider aspects, and could make proposals on these questions.
(d) An effective factor in ensuring coordination between the two bodies was the close cooperation at secretariat level. In addition, full reports on the work of the Conference would be made to the Statistical Commission.

3. The **Statistical Commission** took note with approval of the establishment of the Conference of European Statisticians and of the work which it was doing.

**INTERNATIONAL CONVENTION RELATING TO ECONOMIC STATISTICS**

1. The Commission considered a memorandum (document E/CN.3/180) dealing with the results of an investigation of difficulties encountered by countries signatory to the International Convention relating to Economic Statistics (1928) in view of the possible conflict which could arise between the current recommendations on statistics of the Economic and Social Council and those contained in the Convention.

2. The investigation, undertaken by the Secretary-General at the request of the seventh session of the Statistical Commission, presented a review of the replies received from 20 States Parties to the Convention. The investigation conducted by the Secretary-General also sought the views of signatory States as to whether the Convention should be revised or denounced or whether a new convention should be drawn up.

3. The Commission noted that difficulties were being encountered by some countries particularly in connexion with Articles 3 to 7, and in some of their annexes, and therefore

   The Statistical Commission

   Requests the Secretary-General to take appropriate steps to modify the International Convention relating to Economic Statistics in the light of the discussion.
DRAFT REPORT ON INDUSTRIAL STATISTICS

Industrial Activities of Households

1. The Commission considered the problems of statistics of industrial activities carried on in households basing its discussion on a memorandum by the Secretary-General (document E/CN.3/160).

2. The importance of devising methods by which these activities could be measured and included in the statistics of industrial production were emphasized by a number of members. It was pointed out that in India, household production may account for as much as 80 per cent of the total production while 40 per cent of the total production of the country is not subject to monetary transactions of any kind.

3. The Commission noted that this subject had been the subject of a full discussion at the Third Regional Conference of Statisticians which took place in New Delhi in March 1954. The problems involved in this field related mainly to difficulties of collection of data and difficulties of classification where the household was engaged in activities which fell under more than one heading of the International Standard Industrial Classification. It was noted that the collection difficulties were being successfully dealt with in the sampling surveys conducted in India and in Burma. In both these countries the industrial activities of households had been separately classified from the agricultural activities and the total value of produce had been covered whether the produce was for sale, exchange or own consumption. The method suggested in "A System of National Accounts and Supporting Tables" was somewhat different.

4. The view was expressed that in statistical studies in this field attention should be given to the conditions under which the household products were produced and sold and of the sources of supply of the raw materials.

5. The Commission took note with appreciation of the progress being made in this field by means of sample surveys particularly in India. The Commission expressed the hope that such work would be continued and that it might be informed at its next session of the progress of work in this field.
1. In accordance with resolution 497(CVI) of the Economic and Social Council, the Commission reviewed its programme of work bearing in mind Council resolutions 324(XI), 402-B(XIII) and 451-A(XIV). The Commission had before it a memorandum by the Secretary-General (document E/CN.3/183).

2. In the course of its discussions the Commission took note of the satisfactory arrangements which the Secretary-General had established, together with the Secretariats of the specialized agencies, for the co-ordination of programmes and the concentration of effort in the statistical field.

3. The Commission wished to emphasize that, as noted in resolution 451(XIV) of the Council, a large part of the statistical work of the organization consisted in the collection and presentation of data and information essential for the implementation of the major items of the United Nations programme as set out in resolution 451(XIV). It was noted that statistical sampling which was integral to the whole field of statistics fell within this category of work as did problems of accuracy. The Commission felt that more work should be done on sampling particularly because of the discontinuation of the Sub-Commission on Statistical Sampling.

4. The Commission considered the priority which should be accorded to the specific projects of its work programme and established the lists given in paragraphs 5 to 7 below. The Commission noted that the order in which the items were arranged within each of these paragraphs was not intended to reflect the order in which the projects should be taken up. The Commission felt, however,
that the proposed work in social statistics and on measurement of the components of the level of living should receive high priority.

5. **Continuing projects of high priority**
   
   (1) The International Standard Industrial Classification (particularly assistance in implementation).
   
   (2) The Standard International Trade Classification (assistance to countries using the Classification to ensure uniform application and interpretation; collection, compilation and presentation of international statistics based on the Classification).
   
   (3) Advice and assistance in the application of standards for:
       
       (a) population censuses
       (b) vital statistics
       (c) migration statistics
       (d) basic industrial statistics
       (e) index numbers of industrial production
       (f) external trade statistics
       (g) transport statistics
       (h) national accounts
       (i) capital formation statistics
       (j) questions of methodology including sampling.

6. **Ad hoc projects also of high priority**
   
   (1) Compilation of an index for the International Standard Industrial Classification.
   
   (2) Examination and appraisal of definitions and methods used in the 1950-1951 population censuses, including a study of tabulation plans and methods, with a view to preparing tentative recommendations and descriptive materials for the 1960 round of censuses.
   
