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22 MAY 1950

Held at Lake Success, New York,
on Tuesday, 9 May 1950, at 2.30 p.m.

CONTENTS:

Research in statistical methods and standards:

- (b) Indices of industrial production (E/CN.3/86);
- (c) Form and scope of censuses of industrial production
(E/CN.3/110, E/CN.3/110/Add.1)

<u>Chairman:</u>	Mr. IDENBURG	Netherlands
<u>Rapporteur:</u>	Mr. CAMPION	United Kingdom of Great Britain and Northern Ireland
<u>Members:</u>	Mr. ARIAS	Argentina
	Mr. LIEU	China
	Mr. DAPMOIS	France
	Mr. MAFALANOBIS	India
	Mr. JAHN	Norway
	Mr. BILKUR	Turkey
	Mr. RICE	United States of America

Representatives of specialized agencies:

Mr. WOODBURY	International Labour Organisation (ILO)
Mr. STRAUS	Food and Agriculture Organization (FAO)
Mr. LIU	United Nations Educational, Scientific and Cultural Organization (UNESCO)
Mr. LESTER	International Civil Aviation Organization (ICAO)
Mr. POLAK	International Monetary Fund (IMF)

Representative of a non-governmental organization:

Category A: Mr. TEEPER International Confederation of Free Trade Unions (ICFTU)

Secretariat:

Mr. LOFTUS	Statistical Office
Mr. BRUCE	Secretary of the Commission

RESEARCH IN STATISTICAL METHODS AND STANDARDS

(b) Indices of industrial production (E/CN.3/86) (continued)

1. The CHAIRMAN stated that the Commission would continue the discussion of paragraph 29 (a) of document E/CN.3/86.
2. Mr. LOFTUS (Secretariat) explained that he had reconsidered the question of handicrafts in the light of the discussion at the previous meeting and had come to the conclusion that the distinction between handicrafts and other production should be abolished and that annual and less than annual figures should therefore be based on the size of the establishment. A statement to that effect would be included in the technical paper.
3. The second sentence of paragraph 29 (a) should be redrafted to read as follows:

"It is desirable that separate indices be prepared for each of these major groups. Where this is not practical or not warranted by the importance of production in particular major groups, it is recommended that separate indices be compiled for the divisions:

mining and quarrying
manufacturing
construction
electricity and gas

and that these divisions be further sub-divided on the basis of the International Standard Industrial Classification to distinguish such major groups as are important in the country concerned."

The text suggested by Mr. Loftus was adopted.

/Sub-paragraphs

Sub-paragraphs (b) and (c)

Sub-paragraphs (b) and (c) were adopted without comment.

Sub-paragraph (d)

4. Mr. MAHLANOBIS (India) admitted that it was desirable that the same year should be taken as the weight base all over the world but he doubted whether that would always be feasible. India intended to take a population census in 1951 and he hoped that the Secretariat's recommendation would not preclude his country from holding a production census at the same time.
 5. Mr. RICE (United States of America) hoped that countries would not combine population and production censuses. The two involved quite different data; organization and methods. Legislation had been passed in the United States providing that industrial censuses should be taken at five yearly intervals midway between the population and agricultural censuses. That procedure did away with violent changes in employment in the Census Bureau. In formulating the recommendations in sub-paragraph (d), the Secretariat had probably had in mind considerations of that nature.
 6. Mr. CAMPION (United Kingdom) presumed that the first paragraph was intended to exhort all countries to adopt a post-war weight base. That base could be adopted before 1952 if the material was already available e.g. from a post-war census already taken.
 7. He asked the Secretariat whether they intended a complete census or something less, if a sample were to be taken in 1952, and pointed out that the data on net output obtained from a sample census could be sufficient for weighting the industrial indices.
 8. He also wished to ask the Secretariat whether they wished to establish 1952 as a comparison base for production indices independently of the question of weighting the indices.
 9. Mr. LOFTUS (Secretariat) replied that even if countries revised their weights to bring them up to date, there would still be a variety of weight bases in the index numbers and the Secretariat had therefore suggested 1952 as a means to bring the weighting bases closer together. While it was also desirable that countries should adopt a standard comparison base, this was less necessary than a standard weight base as the Secretariat could always divide through to a standard comparison base.
- /10. Mr. CAMPION

