UNITED NATIONS

STATISTICAL COMMISSION

REPORT OF THE ELEVENTH SESSION

(20 APRIL - 5 MAY 1960)

ECONOMIC AND SOCIAL COUNCIL

OFFICIAL RECORDS: THIRTIETH SESSION

SUPPLEMENT No. 12

NEW YORK
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**NOTE**

Symbols of United Nations documents are composed of capital letters combined with figures. Mention of such a symbol indicates a reference to a United Nations document.
I. Organization of the session

OPENING AND DURATION OF THE SESSION


ATTENDANCE

2. The following representatives and alternates attended the session:

   - **Australia**: Mr. K. M. Archer*, Mr. F. B. Horner (adviser);
   - **Brazil**: Mr. Jessé de Souza Montello, Mr. Paulo Pires do Rio (adviser);
   - **China**: Mr. Chung-sieu Chen;
   - **Cuba**: Mr. Luis Óscar Delgado Rivas,
   - **Denmark**: Mr. Kjeld Bjerke;
   - **France**: Mr. Rene-Charles Marchand*;
   - **India**: Mr. P. C. Mahalanobis, Mr. P. C. Mathew (alternate);
   - **Ireland**: Mr. M. D. McCarthy;
   - **Netherlands**: Mr. Ph. J. Idenburg;
   - **New Zealand**: Mr. J. V. T. Baker;
   - **Romania**: Mr. M. Levente;
   - **Ukrainian Soviet Socialist Republic**: Mr. L. M. Koretsky;
   - **Union of Soviet Socialist Republic**: Mr. T. V. Ryabushkin, Mr. B. P. Prokofev (adviser);
   - **United Kingdom**: Sir Harry Campion, Mr. J. Stafford (alternate);
   - **United States of America**: Mr. Raymond T. Bowman, Mr. Harry Venneman (adviser), Mr. Chauncey G. Parker (adviser).

3. Mr. Tan Bian Kit (Indonesia) and Mr. Kémil L. Dipp Gómez (Dominican Republic) were designated by their respective countries as observers at the eleventh session of the Commission.

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

   - **International Labour Organisation (ILO)**: Mr. H. M. Riley;
   - **Food and Agriculture Organization of the United Nations (FAO)**: Dr. P. V. Sukhatme, Mr. J. L. Orr, Mr. P. V. Acharya;
   - **United Nations Educational, Scientific and Cultural Organization (UNESCO)**: Mr. B. A. Liu;
   - **International Civil Aviation Organization (ICAO)**: Mr. A. M. Lester, Mr. B. Kortekaas;
   - **International Monetary Fund (IMF)**: Mr. Walter Gardner, Mr. Earl Hicks, U Tun Wai;
   - **World Health Organization (WHO)**: Dr. M. R. Sacks, Dr. B. R. Pirc.

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

   - **Category A**
     - **International Chamber of Commerce**: Dr. George L. Ridgeway, Mrs. Roberta M. Lusardi;
     - **International Confederation of Free Trade Unions**: Mr. Lazar Teper;
     - **International Federation of Christian Trade Unions**: Mr. Gerard C. Thormann, Mr. M. Zañardt.

   - **Category B**
     - **Inter-American Statistical Institute**: Mr. Tulo H. Montenegro, Miss Ana G. Casils, Mr. Efrain Murcia-Camacho, Mr. Douglas H. Parks;
     - **International Conference of Catholic Charities**: Dr. L. C. Longarzo;
     - **International Statistical Institute**: Mr. Stuart A. Rice.

6. Mr. Philippe de Seynes, Under-Secretary for Economic and Social Affairs, represented the Secretary-General. The following members of the Secretariat...
participated: Statistical Office: Mr. W. R. Leonard, Mr. P. J. Loftus, Mr. A. Aidenoff, Mr. O. Cabello, Mr. W. W. Flexner, Mr. R. C. Geary, Miss N. P. Powell; Mr. B. N. Davies, representing the Conference of European Statisticians; Mr. B. Ramamurti, representing the Conference of Asian Statisticians; Mr. J. Royer, representing the Conference of African Statisticians; Fis cal and Financial Branch: Mr. A. Landau; Mr. John Hancock acted as Secretary of the Commission.

ELECTION OF OFFICERS

7. At the 170th meeting the Commission unanimously elected the following officers for the eleventh session:

Chairman: Mr. M. D. McCarthy (Ireland);
Vice-Chairman: Mr. M. Levente (Romania);
Rapporteur: Mr. J. V. T. Baker (New Zealand).

II. Agenda

8. At the 170th meeting the Commission unanimously adopted the following agenda:

1. Election of officers of the Commission.
2. Adoption of the agenda.
4. Industrial statistics:
   (a) International standards in basic industrial statistics;
   (b) World programme of basic industrial inquiries for 1965.
5. The statistical unit in economic inquiries.
7. Wholesale price statistics.
8. External trade statistics:
   (a) Standard International Trade Classification.
9. National accounts and associated topics:
   (a) Capital formation in under-developed countries;
   (b) Input-output;
   (c) Progress report on other topics.
10. Statistics for social programmes:
    (a) Progress report and proposed work programme;
    (b) Compendium of social statistics;
    (c) Progress report on the definition and measurement of levels of living;
    (d) Progress report on methodology of household surveys.
11. Housing statistics.
13. Progress reports:
    (a) Other demographic statistics;
    (b) Balance of payments statistics;
    (c) Classification of government accounts.
15. Priorities of the Commission’s work programme and control and limitation of documentation.

III. Review of international statistics

9. The Commission reviewed the general position of international statistics, based on a report by the Secretary-General (E/CN.3/208). The Commission welcomed the development of the publication programmes of the Statistical Office, in particular the new publication Patterns of Industrial Growth, the expanded Yearbook of National Accounts Statistics, the issuance of Statistical Series for the Use of Less Developed Countries in Programmes of Economic and Social Development, and the proposed quarterly publication Current Economic Indicators. There was a need for a progressive publication programme and one which included also appropriate bibliographies, indexes and methodological materials. There was need to bring up to date the List of Statistical Series Collected by International Agencies, and the Commission hoped that this activity could be given some priority.

10. As regards methodological publications, it was considered that the Statistical Office was in a good position to prepare reports upon methods and country experiences for the benefit of countries which might wish to draw upon the experience of others in improving the scope and quality of their statistics. There should be greater emphasis on how the problems are solved in practice. This may best be achieved by increased contact between the Secretariat and the actual work in the national statistical offices. Manuals and handbooks dealing mainly with syntheses of accepted practices and applications were considered to be appropriate for the Statistical Office to compile, but the preparation of studies on statistical theory could best be left to universities, scientific institutions and individuals.

11. The Commission paid special attention to the new regional activities in statistics, such as those represented by regional conferences of statisticians and the designation of regional statisticians by the United Nations and the specialized agencies. These developments were welcomed as they would do much to draw into international work the national statisticians of most countries. The system of conferences and working parties was extremely valuable in providing means for the exchange of experience at the operational level so as to explore practical techniques which took account of conditions prevailing in the different regions. They were also useful in evolving regional programmes which might be of special interest to the region. The regional activities were especially pertinent to the solution of problems connected with plans and policies for economic and social development.

12. The presence of regional statisticians attached to the offices of the United Nations regional economic commissions, and of regional statisticians attached to the regional offices of the specialized agencies, was
seen to be a valuable device to assist countries, especially those with less well-developed statistical systems, on special statistical problems. These arrangements seemed to be both practical and economical. Their availability might limit the need for longer term consultants from outside the region. The regional statisticians, moreover, would be fully conversant with conditions in the region and with practical methods for the solution of problems. The possibilities of extending these arrangements might be emphasized.

18. The Commission requested that the reports of regional conferences and of their working parties should be sent to members of the Commission, and that the availability of these reports should be drawn to the attention of national statistical offices of Member States so that they could request them if they wished. The Secretariat indicated that suitable arrangements to meet these requests would be made.

14. The Commission noted the transfer of responsibility for migration statistics from the ILO to the United Nations. The difficulties of improving statistics on visitors were also noted. While no high priority should be given to future work, the subject should nevertheless be pursued further, and in the first instance might be referred to a regional conference to see whether regional consultations could be of assistance in assembling comparable statistics.

15. The Commission expressed gratitude to the specialized agencies for their reports and for their contributions to the improvement of international statistics. Special appreciation was expressed to FAO in connexion with its various programmes in the standardization of agricultural statistics, to WHO for efforts to improve statistical services dealing with health, to the ILO for work on the problem of measuring underemployment, to UNESCO for its work on standards for educational statistics and to IMF for having completed the revision of the Balance of Payments Manual. At subsequent sessions, the Commission would be glad to learn more about the proposed future work programmes of the specialized agencies.