   (3) Collection of country comments on and revision of the provisional Item and Alphabetical Indexes for the Standard International Trade Classification (2 years); study of national practices in the matter of valuation of commodities in external trade (1 year); study of coverage of imports, exports, re-exports and transit trade and of definitions of countries of provenance of imports (2 years); revision and publication of official definitions of customs areas (1 year).
(4) Industrial statistics including statistics of enterprises and recommendations for tabulation of data (2 years).

(5) Wholesale prices and index-numbers thereof (2 years).

(6) Price and quantity indexes.

(7) Statistics of distribution including censuses (2 years).

(8) Quantum and unit value (price) indexes in external trade.

(9) Statistics of stocks and consumption (2 years).


(11) Compilation of manual on methods of estimating national income, including capital formation and distribution of income (2 years).

(12) Social statistics; development of methods, particularly relating to social stratification, family and household composition and housing.

(13) Studies of problems of measurement of components of level of living, especially studies of demographic characteristics, consumption and savings, social conditions.

7. Projects of lower priority

(1) Insurance statistics

(2) Construction statistics

(3) Road accident statistics

(4) Iron and steel statistics

(5) Methods and uses of population registers.
STATISTICAL COMMISSION
Eighth Session

DRAFT REPORT ON NATIONAL ACCOUNTS

1. The Commission had before it a memorandum (document E/CN.3/166) describing the progress made since the last session of the Commission with respect to the principles suggested in *A System of National Accounts and Supporting Tables*. The system of accounts had been discussed by the Commission at its seventh session and it had been agreed that it should be circulated to obtain comments and suggestions from countries which might arise out of their experience in applying the concepts and classifications contained in the report.

2. As one aspect of the task of giving effect to the principles, the Commission noted with special interest the fact that the system of accounts, together with a proposed simplification of the system and certain methodological problems, had been considered by the Third Regional Conference of Statisticians (EC.4FE) sponsored by the United Nations. In that Conference, special emphasis had been given to several points concerning which the Commission expressed interest:
   
   (a) the view that the national accounts were perhaps of greater importance for national uses of various kinds — both in the short run and in the long run — than for purposes of international comparison;

   (b) the need that physical quantity statistics be obtained to the greatest extent possible (this was particularly true of such studies as that of expenditures, the amount of own-account construction and on basic production series generally;

   (c) the need of sub-classifications in order to distinguish, in the case of primary production, between home consumption and sales; similarly durable and non-durable consumers' goods should be distinguished.
3. In reference to future work, the Commission felt that the Secretary-General should continue to collect information and circulate it for the guidance of countries, bearing upon experiences in the use of the system of accounts. In this connexion, it was suggested that the Secretary-General might draw up lists of specific questions to send to countries so that the results could be as systematic as possible. The Commission also desired that the Secretary-General continue to compile tables incorporating the elements of the system together with detailed notes on the applications of the concepts and deviations which had been made. It was important also that the work on the manual of methods of estimation of national income continue.

**STATISTICS OF CAPITAL FORMATION**

4. A memorandum by the Secretary-General (document E/CN.3/165) contained an account of the work done since the last session of the Commission with respect to developments in the field of capital formation statistics. The Commission at its seventh session had approved proposals for concepts and definitions and the attention of governments had been drawn to these recommendations. The Secretary-General was accumulating information from countries about the application of the principles and about methods of making estimates of capital formation.

5. Certain aspects of capital formation statistics had been discussed at the Third Regional Conference of Statisticians (EC/FE) which had drawn special attention to the importance of improved estimates of capital formation and to the need to give close study to the application of the definitions which seemed to vary considerably from country to country. Reference was also made to the work on the subject of fixed capital formation which was being undertaken by the Conference of European Statisticians.

6. The Commission urged that the study of methods of estimating capital formation now being carried on by the Secretary-General, be completed and that a report on this subject be issued for the use of countries which are trying to refine their estimates. It was also suggested that the Secretary-General prepare a list of items contained in the Standard International Trade Classification which might be considered as capital goods.
DISTRIBUTION OF INCOME

7. At its seventh session the Commission had requested a report on the practices of countries in preparing statistics of income distribution by size and by socio-economic groups. The report of the Secretary-General (document E/CN.3/184) also contained a discussion of the three principal methods employed by countries in compiling these statistics: the use of income tax records and other financial returns, sample surveys and population censuses.

8. It was generally agreed that this was a very difficult subject. Each method had its limitations and the problem of obtaining international comparability, especially regarding the possibility of drawing up comparable socio-economic groupings, had particular difficulties. The Commission considered that statistics on income distribution served very useful purposes for time-to-time comparisons within a given country but that at the present stage international comparisons were likely to be misleading except among countries with very similar economic and social conditions.

9. The Commission considered, however, that it was important to have more information on methods available and requested the Secretary-General to collect detailed information from countries on their experiences in using one or another of the three principal methods, and to circulate the information to governments. As regards the problem of international comparability, it was suggested, as a first step, that countries adopt the categories contained in Table IV of the System of National Accounts. 1)

1) Table IV shows the distribution of national income in the following categories: compensation of employees; income from farms, professions and other unincorporated enterprises received by households; income from property; saving of corporations; direct taxes on corporations; general government income from property and entrepreneurship; (less interest on public and consumers' debt).