10. Mr. CAMPION (United Kingdom) pointed out that if the 1952 census were to be a complete one, countries would not be able to wait until 1952 before deciding on that year as the date for the census and starting to plan their operations.

11. Mr. MAHALANOBIS (India) indicated that though his country intended to take a complete population count in 1951, it did not intend to make more than a sample industrial survey; anything further, in fact, would be almost impossible. An annual census of manufacturers was taken, but that only covered the large organized industries.

12. Mr. RICE (United States of America) assumed that in India some data on handicrafts and home industries would be obtained in the population census.

13. Mr. LOFTUS (Secretariat) explained that the census should be sufficiently complete to provide the weights for the indices. That would mean sufficient coverage and questions but not necessarily the inclusion of every production unit.

It was decided that sub-paragraph (d) should be redrafted to cover those points.

Sub-paragraph (e)

14. Mr. CAMPION (United Kingdom) pointed out that the series was often changed at the same time as the weights. He wondered whether two sets of figures would have to be compiled for the overlap period.

15. Mr. LOFTUS (Secretariat) explained that following a change of series the new series could be produced with both the new and old weights. If the annual coverage were different from the monthly coverage, an adjustment would have to be made over the whole twelve-month period and both systems would be required.

16. Mr. CAMPION (United Kingdom) felt that in that case the series would probably be worked backwards for two or three years. He pointed out, however, that the Secretariat's intentions were not quite clear from the text.

17. The CHAIRMAN suggested that a revised text of sub-paragraph (e) should be included in the report.

It was so decided.

/Sub-paragraph (f)

Sub-paragraph (f)

18. Mr. MAHALANOBIS (India) felt that the meaning of the term "down to the level of industries" was not very clear.

19. Mr. LOFTUS (Secretariat) explained that from the census results of the country it should be possible to obtain the weights used in the indices. If sub-indices were available for individual industries, the weights for those should be obtainable from the census data. If, however, sub-indices were available only for groups of industries it would not be necessary to specify weights for the component industries.

20. Mr. DARMONIS (France) did not think the text could be interpreted in that way. He understood it to mean that individual weights were required and not those of total groupings.

21. The CHAIRMAN suggested that sub-paragraph (f) should be redrafted to clarify the point and that the Commission should reconsider it when it discussed its draft report.

It was so decided.

Sub-paragraph (g)

Sub-paragraph (g) was adopted without comment.

Sub-paragraph (h)

22. The CHAIRMAN pointed out that sub-paragraph (h) would have to be revised in the light of the new text of sub-paragraph (f), and suggested that consideration of sub-paragraph (h) should be postponed.

It was so decided.

Sub-paragraph (i)

It was decided to replace the words "on a broader base" by the words "with fuller coverage" and to delete the words "or extensive surveys".

Sub-paragraph (i) as amended, was adopted.

Paragraph 30

Paragraph 30 was adopted without comment.

/Paragraph 31

Paragraph 31

23. In reply to a question from Mr. CAMPION (United Kingdom), Mr. LOFTUS (Secretariat) explained that the technical paper would follow the general pattern of document E/CN.3/86 but would be more detailed and would involve a discussion of some of the practical problems which might arise in the collection of data.

24. Mr. MAHAIANOBIS (India) congratulated the Secretariat on the concrete way in which its recommendations had been placed before the Commission.

Paragraph 31 was adopted.