16. The Commission considered also a statement (E/CN.3/263, paras. 31-42) prepared for the Economic and Social Council for its twenty-eighth session, dealing with the appraisal of the statistical programme for the period 1959-1964. The Commission noted the broad general trends in the programme and made a number of specific comments. Among the tasks requiring additional attention in the future, the Commission noted especially: further work on the presentation of statistics for countries with differing economic systems, including socialist countries, with the objective of improving their international comparability, and because of the possible usefulness of the different methods for economic planning; work on economic indicators which are sufficiently sensitive to reflect expected changes in world economic conditions; and work on the use of electronic equipment for purposes of statistical compilation and tabulation to meet modern needs. Serious gaps were also noted in the statistics of capital investment and building construction. In addition, the Commission drew attention, for both national and international purposes, to the need to study the specific uses of the different types of statistics in the national economies.

17. Another urgent need, especially of the underdeveloped countries, was for techniques of estimating requirements for scientific and technical manpower for a period of ten to fifteen years ahead so that appropriate training activities could be initiated which would fit in with specific development plans. Historical series based on the experiences of more highly developed countries, as well as current methods for the estimation of scientific and technical manpower, would also be useful.

18. In drawing attention to the importance of statistics for the development programmes of the less developed countries, the Commission emphasized the need of these countries for assistance in the training of statistical personnel. The hope was expressed that more resources could be devoted to this end and that the Special Fund might give help in the initiation of statistical training programmes and surveys. In this connexion, the recent assistance given by the Ford Foundation was gratefully acknowledged.

19. It was noted especially that additional work on statistical sampling, including the problems arising from non-sampling errors, should be given attention. It was observed that small countries were sometimes reluctant to undertake sampling surveys because the standard error was virtually independent of the size of the country; the cost of sample surveys could be substantially lowered if it was possible to reduce non-sampling errors. The Commission regretted that too little had been done in this field since the discontinuance of the Sub-Commission on Statistical Sampling. The Commission felt that this gap should be filled by the appointment from time to time of a small group of experts to make recommendations on specified problems.

20. The work of the Statistical Office was felt to be satisfactory. Greater emphasis might in the next few years be given to the development of methods suitable for use in Asia, Africa and Latin America. For this purpose the Commission felt that regular contacts were necessary between the Secretariat and the national statisticians of Member States for the discussion of methods of solving the problems of collection, compilation and analysis of data in the various subject fields to meet national requirements. Attention was drawn to the work of other international agencies which are compiling economic indicators for particular regions, and the Secretariat was requested to take steps to ensure that there was no duplication of effort in this activity, as well as in the collection of statistics generally.

21. In noting the publication programme of the Statistical Office the Commission considered that there was a need for additional bibliographic material on the methods being developed in the various countries.
IV. Industrial statistics

INTERNATIONAL STANDARDS IN BASIC INDUSTRIAL STATISTICS

22. At its sixth and seventh sessions, the Commission adopted a scheme of basic industrial statistics which was published under the title of *International Standards in Basic Industrial Statistics*. In the light of the experience of countries since the adoption of these standards, the Commission had considered, at its ninth and tenth sessions, the question of revisions that might be necessary, and had requested the Secretariat to prepare draft proposals following consultation with Member States and regional organizations.

23. The Commission reviewed the results of the work carried out by the Secretariat on the basis of a memorandum (E/CN.3/257) prepared by the Secretary-General. Annexes I and II of the memorandum made proposals concerning the field to be covered, the nature of the statistical units involved, the items of data and their definitions, and the characteristics by which the data should be classified. These proposals related to compilations of industrial data made annually or at less frequent intervals. The Secretariat's proposals resulted from an examination of national experience and practices in recent years, which were summarized in documents E/CN.3/257/Add.1 and Add.2, and E/CN.3/281. They had also been the subject of consultations with national statistical offices, both directly and through the medium of the regional statistical conferences. The proposals were dealt with by the Conference of Asian Statisticians at its third session, by a working group of the Conference of European Statisticians and by the Census Sub-Committee of the Committee on the Improvement of National Statistics of the Inter-American Statistical Institute.

24. The Commission welcomed the description of national practices that was provided in documents E/CN.3/257/Add.1 and Add.2, and E/CN.3/281. This information was valuable not only in formulating international recommendations in the field of industrial statistics but also in keeping national authorities informed of problems, practices and developments in other countries. Detailed studies of the content and organization of selected highly developed systems of industrial statistics, such as described in the memorandum by the Secretary-General (E/CN.3/281), were especially useful for the latter purpose. To be manageable, such exhaustive investigations had to be restricted to a few Member States and it was desirable to select countries, as was done in the memorandum, whose systems of industrial statistics were representative of a broad range of practice. The Commission therefore wished to see this study, the beginnings of which were described in the memorandum, carried forward. In this connexion it was noted that changes had taken place in certain aspects of the organization of industrial statistics in the USSR mentioned in the memorandum.

25. The Commission noted that the proposals set out in the annexes to document E/CN.3/257 consisted of a set of objectives for the compilation of basic industrial data which were designed to furnish: (a) a realistic guide to the statistically less developed countries for developing programmes to meet their national needs, and (b) a guide for furthering the compilation of internationally comparable industrial data. The Commission felt that the proposals would be valuable for these purposes, particularly after being clarified and modified in the light of the specific points noted below. The proposals reflected the changes that had emerged since the sixth and seventh sessions of the Commission in national practices with respect, for example, to the statistical units utilized and the definition and classification of the items of data sought in basic industrial statistics. The refinements and details provided, as well as the attempt to define the objectives and contents of basic industrial inquiries, would be of assistance to countries with limited experience in industrial statistics in developing a programme in this field. The proposals also provided a frame within which the basic industrial data of countries at different stages of industrial development or with different economic systems could be compared. At the same time, the Commission noted that some countries were actively engaged in re-examining their system of basic industrial statistics and exploring new approaches, and that it was too early to discern clearly the nature of the changes which might eventually take place as a result of this work. The Commission therefore felt that the proposals set out in the annexes to document E/CN.3/257, after being clarified and modified in the light of the discussions of the Commission, provided suitable interim guidance in the development of industrial statistics and for the purpose of fostering international comparability. The Commission requested the Secretariat to keep under review the developments in industrial statistics in order that new concepts and methods may be the subject of an international exchange of experience.

26. The Commission noted that the proposals under consideration did not deal with methods and techniques for collecting and compiling the recommended items of data because these methods necessarily differed among countries, depending on the character of the industrial sector of their economy and the available statistical resources and experience. Less industrialized countries are confronted with serious difficulty in gathering the basic industrial data that they require not only because of their limited statistical resources and experience but also because of the prevalence in their economy of small establishments. Less industrialized countries, in evolving their systems of basic industrial statistics, would find it valuable to have papers and manuals devoted to methods and techniques as well as regional discussions of these and other common problems. The Commission was therefore gratified to note that seminars on industrial statistics were planned in Latin America and Asia, and that the Secretary-General proposed to prepare technical papers and a revised manual on the collection and compilation of basic industrial statistics.
27. The Commission considered some of the problems involved in achieving adequate coverage of the construction industry. Difficulties were encountered in locating and identifying many of the small construction units and in collecting the required data. The Commission noted that in some countries statistics of construction activities are treated separately from the manufacturing and mining sectors of the economy. The Commission felt that special attention should therefore be directed to the problems, methods and techniques of gathering and compiling data on construction in the methodological papers to be prepared by the Secretariat.

28. The Commission discussed the problems of obtaining particulars of the stock of fixed assets of industrial units. Such data were of particular importance for the economic analysis of industrial production and growth. To be useful for these purposes the stock of fixed assets would require to be valued on a consistent basis, in terms of current replacement cost or market value. Most business units, however, recorded their fixed assets at original cost less accumulated depreciation, and the methods of computing depreciation varied greatly among businesses and among countries. In certain countries, particularly the socialist countries, revaluations of fixed assets were carried out. Other countries did not carry out such inquiries and alternative approaches to gathering consistent data on the value of fixed assets were being explored. The Commission therefore felt that methods and techniques for compiling useful data on the value of fixed assets of industrial units should be the subject of a special study designed to promote the exchange of ideas and experience in gathering such data. The related question of measures of the physical capacity of industrial plant and selected types of machinery and equipment might also be studied.

29. Collection of information on expenditures on new fixed assets during the survey period presented less of a problem, but the method of dealing with expenditures on plants not yet in operation should be clearly indicated. In many cases, it was thought, progress payments on fixed assets under construction should be included in the value of expenditures on new fixed assets.

30. The Commission noted that a number of measures of output (e.g., value added and gross output — both the total and its subdivisions according to the kind of activity giving rise to the output) were included in the proposed list of items of data. The Commission felt that it was desirable to include each of these measures in the lists since they provided information of importance for different purposes. The advantages of having data on output net, not only of industrial costs, but also of non-industrial costs (e.g., advertising services) and depreciation were also emphasized. It was noted that the proposed definitions of value added provided for the compilation, where practicable, of such refined measures of net output although it was not possible to include these additional measures in the list of items in view of the difficulties that a number of countries would encounter in compiling them in this type of inquiry.

81. In the course of the discussion a number of additional specific points were made. In annex I of document E/CN.3/257, the advantage of utilizing the kind-of-activity unit in compiling annual data should be given greater emphasis. The statistical units proposed for construction and the treatment of ancillary units should be clarified. Some countries consider fishing and logging to be manufacturing and gather the same kind of data for these activities as for activities which are classified in manufacturing in the International Standard Industrial Classification. In the list of items of data of table A, annex II, of document E/CN.3/257, a consistent method of indicating which items of data are optional should be adopted and the priorities suggested for the compilation of the different items of data. It would be useful to have more detailed subdivisions of items of data on employees (e.g., whether full or part-time and by function) than is suggested in annex II. The contributions of employees to social security schemes might be shown separately from wages and salaries in order to show the take-home pay of employees. It was desirable to include homeworkers among the number of engaged persons.

82. In connexion with its work on industrial statistics, the Secretariat was requested to study the uses of the data, including methods of estimating changes in the relationship of industrial output to input of material (including energy) labour and capital.

83. The Commission adopted the following resolution:

"Resolution 1 (XI)"

"The Statistical Commission"

"Requests the Secretary-General:

1. To prepare a publication setting out the proposals in document E/CN.3/257 revised in the light of the discussions of the Commission at its eleventh session;

2. To call the attention of the statistical authorities of States Members of the United Nations to the material contained in the proposed publication, which will constitute a guide to countries in developing their basic industrial statistics and in compiling data which will be internationally comparable;

3. To continue work in the field of industrial statistics, with particular emphasis on the comparison of the systems of industrial statistics in selected highly industrialized countries;

4. To keep under review the developments in industrial statistics in order that new concepts and methods may be the subject of an international exchange of experience."

1968 WORLD PROGRAMME OF BASIC INDUSTRIAL INQUIRIES

34. The Commission discussed the question of the 1968 World Programme of Basic Industrial Inquiries on the basis of a memorandum (E/CN.3/258) prepared by the Secretary-General. The topics dealt with in the memorandum related to the field to be covered, the statistical unit to be used and the items of data to be
gathered in these inquiries, as well as the items of
data to be published and the survey descriptions which
might accompany the published data. In this connexion,
it was noted that the Economic and Social Council, in
recommending that the Governments of States Members
of the United Nations compile basic data on industry
for 1968 or a year close to 1968, also recommended that
as far as possible account should be taken of the inter-
national recommendations designed to improve the
international comparability of industrial data. The
proposals put forward in the memorandum were based
on the views of the Commission, expressed at the tenth
session, as well as on the views of the national statisti-
cal offices obtained through the medium of corres-
pondence and meetings held under the auspices of
regional groups.

35. While the Commission found that the memo-
randum generally provided a suitable framework for
the conduct of inquiries to be a part of the 1968 pro-
gramme, the consensus was that further amplification
and clarification was needed — particularly with regard
to the objectives envisaged for the surveys, their
proposed coverage and the priorities to be attached to
certain of the requirements. The Commission also
felt that the proposals should contain the definitions
of the items of data recommended for collection and
publication and, where appropriate, discussion of broad
alternative ways of meeting the requirements of the
programme. It was felt, for example, that countries
newly embarking on an industrial statistics programme
might find it advisable to conduct a large-scale survey
of this sort in stages.

36. With regard to the specification of priorities,
the Commission agreed that:

(i) The difficulties of including the construction
industry in an industrial inquiry should be further
emphasized and its inclusion in the 1968 programme
should be made optional;

(ii) All of the items of data included in the minimum
list, with the addition of items relating to capital
expenditure for fixed assets, should be designated as
first priority for all larger establishments covered;

(iii) The structural items of data, total receipts,
wages and salaries and electricity purchased and gen-
erated should be designated as first priority for the small
establishments enumerated;

(iv) The detailed items of data concerning output,
and the total and detailed figures relating to input,
should be designated as second priority for the smaller
establishments. As proposed in document E/CN.8/258,
items of data relating to stocks, value of electricity
sold and expenditures for fixed assets would not be
included in the list of recommended items for the
smaller establishments.

37. Some members of the Commission felt that
items of data on the following should be added to the
programme:

(i) Value of the stock of fixed assets;

(ii) Number of days of operation of the establish-
ment during the year;

(iii) Average length of the working day.

38. The Commission expressed the view that certain
additions should be made to the list of items of data
to be included in the minimum programme.

(i) With regard to indicators of output it was noted
that the scheme provided for collection of both value
added and gross output. It was felt that certain addi-
tional gross indicators should be provided for. The
value of gross output included receipts from certain
non-industrial activities the exclusion of which would
leave a residual value of gross output resulting from
industrial activity narrowly defined. A number of
countries have found it useful to compute from the
results of their industrial inquiries the net contribution
domestic product. Other countries, however, while
recognizing the usefulness of these data, find it difficult
to collect the depreciation and business service cost
figures necessary for the computation of net contri-
bution to domestic product from the value-added
data. It was noted that the proposals in document
E/CN.3/258 contained a provision for the computation,
if practicable, of value-added net of business services
depreciation.

(ii) The Commission agreed generally that, because
of the importance of such data for planning and assess-
ing economic development, items of data relating to
capital expenditure for fixed assets in the survey year
should be added to the list for collection from the
larger establishments. The view was also expressed
that the value of the stock of fixed assets was of
importance for planning economic development. Because
of the problems involved in the collection of such data,
however, most members of the Commission felt that
this item should not be added to the list.

39. The Commission also emphasized the importance
of providing the less developed countries with metho-
dological studies designed to aid in the planning and
conduct of inquiries to be a part of the 1968 programme.
Particular mention was made of the special problems
associated with the coverage of small and household-
centred industries and of the special importance of
sampling in the less developed countries. The Commis-
sion was gratified to note that the plans of the Statis-
tical Office call for the production of technical manuals,
for the convening of seminars and working groups
devoted to regional problems and for the provision of
technical assistance in connexion with the 1968 pro-
grame where such assistance is requested.

40. The following points were also made:

(i) It was noted that some countries define the field
of industry in a different way from the definition for
the proposed programme. Construction, for example,
was often considered an independent sector outside
the field of industry. Similarly, fishing and logging
were classified by some countries as industrial activities.
If, however, the proposals regarding the distribution
of data by kind of activity are adhered to, these differences
in definition of “industrial” would pose no problem
for international comparability. It was suggested,
therefore, that it be made clear in the revised proposals
that inclusion in industrial inquiries of additional
activities, outside the scope of major group 11 through 51 of the International Standard Industrial Classification, would not affect the comparability of the surveys nor would the separate, independent enumeration of construction activities.

(ii) In connexion with the proposed classification by kind of industry and by size, two observations were made. First, that the proposal should clearly state that data classified by these characteristics might have to be shown in considerably less detail than was suggested in document E/CN.3/258; and second, that size classes above 100 should be defined for the use of those countries in which larger establishments are common.

41. The Commission adopted the following resolution:

"RESOLUTION 2 (XI)

The Statistical Commission

Requests the Secretary-General to prepare a publication setting out the recommendations for the 1963 World Programme of Basic Industrial Inquiries as approved by the Commission;

Calls the attention of the Governments of States Members of the United Nations to resolution 676B (XXVI) of the Economic and Social Council, which recommended the compilation of basic data on industry for 1963, or a year close to 1963, taking into account as far as possible the international recommendations on this subject;

Invites the Secretary-General to provide technical guidance and assistance, in the planning and conduct of inquiries that are to be part of the 1963 World Programme, by means of technical studies and seminars and the provision of expert assistance, and means for regional consultations."

V. The statistical unit in economic inquiries

42. The question of the statistical unit appropriate for use in various economic inquiries was considered on the basis of a memorandum (E/CN.3/259) prepared by the Secretary-General. In the memorandum several commonly used statistical units were defined and described, including certain varieties of the "enterprise" (e.g. the legal entity, the collection of legal entities bound together by ties of ownership or control for which consolidated accounts are maintained), and three subdivisions of the enterprise — namely, the establishment, the local unit and the kind-of-activity unit. These statistical units were examined in terms of the practical problems of gathering the kinds of data needed for economic analysis. In addition, the need for and the problems of delineating the structure of enterprises, and relating items of data gathered from different statistical units, were investigated. Techniques such as the compilation of registers defining the structure of enterprises and the construction of matrices for defining quantitative relationship between the enterprises and their subdivisions were also outlined. Examined, too, was the question of classifying the various statistical units by kind of activity — particularly the problem of classifying the enterprise. The remarks contained in the memorandum were based both on the observations of the Commission, put forward at the tenth session, and on the work of the national statistical authorities made available through correspondence and at regional meetings.

43. The Commission has requested the preparation of a study of the definitions of and relationships between the various statistical units, because of the interest evidenced by many countries in defining the respective roles of the enterprise and its subdivisions in a system of economic inquiries in the light of the uses for particular items of data and the problems of collecting these data from business units. Further, the requirements of economic analysis were increasingly pointing to the need to relate data gathered for different levels of the enterprise. It was recognized that many of the problems of relating these data, which frequently came from different sources, as well as from different statistical units, could often be reduced to the problem of defining the relationship between the enterprise and its subdivisions and, as a corollary, it was recognized that the definitions of these units for which data were being collected required examination in the light of the purposes for which the data were to be used. The question of the statistical unit was considered to be of general import in all economic inquiries. Because of this, the studies of the statistical unit were viewed as an attempt to establish a framework within which inquiries into specific subject fields could be designed in a co-ordinated fashion.