(c) Form and scope of censuses of industrial production (E/CN.3/110 and E/CN.3/110/Add.1)

25. Mr. LOFTUS (Secretariat) introduced document E/CN.3/110 and summarized the information contained in paragraphs 1 to 5. He pointed out that those paragraphs were introductory and that only the recommendations contained in paragraphs 6 and 7 were intended for inclusion in the Commission's report.

26. Mr. CAMPION (United Kingdom) said that, as the document had only been circulated a few days before, he had not had time to study it fully. His general impression was, however, that it took a rather narrow view of the purposes of industrial censuses.

27. Mr. JAHN (Norway) and Mr. MAHAIANOBIS (India) supported Mr. Campion's view.

28. Mr. LOFTUS (Secretariat) explained that in the course of its survey on the form and scope of industrial censuses, the Secretariat had reached the conclusion that censuses to be taken in the near future would obtain improved results if the points outlined in paragraph 6 were covered. It was intended to submit recommendations on the field of industrial censuses as a whole to the Commission at its next session.

/Paragraph 6

Paragraph 6

Sub-paragraph (a)

29. Mr. MAHALANOBIS (India) felt that the phrase "make similar data available by other means" was rather ambiguous; did that mean additional surveys or were the data available from other sources?

30. Mr. LOFTUS (Secretariat) explained that the data on certain branches of industrial activity might be available without taking a census if those activities were administratively covered; he cited power commissions and national railway boards as examples. Sub-paragraph (a) might be redrafted to make that more clear.

31. Mr. DARMOIS (France) pointed out that it would be difficult for some undertakings in France to separate industrial data from commercial data when they were engaged in both activities.

32. The CHAIRMAN suggested that the Rapporteur should be asked to redraft sub-paragraph (a).

It was so decided.

Sub-paragraph (b)

33. Mr. MAHALANOBIS (India) emphasized the value of the recommendation that countries should adopt the International Standard Industrial Classification of all Economic Activities, or one which could be translated into that classification.

Sub-paragraph (b) was adopted without change.

Sub-paragraph (c)

34. After some discussion on the rival merits of the expressions "net output" and "value added", the CHAIRMAN suggested that both expressions should be used so that the sentence would read: "collect data to enable net output or value added to be computed...".

It was so decided.

35. Mr. CAMPION (United Kingdom) pointed out that the division of net output into its individual components, if carried too far, would eventually make it possible to ascertain the profits. It might then be difficult to obtain satisfactory figures, since the manufacturers might be reluctant to provide them. The recommendation in the second sentence of the sub-paragraph should not therefore be taken too literally.

Sub-paragraph (c), as amended, was adopted.

Sub-paragraph (d)

36. Mr. MAHALANOBIS (India) queried the statement in paragraph 2 of document E/CN.3/110/Add.1 that a productive unit had to occupy separate premises in order to be accessible for an industrial census.

37. Mr. LOFTUS (Secretariat) explained that, although establishments which did not occupy separate premises might be accessible for sample surveys, they were not accessible for a complete industrial census of the normal type.

38. Mr. MAHALANOBIS (India) agreed with that statement. He did not think, however, that the type of census referred to in paragraph 6 of document E/CN.3/110 was necessarily a complete count. He personally interpreted it to cover sample surveys as well. Since the two documents were closely related to one another he had thought it important to point out that it was not essential for an establishment to occupy separate premises in order to be accessible for a sample survey.

39. Mr. ARIAS (Argentina) asked what exactly was meant by the second sentence of the sub-paragraph which read: "Data on enterprises should also be collected in countries where financial inter-relations between establishments are important".

40. Mr. LOFTUS (Secretariat) explained that several establishments might be owned and controlled by a single enterprise. That aspect of industrial production would not appear from the results of the census if the establishment was taken as the basic unit and no additional information was sought. The second sentence had therefore been inserted into sub-paragraph (d) in order to give countries the option of seeking information on enterprises as well as on establishments if it was important for them to ascertain the organizational pattern of industry as well as the actual production.

/41. Mr. RICE