44. The Commission felt that the Secretary-General's memorandum (E/CN.3/259) provided a useful and realistic survey of the concepts and problems in this field and that the Secretariat's work should be continued. In commenting on the memorandum the following points were made:

(i) The Commission expressed the view that the lack of a standard set of terms and, in particular, the lack of standard translations of key terms used in the different countries resulted in a certain amount of confusion. It was stressed, therefore, that emphasis should be given to finding acceptable terms to describe the various statistical units, particularly to describe the various kinds of "enterprises", in future work on this subject.

(ii) It was noted that enterprises operating in two or more countries create a special kind of difficulty and that, for many purposes, it was necessary to isolate the domestic activities of the enterprise. It was suggested that the Secretariat be asked to devote more attention to this problem in its future work.

(iii) The suggestion was also made that future studies would benefit from the inclusion of more precise and concrete examples of the relationship between the different statistical units in various countries.

(iv) It was noted that it would be useful if those Member States undertaking record-keeping studies to determine the availability of particular items of data at various levels within the enterprise would make such studies available to other Member States through the Statistical Office.
45. The Commission adopted the following resolution:

"RESOLUTION 3 (XI)

The Statistical Commission
Invites the Secretary-General:
1. To prepare a technical study based on the memorandum, "The statistical unit in economic inquiries" (E/CN.3/259), extended and modified on the basis of the discussions of the Commission;
2. To undertake further consultations with States Members of the United Nations with a view to (i) investigating methods of compiling consolidated registers of statistical units and preparing tabulations showing key economic data both by characteristics of the enterprise and of the establishment-type units of which they are composed, (ii) collecting information concerning systematic studies of record-keeping practices that have been undertaken, and (iii) exploring suitable schemes for the classification of enterprise-type units."

VI. Statistics of the accounts of enterprises

46. The Commission discussed the subject of the financial and related statistics which might be derived from accounting data, based on a memorandum prepared by the Secretary-General (E/CN.3/260). The memorandum consisted of a tentative and exploratory study of what items of data might be compiled on the assets and liabilities and revenues and expenditures of business units and how these items might be defined and classified. The memorandum also dealt with the sources of information and the statistical unit which might be utilized in gathering these data. These questions were considered with regard to both incorporated, including other limited-liability organizations, and unincorporated businesses. In the light of the data that were required for economic analysis the Commission considered the information that might be expected to be available from business accounts.

47. Data derived from the assets and liabilities and revenue and expenditures of business units were needed for purposes of compiling national economic accounts, such as national income, use-and-source-of-fund and flow-of-fund accounts, as well as analysing the liquidity, creditor-debtor position, profitability and other aspects of the operations of businesses. An important and perhaps first step in work on these statistics was therefore to survey the needs for data which might be derived from the balance sheet and profit-and-loss accounts. The work of a number of Member States on these statistics had arisen primarily from the data that are needed in national economic accounting and these requirements should be reflected in any proposals that are formulated on financial and related statistics. It was also essential to determine what data it was feasible to gather and compile from available business records and reports. The possibilities of gathering the required data on a comparable basis will depend on the extent of standardization of account-

ing records as a result of professional accounting standards, practice or regulations. It was therefore desirable to have information on accounting practices in different Member States and to consult with professional accounting organizations.

48. The work of the Secretariat on financial and related statistics should include detailed examination and analysis of national problems and practices in this field. A study of this type would be invaluable to the many countries which are developing or extending their statistics of the assets and liabilities and revenue and expenditure of business units and in formulating international suggestions concerning these data. This study should include the practices of Member States in which most enterprises are state-owned. These countries have well-developed systems of statistics in this field.

49. The following points were also made in the course of the Commission's discussion:
(i) Some countries, in seeking financial and related data for individual proprietors, have not found it desirable or practicable to separate the business from the household;
(ii) Attention should be devoted to banking and other financial institutions in the work on this subject;
(iii) The questions of the timing of the transactions to be included in the statistics and of investment by parent companies in subsidiaries should be more fully treated in further work.

50. The Commission adopted the following resolution:

"RESOLUTION 4 (XI)

The Statistical Commission
Invites the Secretary-General:
1. To prepare a comparative study of national requirements, problems and practices in the collection and compilation of statistics of assets and liabilities and revenue and expenditures of enterprises;
2. To develop, on the basis of consultations with national statistical authorities of States Members of the United Nations, professional accounting organizations and others and with the aid of experts, where necessary, suggestions as to items of data (on assets and liabilities and revenue and expenditures, including their definition, classification and organization into accounts), taking account of the related work of the International Monetary Fund."

VII. Wholesale price statistics

51. The Commission discussed the question of gathering and compiling representative and comparable wholesale price series based on a report prepared by the Secretary-General (E/CN.3/264). The report dealt with criteria for the selection and specification of representative transactions for purposes of pricing, and with methods of detecting changes in the character of these transactions. It also discussed the difficulties of and techniques for, compiling comparable price series in the case of changes in the characteristics of the
commodities being priced. Problems also arise in the case of goods of varying quality and specification, such as heavy machinery, ships, buildings or roads, and irregular and seasonal discontinuities in the supply of goods on the market. The report also included a preliminary review, in the light of recent national practices, of the recommendations of the Commission at its seventh session concerning the field to be covered in statistics of wholesale prices and the detail and frequency with which transactions were to be priced.

The report was a revision and extension of an earlier paper, "Problems in the Collection of Comparable Wholesale Price Series" (E/CN.3/246), based on the discussions of the Commission at its tenth session and on comments and detailed information on experience and practices supplied by many national statistical authorities.

52. The Commission felt that the report presented a useful discussion of the field of transactions to be covered in statistics of wholesale prices and of the importance and difficulties of compiling representative and comparable series. In view of the important uses to which these series were put — for example, deflating components of national economic accounts, constructing indexes of volume of industrial production, evaluating economic and business conditions — it was essential that the series attempt to measure "pure" price changes and that the primary objective be to obtain such price changes with respect to sales of producers and importers. The preparation of comparable price series on transactions in machinery, factory buildings and other capital installation, which changed in character to such an extent from transaction to transaction that price quotations on successive transactions were not directly comparable, was especially difficult but the problem deserved further study. Price data on these goods figured in the planning and analysis of economic development and expansion in countries at all stages of industrialization. National statistical authorities were faced with many other instances of incomparability in price series. New commodities appeared on the market while items which were being priced disappeared. Changes also occurred in the circumstances of sale and the characteristics of the goods involved. Unless these changes were detected and taken account of in the statistics of wholesale prices, the usefulness and reliability of these data would be seriously limited. A number of countries were therefore devoting considerable attention and resources to these problems.

53. The Commission was gratified by the sound approach taken in the Secretary-General's report (E/CN.3/264) to techniques for adjusting price series to a comparable basis and the pricing of unique goods, such as engineering products and construction projects. The Commission discussed the problem of evaluating the price effect of changes in quality. The suggestion was made that in the case of wholesale prices, the relative market prices before and after the change in quality (which reflected the points of view of both buyers and sellers) were the most suitable guides. In many practical situations, however, account could be taken only of the seller's supply price. In another view, laboratory and other technical comparisons of the physical and operating characteristics of commodities provided the most suitable basis for evaluating changes in quality. The Commission felt that the task was one of devising, in the light of the circumstances of the changes in the characteristics of the transactions being compared, realistic techniques for compiling comparable price series that were both effective and feasible. The Commission therefore welcomed the practical approach taken in the report (E/CN.3/264), in particular, the discussion in the light of national experience and practices, of the alternatives for compiling comparable price series in the different circumstances in which these problems occur. It was suggested that the inclusion of a greater number of detailed illustrations of practice in Member States would enhance the value of the memorandum. It would also be useful, if practicable, to add information on the frequency and dimensions, classified by type, of changes in the characteristics of transactions being priced and on the variation in the results of applying different methods of adjusting for changes in quality and of pricing unique goods. Consideration should also be given to the usefulness, in some instances, of average prices (i.e., unit values) when transactions are not strictly comparable and to the problem of the biases introduced by splicing series of indexes when systems of index numbers have been revised.

54. The Commission discussed the question of compiling comparable price series on construction projects in some detail. It was suggested that the computation of price data on different types of construction from price data on raw material and labour inputs should be resorted to only when other approaches are not feasible, since account is not taken of changes in profit margins or technological changes. Some countries were considering the possibility of adjusting these price index numbers for changes in profit margins. Mention was made of the system in some countries which periodically calculated standard costings for specific construction operations (such as costs per square foot of flooring, etc.). Some countries compile price data on construction based on the average contract or cost price for each of the standardized stages involved in specified types of construction projects. A third approach to compiling prices on construction that has been utilized is that of collecting bid prices or costs for model projects which are representative of different types of construction projects. It was evident from the discussion that a number of countries were engaged in considerable exploration of and work on price data for construction.

55. The Commission adopted the following resolution:

"RESOLUTION 5 (XI)

The Statistical Commission
Invites the Secretary-General:
"1. To prepare a technical publication on the subject of gathering and compiling representative and comparable wholesale price series, based on the Commission’s discussion of document E/CN.3/264;

"2. To formulate a draft set of guiding principles for the collection and compilation of representative and comparable wholesale price series for the consideration of the Commission, including, where appropriate, any proposals to revise or extend the recommendations on this subject made by the Commission at its seventh session;

"3. To consult on the foregoing work with national statistical authorities of States Members of the United Nations, regional statistical organizations and specialized agencies."

VIII. External trade statistics

56. In returning after a period of ten years to the subject of the Standard International Trade Classification (SITC),\(^7\) the Commission noted with satisfaction that more than eighty countries currently compile data according to the SITC, thus providing comparable trade-by-commodity statistics for about 80 per cent of world trade.

57. The Commission considered a proposal (E/CN.3/261) for combining the SITC and the 1955 Brussels Tariff Nomenclature (BTN) of the Customs Co-operation Council.\(^8\) The proposal had been prepared by a group of experts from countries and inter-governmental agencies currently using both the SITC and the BTN. The proposal required some modification of both classifications. In the case of the BTN this consisted principally of the subdivision of a number of BTN items and the provision of a commentary in the Brussels Explanatory Notes on the sub-headings thus created, steps which, on 2 December 1959, the Customs Co-operation Council had agreed to take. The modification required of the SITC to a great extent preserved the original structure at the “group” (8-digit code) level and above, except for a few revisions which were required to increase the economic usefulness of the classification by taking account of structural changes in external trade since 1950 or to expand the SITC where the nature of the BTN made this necessary. Most of the principal items (5-digit code) of the SITC reappeared as 4-digit sub-groups of the combined classification. By the use, where necessary, of 3-digit headings, a reciprocal one-to-one correspondence was achieved between the combined classification and the BTN. This correspondence would permit, *inter alia*, the precision of definition available for BTN items to be applied directly to the combined classification.

58. The BTN was in use as the basis of customs nomenclature in many European countries and in a number of countries outside Europe. Because external trade statistics are largely based on customs data, the Commission considered that all countries wishing to profit from the advantages of the SITC and of the BTN would greatly benefit from the simplification of the relation between them contained in the new proposal and that without such simplification countries whose statistical resources were severely limited could not readily introduce both systems together.

59. The Commission further considered that the divergences of the proposed revision from the original SITC were about as small as was consistent with the achievement of the aims described above. This was particularly important to the countries of Latin America\(^9\) and the countries and territories of the British Commonwealth, many of which based customs nomenclature on the original SITC, some of them having recently changed to that basis. Statistics so compiled would continue to be largely comparable with those of countries using the SITC in its revised form. The effect of discontinuities caused by the revision would be further reduced if the Secretary-General could arrange to provide data for a recent year on the basis both of the original and the revised SITC.

60. The Commission noted in particular that the revised classification in its present form would not meet the needs of certain Member States, for example, those in Eastern Europe. The Secretariat was therefore requested to study the classifications of those countries in order to establish suitable convertibility indexes between their classifications and the revised system. The establishment of convertibility indexes of this kind would be less difficult on the basis of the proposed revision than on the basis of the original SITC because of the nature of the new 5-digit items and of the fact that they were more than 1,500 in number whereas the original SITC had only 570 items.

61. The Commission noted also that the larger number of items in the proposed classification and their 5-digit coding would facilitate the reclassification of external trade statistics in a number of ways of economic interest; for instance, distinction could be made between: consumer and producer goods; agricultural and industrial products; raw materials, semiinished and finished goods; durable and non-durable goods. Certain members felt that this classification was not suited for economic analysis in the above sense.

\(^7\) On the advice of the Statistical Commission, the Economic and Social Council, by resolution 290 B (XI) of 12 July 1950, urged all Governments to make use of the SITC.

\(^8\) (i) Adopting this system of classification with such modifications as may be necessary to meet national requirements, without disturbing the framework of the classification, or

\(^9\) In 1953, the Central American Economic Co-operation Committee, a subsidiary body of the Economic Commission for Latin America, recommended that its participating Governments adopt the common customs nomenclature prepared under its auspices (E/CN.12/AC.17/25). After some modifications, this nomenclature was published in 1955 in *Nomenclatura Arancelaria Uniforme Centroamericana (NAUCA)* y su Manual de Codificación (United Nations publication, Sales No.: 1035.II.G.3).
62. The Commission felt that the essential requirement for a customs tariff nomenclature was for each commodity to be classifiable under a well-defined heading; the order of the headings was less important for tariff than for statistical purposes. Due to the one-to-one correspondence with the items of the BTN, the SITC, Revised, provided, in effect, a list of customs headings so ordered as to yield statistically meaningful data without the necessity of reclassification.

63. The Commission adopted the following resolution 10 on the subject of the Standard International Trade Classification:

" **RESOLUTION 6 (XI)**

The Statistical Commission,

Recalling Economic and Social Council resolution 299 (XI) of 12 July 1950,

Considering

(i) The marked improvement in the international comparability of external trade statistics which has resulted since 1950 from the implementation by Governments and international agencies of Council resolution 299 (XI) establishing the Standard International Trade Classification (SITC);

(ii) The action taken by the Customs Co-operation Council to further the unification of its 1955 Tariff Nomenclature (BTN) and the SITC;

(iii) The proposed revision of the SITC, contained in annex I to document E/CN.3/261, and to be known as ‘The Standard International Trade Classification, Revised,’ embodying a unification of the SITC and the BTN;

Recommends that countries now compiling data according to the SITC shall, as is convenient to them, substitute for it the SITC, Revised, and that countries implementing resolution 299 (XI) for the first time do so, if possible, on the basis of the SITC, Revised, it being understood that Member States which have based customs nomenclature on the original SITC may not wish to make the change until they would, in any case, be reviewing their customs nomenclatures;

Requests the Secretary-General:

1. To make, in consultation with the Governments of States Members of the United Nations concerned and with the Customs Co-operation Council, such minor modifications of detail to the SITC, Revised, as shall from time to time be required for statistical or tariff purposes;

2. To publish the SITC, Revised, together with alphabetic indexes, the subdivided BTN and correlation codes between the SITC, Revised, and the BTN;

3. To establish, if possible, convertibility indexes between the SITC, Revised, and the classifications used for external trade by the USSR and countries of Eastern Europe;

64. While considering resolution 6 (XI), the Commission had taken note of the statement, set forth in the annex to this report, of the financial implications of the resolution. The Commission was of the opinion that the additional costs foreseen as necessary for the production of data according to the SITC, Revised, formed part of the wider problem of the need for rapid processing of adequately detailed trade-by-commodity-by-country statistics and had to be dealt with whether or not the SITC was revised.

**IX. National accounts**

**CAPITAL FORMATION STATISTICS IN UNDER-DEVELOPED COUNTRIES**

65. Pursuant to the Commission's request at its tenth session, a memorandum was prepared by the Secretary-General entitled "The measurement of gross domestic capital formation in under-developed countries" (E/CN.3/263). The memorandum examined and appraised critically the methods and procedures employed by developing countries in Africa, Asia and Latin America in measuring capital formation, suggested ways whereby the practical difficulties might be overcome or at least alleviated and provided guidance as to how estimates might be improved. The memorandum was based largely upon the experience of Asian and Latin American Member States as reflected in the working documents prepared by these countries for the Working Group of Experts on Capital Formation of the Conference of Asian Statisticians (Bangkok, 16-27 November 1959) and the United Nations Seminar on National Accounts for Latin America (Rio de Janeiro, 11-26 June 1959). All available published sources of information on methods employed and practical difficulties encountered by countries engaged in preparing estimates of capital formation were also utilized, particularly for the African countries.

66. The Commission welcomed the memorandum as a useful summary of methods employed and problems encountered by under-developed countries in measuring
capital formation and as a helpful guide to such countries in improving their estimates. It suggested that the memorandum be circulated to Member States and that the Secretary-General continue to collect detailed information on experience in this difficult area of economic statistics. References to the uses of these statistics should be incorporated in the memorandum.

67. The Commission felt that, because of the scarcity of available experts in this field, additional assistance should be given to Member States in the form of fellowships and the holding of regional seminars. Such seminars need not be devoted exclusively to capital formation statistics, but might be concerned with a broader area.

68. Great emphasis was placed on the value of reliable statistics of gross fixed capital formation at current market prices for countries in the process of industrial development. It was felt that statistics of inventory changes and depreciation should be given a lower order of priority. The view was expressed that the use of the direct expenditure approach should not be too difficult for under-developed countries and that such countries might usefully undertake periodic capital expenditure surveys, either complete or on a sample basis. This could be done in conjunction with existing programmes for the collection of basic industrial statistics. In this connexion it was suggested that the collection of data on expenditure for fixed assets should be incorporated in the 1968 world industrial census programme.

69. The Commission emphasized that, since most under-developed countries use the commodity-flow method in preparing estimates of capital formation, they should make use of their most detailed import statistics. It was noted that the use of a uniform list of capital goods might not be suitable since the content would be apt to vary from country to country. It was therefore recommended that Member States devise their own lists by an appropriate refinement of their trade classifications.

70. The Commission stressed that capital formation statistics for under-developed countries would serve the purposes of these countries better if specific attention was paid to that part of the capital formation which was clearly concerned with expanding industrial output. It also emphasized that capital formation statistics are more useful when classified or cross-classified by type of purchaser, kind of asset and industry. Special mention was made of the importance of a breakdown of capital formation in construction into non-residential and residential building and the latter into urban and rural (including own-account) building. Reference was also made to the desirability of distinguishing home-produced from imported capital goods. Emphasis was also placed on the value of sampling techniques in preparing estimates of capital formation. Countries with meagre financial and statistical resources would find sampling an inexpensive and efficient method of obtaining capital formation estimates. It was noted that sampling methods could be applied to industry of the modern type as well as to small-scale industry, rural construction and agriculture.

71. The Commission was strongly of the opinion that capital formation statistics should be based on genuine inquiry (whether complete, quasi-complete or on a sample basis) rather than having recourse to conjecture. The Commission felt that the quality of capital formation statistics could be improved substantially if under-developed countries would take steps to use:

(a) More realistic allocation and mark-up percentages for imports and locally produced goods. These factors should be based on cost analysis studies and on a use of the most detailed information available on imports;
(b) Follow-up studies to adjust the value of construction figures obtained from building permits;
(c) Technological ratios based on a study of typical building costs, where the input method is employed;
(d) The direct expenditure approach, wherever possible, in conjunction with the commodity-flow method;
(e) Sampling methods to obtain estimates of capital formation, particularly in small-scale industry, rural construction and agriculture.

72. The Commission adopted the following resolution:

" Resolution 7 (XI)"

" The Statistical Commission"

" Requests the Secretary-General:

1. To encourage the improvement of capital formation statistics, in particular for key sectors of the economy, by the application of sound statistical procedures;

2. To circulate the memorandum of the Secretary-General, ' The measurement of gross domestic capital formation in under-developed countries ' (E/CN.3/265) to States Members of the United Nations following revision of the memorandum in the light of the Commission's comments;

3. To continue to collect detailed information on methods of estimating capital formation with a view to preparing a study which could be of practical assistance to States Members of the United Nations;

4. To advise and assist States Members of the United Nations in improving their estimates of capital formation by every means possible, including regional seminars, training programmes, experts and fellowships."

INPUT-OUTPUT

73. The Commission in considering the subject of input-output had before it a memorandum prepared by the Secretary-General entitled " Input-output tables and analysis " (E/CN.3/266). It was agreed that tables of inter-industry relations could be valuable as a method of describing the inter-relationships of different sectors of the economy, as an aid in assessing the accuracy and completeness of statistical systems and in improving work on national accounts. For these purposes tables with a large number of industrial divisions were not required, although it was recognized that for economic studies greater detail in the tables had advantages. Where countries were content to produce
tables of modest size the resources required were not considered excessive. A number of countries found it of advantage to employ sampling procedures to keep down the work involved.

74. It was generally agreed that it would be premature to recommend standard procedures in this field. Before international recommendations could be formulated there would have to be broader agreement on the uses to which input-output tables could be put. Undue reliance should not be placed on the inter-industry approach in planning economic development in the less developed countries, nor should high priority be given to input-output studies. At the same time it was recognized that investigations of inter-industry relations could be of considerable value as an adjunct to other planning approaches, providing insights which would otherwise not be available.

75. It was observed that input-output coefficients reflected not only technological relationships but other factors such as price structure and the institutional setting. For this reason the usual assumption of fixed coefficients could well be misleading where countries were undergoing rapid development accompanied by institutional and structural changes. Empirical testing of the plausibility of the assumption of fixed coefficients would be possible when more experience had been amassed. Interest was expressed not only in shifts in these coefficients over time, but also in the differences from one country to another.

76. Aside from the question of the stability of the coefficients, several members stressed that for the purposes of development planning a more dynamic model was needed, e.g. one that would take account of the flows of capital to the different industries. Unfortunately the basic theory and data required to implement these more elaborate models was very incomplete. It would therefore be difficult to make them sufficiently reliable to form a proper basis for serious decisions. However, the utility of the usual input-output model could be improved in other respects, for example by dividing up labour input broadly according to the type of labour required. It seemed clear that the possibilities of the input-output approach could be evaluated only after more experimentation and experience with alternative formulations. In the meantime publication of results was useful. Official agencies, by making available such tables, enabled scholars and research workers to explore the possibilities of the approach and to point the way to methodological improvements and useful applications. In this connexion, the Commission noted with interest the intention of publishing an extended bibliography on input-output and considered that this project was worthy of the support of the Secretariat.

77. It was pointed out that the document before the Commission omitted reference to the extensive work done in the method of material balances in Member States with centrally planned economies. This approach emphasized the flow of physical quantities. Fuller account should be taken of this work in further studies by the Secretariat, and efforts made to assemble these materials in a form useful for Member States.

78. The Commission adopted the following resolution:

"RESOLUTION 8 (XI)

The Statistical Commission
Requests the Secretary-General:
1. To continue to follow developments in States Members of the United Nations carrying out inter-industry studies, giving attention not only to the manner in which input-output tables are constructed but also to the uses to which they are put;
2. To take into consideration the work on material balances being done in States Members of the United Nations with centrally planned economies;
3. To consult with and assist States Members of the United Nations, on request, in developing and improving the statistics required for the construction of input-output tables."

National accounting and associated topics

79. The Commission discussed the progress made in national accounting and associated topics, as stated in the report by the Secretary-General (E/CN.3/207).

Developments of the system of national accounts

80. The Commission noted with approval the publication of the second edition of A System of National Accounts and Supporting Tables (SNA) which had been revised so as to remove virtually all the differences in recommendations made by the United Nations, the Organization for European Economic Co-operation and the International Monetary Fund. It was felt that this work should be continued so that complete accord might be reached among these international and regional organizations.

81. The question of the quality of estimates of items entering the national accounts was discussed at some length. It was agreed that there is much scope for improving the quality and reliability of these estimates and that there would be considerable value in placing major emphasis on this aspect in the near future. A suggestion was made that the preparation of a manual on methodology would be conducive to this end. Such a manual would report on country practices, examine the question of priorities in the estimation of the various items, and make recommendations on the methods of estimation that could be adopted. It was further suggested that attention could be given particularly to major areas where improvements in reliability could be achieved such as agricultural output, consumption and manufacturing output.

82. The question of the comparison between the SNA and the balance of the national economy used in centrally planned economies was considered. It was agreed that work on integrating these two systems should be continued and in this connexion a report was made.

12 Studies in Methods, Series F, No. 2/Rev.1 (United Nations publication, Sales No.: 59.XVII.11).
on the activities of a group of experts, convened by
the Conference of European Statisticians. The group,
meeting in Geneva, had drawn up an agreed statement
of the basic conceptual differences on the following
points: (a) the boundary of production in the estimates
of aggregate product, (b) the concepts of gross and net
product, (c) the concepts of private and general govern-
ment consumption expenditure compared respectively
with personal and collective consumption, (d) the con-
cept of capital formation, capital repairs, and capital
consumption, (e) domestic and national concepts of
product, and (f) the valuation of production. As a
next step the group proposed to study in detail the
problems and possibilities of establishing comparabi-
licity between the estimates in important sections of the
national accounts.

Financial transactions

83. In discussing recent developments in these statis-
tics the Commission expressed interest in the work
undertaken under the auspices of the Conference of
European Statisticians. Regret was expressed that more
complete agreement had not been reached but it was
recognized that this would not be possible until more
countries had actual experience in compiling these
statistics. It was pointed out that many practical prob-
lems had to be solved before the work of compilation
could begin. Thus, the collection of statistics depended
on decisions made on such questions as the definition
of sectors.

84. It was agreed that the time was not yet oppor-
tune for making international recommendations in this
field but that valuable work could be carried out in
reporting on national experiences. It was suggested
that the needs of some countries could be met by pro-
viding financial statistics for certain strategic sectors
rather than by providing a fully integrated system of
income—financial accounts. The Commission took
note of the intention of the International Monetary
Fund and the Statistical Office of the United Nations
to circulate to Member States and regional organiza-
tions for comment a revised version of the Joint State-
ment submitted by these organizations to the recent
Working Party of the Conference of European Statis-
ticians.

Price and quantity indexes and deflation
of accounts

85. The Commission considered briefly the present
status of national accounts in constant prices. With
regard to the double deflation method, it was suggested
that work on the fundamental meaning of constant
price data was more important than the development
of balancing systems. Attention should be given to the
relation between constant price concepts and normal
index theory and to the problem of terms of trade
between sectors of the economy. It was agreed that
while this topic need not be accorded a very high
priority, the Secretary-General could do valuable work
in reporting on practices in this field.

The needs of under-developed countries

86. The Commission discussed at some length the
needs of under-developed countries, particularly with
regard to the development of national accounting sta-
tistics, and it was agreed that high priority should be
given to more detailed work on the problems of these
countries. It was pointed out that countries at an early
stage of development face special problems in compiling
the statistics necessary for economic development.
In this connexion it was agreed that studies of partic-
ular sectors were more important and that global
estimates serve largely to provide a general reference
for comparisons of relative magnitudes. It was agreed
that the Secretary-General should investigate, on the
basis of national needs and available statistical
resources, the priorities which should be followed by
under-developed Member States seeking to improve
their statistical compilations. It was suggested that
attention should be focused on statistics of distribu-
tion of income in under-developed countries. Data in
constant prices and quantities of physical flows would
also be of value in these countries. The need to improve
the quality of statistics collected was urgent and high
priority should be given to this aspect. The Commiss-
ion was unanimous as to the desirability of joint stu-
dies by specific under-developed Member States with
the Statistical Office of the United Nations with a
view to determining basic statistical needs and feasi-
bilities and assisting in their realization.

87. The Commission noted with interest recent regio-
nal meetings such as the United Nations Seminar on
National Accounts for Latin America and the Working
Group of Experts on Capital Formation convened in
Bangkok by the Conference of Asian Statisticians and
recommended that regional groups, particularly in
under-developed areas, should be encouraged to study
means of improving the basic data and developing the
uses of national accounts for policy purposes in their
areas. In this connexion it was reported that in 1961
meetings would be held in Africa by the International
Association for Research in Income and Wealth in col-
laboration with the Economic Commission for Africa.
These meetings will consider a critical stocktaking of
national accounts, special African problems in national
accounting, and the use of national accounts for deve-
lopment purposes. Special attention will be given to
examining the content of the subsistence sector of the
economy.

88. In view of the foregoing considerations the Com-
misson adopted the following resolution:

_ RESOLUTION 9 (XI) _

_The Statistical Commission
_Requests the Secretary-General:
_1. (a) To accord high priority to the study of
methods for improving the quality of items of national
accounts statistics;
_(b) To continue, in co-operation with the regional
statistical conferences, the study of the co-ordination
of existing systems of national accounts with systems
of the balance of the national economy in use in centrally planned economies;

“2. To continue, in collaboration with the International Monetary Fund and interested regional organizations, to explore the purposes and usefulness of an integrated system of financial flow statistics and the national accounts;

“3. To pay close attention to the needs of underdeveloped States Members of the United Nations in developing reliable statistics relating to national accounts, distribution of income, financial statistics, and constant price statistics and to provide all possible assistance to these countries, particularly in the direction of examining the priorities which should be adopted in compiling these statistics.”

X. Social statistics

COMPENDIUM OF SOCIAL STATISTICS


90. In discussing the document the Commission noted that the primary purpose of the Compendium was to supply the basic statistical data required for describing the major aspects of the social situation in the world and in the regions, as well as changes and trends in the levels of living, in order to facilitate the preparation of the third Report on the World Social Situation, to be issued in 1968 as indicated in Economic and Social Council resolution 693 (XXVI) (see annex to the resolution, para. 2). It was also noted that, in addition, the Compendium would serve to a certain extent as a guide to the objectives which it would be desirable for the less developed Member States to attain in the field of statistics for social programmes.

91. Some members of the Commission noted the progress which had been made on plans for the Compendium since the Commission’s last session, which now reflected a reasonable balance between what is desirable and what might be feasible in terms of availability of data. The Commission noted the fact that many of the tables were analytical in character and in a number of cases included classifications which would assist in describing the economic and social structure. For example, a number of tables included data for separate groups such as urban and rural population, income or expenditure levels, agricultural workers and workers in selected industries. Nevertheless, it might be desirable that additional groups descriptive of the socio-economic structure of the countries should be sought. Inclusion of death rates by age groups and birth rates by age groups of mothers by socio-economic groups would also be useful. It was considered that additional efforts should be made to expand the tables whenever possible to show changes and trends in the socio-economic structures. Thus, total population or, in particular, the population covered might be distributed by socio-economic categories in certain cases; income distributions might be shown by socio-economic groups or by other classifications. This would avoid the difficulties of interpretation involved when national averages or aggregates alone are used. It was noted, however, that the inclusion of statistics for which no internationally accepted standards have yet been drawn up would require a good deal of explanatory notes and that the data might not be comparable.

92. The Commission examined in detail the tables described in document E/CN.3/269 and Corr.1. It noted that the statistics to be included would, as far as possible, be assembled by the Secretariat from information already supplied to the United Nations and the specialized agencies and that no duplicate requests for information would be sent to the countries. The statistics to be included would be collected and evaluated by the agency responsible for supplying the information, and, in so far as possible, only significant data would be included. The various tables would be accompanied by explanatory notes concerning reliability, comparability and other factors necessary for their proper interpretation.

93. Several suggestions were made regarding new items to be included. It was suggested, for example, to include data on the distribution of households and the gainfully employed population by levels of income, on consumption levels in the various socio-economic groups of the population, on consumption or supply of selected drugs and on fetal mortality. It was also suggested that statistics on food consumption be expressed in terms of principal food commodities, supplemented whenever possible by statistics in terms of calories, that higher school education enrolment be subdivided by major fields of study and related to a suitable age group rather than to total population; that food consumption and rent may be related to levels of income or expenditure; and that the age groups used in connexion with school enrolment ratios are too broad. Statistics on crime might also be included in future issues, although difficult problems of comparability were involved. It was indicated that since information on levels of unemployment would not be meaningful, and since several attempts to obtain comparable data on this subject had failed, this information should perhaps be omitted from the Compendium. Several members of the Commission provided detailed comments to the Secretariat to be taken into account in the further revision of the outline.

94. It was agreed that the information to be included in the Compendium could be obtained either by censuses or sample surveys. The time references indicated in document E/CN.3/269 and Corr.1 should be considered only as approximate. It would be desirable, where possible, to provide comparisons over time.

95. As a result of the discussion of the contents of the Compendium, it became evident that there was a need for studies on the classifications which would be
useful — in a broader context than that of the populations census — for the study of the socio-economic structure of countries and of changes over time. It was recommended in this connexion that the Secretariat study the classifications of the socio-economic structures which are being used in Member States in the light of their purposes to see what common elements exist which might ultimately be brought together for general guidance.

96. The Commission adopted the following resolution:

"**Resolution 10 (XI)**

*The Statistical Commission,

Having examined the tentative outline of contents for the Compendium of Social Statistics (E/CN.3/269 and Corr.1) to be issued in 1968, in co-ordination with the Report on the World Social Situation and having concluded that the topics as described in the document were generally adequate for the first issue of the Compendium,

Recommends that the Secretary-General in consultation with the specialized agencies concerned:

1. Determine the final contents of the Compendium taking into account the observations made by the members of the Commission, the needs of the United Nations and the specialized agencies, and questions of space and practicability;

2. Make provision for future issues of the Compendium to encompass additional subjects, such as the distribution of households and the gainfully employed population by levels of income; and provide for suitable breakdowns by socio-economic groupings and greater depth in the treatment of the subjects now listed;

3. Study the nature and uses of socio-economic statistical classifications currently in use in the various States Members of the United Nations, with a view to seeing whether in due course, greater uniformity could be achieved."

**International definition and measurement of levels of living**

97. The Commission had before it a progress report on international definition and measurement of levels of living (E/CN.3/270 and Corr.1) prepared by the Secretary-General with the collaboration of the specialized agencies. The views of the Commission were requested, particularly on the statistical aspects discussed in part I of the report, which was based on the recommendations of the inter-agency Working Party on Statistics for Social Programmes. It was noted that the comments of the Commission would be submitted to the Social Commission at its fourteenth session in the light of their purposes to see what common elements exist which might ultimately be brought together for general guidance.

98. The Commission noted with satisfaction the work that had been done in a difficult field and expressed agreement with the approach reflected in the report. The regrouping of components and indicators was in general approved. Several members felt however that levels and trends in real income should not be considered as "background information" but should be included amongst the general indicators of levels of living. Recent developments in the international comparison of real products were cited as providing a basis for further work in this field and the possibility of making chain comparisons between countries at very different levels of economic development was put forward. The importance was stressed of studying patterns of income distribution in connexion with this indicator.

99. Several members expressed the view that, in spite of the problems caused by diversity of organizational arrangements, an effort should be made to include selected indicators under the social security component. It was felt that the items proposed by the ILO could be used as a basis, provided a meaningful grouping of countries according to the degree and extent of protection provided were first made.

100. The Commission again emphasized that wherever possible appropriate socio-economic distributions, or groupings, rather than national averages should be used in the indicators of levels of living.

101. The need to consider indicators of levels of living in relation to broad groupings of countries on some relatively homogeneous basis was mentioned. The suggestion was made that international agencies might be asked to study the problem further by setting up working parties on a regional basis. It was also suggested that attention might now be turned to the gaps and inadequacies in the data available on important problems in the social field, rather than to a further refinement of existing indicators.

102. The Commission adopted the following resolution:

"**Resolution II (XI)**

*The Statistical Commission,

Considering that the system of components and indicators and basic statistical information contained in part I of document E/CN.3/270 and Corr. I provides a useful approach to the measurement of levels of living, especially for countries in the process of economic development,

Recommends:

1. That the comments and suggestions made at the eleventh session be considered by the Working Party on Statistics for Social Programmes;

2. That the Social Commission might consider whether part I of the progress report on international definition and measurement of levels of living (E/CN.3/270 and Corr.1), as may have been revised by the Working Party, had reached a stage where the Secretary-General might be requested to distribute it to States Members of the United Nations for their interim guidance for the measurement of levels of living."

**Progress report on methodology of household surveys**

103. The Commission considered document E/CN.3/271, a tentative outline of the purpose and contents of a proposed handbook of sample surveys of family
living conditions, prepared by the Secretary-General, as agreed by the inter-agency Working Party on Statistics for Social Programmes at its first session.

104. The Commission fully agreed that the promotion of household survey methods was a matter of great importance and shared the views of the Working Party that it was not practical to pursue the development of a uniform international schedule of household surveys. The Commission felt that a handbook suggesting topics that might be included in such surveys, discussing the methodological problems involved and indicating the kinds of organizational arrangements suitable for the purpose, could be more useful. However, some doubts were expressed on the feasibility of the handbook as outlined in the document. It was felt, for example, that it might not be possible to treat appropriately the practical methodological questions regarding items to be included, without giving simultaneous consideration to questions of sample design, methods of data processing and costs.

105. Considering that the substantive aspects of the proposed handbook could scarcely be wholly separated from sample design and other methodological problems, and that there might well be an examination of sample techniques as applied to the broad field of statistics for social programmes, the Commission recommended that the Secretary-General convene an ad hoc group of sampling survey experts. The group should review recent advances on methods which might be suitable for the collection of statistics required for the Compendium of Social Statistics and for social programmes generally, with special reference to conditions prevailing in under-developed countries.

106. The work of the preparation of the handbook should be continued by the Secretary-General in collaboration with the specialized agencies, taking into account the suggestions made by the Commission in discussing this item and the results of the work of the group of experts on sampling.

107. The Commission noted that sample surveys of family living conditions and of small-scale economic entities were of great importance, especially for less developed countries but that they also have great value for the more advanced countries; that the manual could not deal exhaustively with every type of specialized survey and that it should be limited to providing information of a practical nature that would be useful particularly to the less developed countries in carrying out multi-subject household surveys; and that experience has shown that some data could be collected by means of household surveys which could not be obtained by other means. It was noted, however, that in certain highly developed countries much of the data proposed to be collected through multi-subject household surveys is obtained by means of customary statistical procedures.

108. It was suggested that particular attention should be devoted in preparing the handbook to the uses of surveys in Member States with less developed statistical systems for providing data on selected topics, for example on demographic conditions, or economic activity for use in constructing estimates of national income, although these data are usually derived from other sources.

109. The Commission adopted the following resolution:

 Resolution 12 (XI)

 The Statistical Commission

 Recommends that the Secretary-General:

 1. Convene, in consultation with the specialized agencies, an ad hoc working group of specialists in sample survey methods and of statisticians from the United Nations and the specialized agencies, for the purpose of recommending methods of collecting statistics for the Compendium of Social Statistics and for social programmes generally, particularly in the less developed countries;

 2. Continue, in collaboration with the specialized agencies, the preparatory work on the handbook of sample surveys of family living conditions, taking into account the comments and suggestions made by the Commission and the recommendations made by the ad hoc working group when they become available.”

HOUSING STATISTICS

110. The documentation before the Commission under this item included a summary report on housing census activities and plans (E/CN.3/272), a technical report on statistical indicators of housing levels of living (E/CN.3/R.2), a report on comments received on the proposed indicators (E/CN.3/R.2/Add.1), a paper dealing with proposed methods of estimating housing needs (E/CN.3/274), and a memorandum containing an outline of future work in the development of programmes for current housing statistics (E/CN.3/275 and Corr.1).

111. In considering document E/CN.3/272 regarding housing census activities and plans, the Commission noted the increasing number of countries which are taking housing censuses in the period 1955-1964 and that the revised version of the United Nations principles for national housing censuses had been issued as General Principles for a Housing Census. 14

112. The Commission expressed satisfaction with the work carried out in connexion with the Regional Census Training Centre for Latin America, Lima, Peru, 1958, and the UN/FAO Regional Census Training Centre for Asia and the Far East, Tokyo, Japan, 1958, which had offered an opportunity to test the applicability of the General Principles under field conditions.

113. Members of the Commission expressed the view that it was too early to form an opinion regarding the applicability of the General Principles, as many censuses had yet to be taken in 1960 and later. Although climatic and other factors affect universal comparability it was pointed out that it would be feasible to apply the General Principles at the regional level. It was noted that the Conference of European Statisticians and the

14 Statistical Papers, Series M, No. 28 (United Nations publication, Sales No.: 58.XVII.8).
Inter-American Statistical Institute had already adapted the General Principles to the needs of the countries in their respective regions and it was recommended that they should be similarly adapted to the needs of other regions.

114. The Commission was informed by some of its members of the housing census activities and plans in their respective countries. The Commission took note in this connexion that in many countries it was considered desirable to obtain census information on the floor space of dwellings, as such data are needed for housing programmes, and that the housing census had great value as a framework for subsequent sample surveys.

115. In discussing future work in the field of housing censuses the attention of the Commission was drawn to the need to study how frequently housing censuses should be taken both on a complete enumeration and on a sample basis, the feasibility and reliability of the use of self-enumeration, and the methods that might be used in bringing up to date the census data during inter-censal years.

116. In considering the report on statistical indicators of housing levels of living (E/CN.3/R.2) and the report on comments regarding these indicators, the Commission expressed the view that indicators of the kind included in the document play an important role in describing the housing situation of the population and that they are also important for formulating economic and social programmes.

117. It was stated that although international comparability may be complicated by differences in accepted standards and climatic conditions, comparison is possible within countries over time and on a regional level for countries where climatic and cultural conditions are similar.

118. In discussing the indicators the members made recommendations which the Secretariat noted. For example, the inclusion of the area of living space as a measure of the density of occupation was recommended and, in connexion with the indicators of the economic significance of housing, it was suggested that these should be regarded as indicators of levels of living rather than of housing conditions. With respect to the indicators of sanitary conditions, although considered useful, it was recommended that they should be expanded to include other facilities for water and sanitation as well as piped water and flush toilet, and that they should refer to the rural areas as well as to urban areas.

119. It was proposed that document E/CN.3/R.2, together with the comments of the Commission, should be considered again by the Working Party on Social Programmes, as well as by regional groups concerned with housing statistics, and that the document may then be revised by the Secretary-General and circulated to national statistical offices and housing agencies of Member States for comments.

120. The Commission had before it the document on proposed methods of estimating housing needs (E/CN.3/274). It was stated that the development of a standard technique for the measurement of housing needs would be a useful step in many countries, although reservations were expressed concerning some of the concepts and formulae included. It was noted that work in this field had been initiated in Europe.

121. Attention was drawn to the fact that nationally adopted standards vary according to climate, culture, the degree of urbanization and the stage of economic development, and that the document deals with methods of estimating housing needs considered from the point of view of the need for adequate housing for the population according to nationally accepted standards rather than the demand for housing in the market sense. It was also noted that national estimates are frequently derived by integration of estimates of local needs, a method which is not fully considered in the document. It was further noted that the purpose of the document is not intended to be to develop international standards but to analyse the factors involved in making national estimates of housing needs.

122. In connexion with the criteria to be adopted in estimating housing needs it was stated that these may vary over time, within the same country, as well as from country to country, and that sufficient flexibility should be allowed for adjustment to be made in the criteria adopted. The Commission suggested that the present study would be useful in developing objective criteria and that emphasis should be placed on regional work in connexion with their future development.

123. It was proposed that document E/CN.3/274 be referred to regional groups concerned with housing statistics for its adaptation to regional needs, and that it be circulated to statistical offices and housing agencies of Member States for their comments.

124. The Commission considered a memorandum prepared by the Secretary-General containing proposals for developing a programme of current housing statistics (E/CN.3/275 and Corr.1).

125. The Commission noted the importance of developing adequate statistics in this field, and that there is a need to study ways in which housing census data can be brought up to date.

126. The Commission took note of the work done at the regional level in Europe and the Americas and recommended that regional programmes should be fully considered in the formulation of international standards.

127. The Commission adopted the following resolution:

" Resolution 13 (XI)

" The Statistical Commission,

" Noting the considerable progress that has been made in the field of housing statistics since the tenth session of the Statistical Commission,

" Requests the Secretary-General:

" 1. To pursue the work in the field of housing statistics, especially in the following aspects: (a) Development of statistical indicators of housing conditions; (b) Development of methods of estimating housing needs, adapted to the conditions of the various regions;
XI. Demographic statistics

1960 World Population Census Programme


129. The Commission was informed inter alia of the publication of the world-wide Principles and Recommendations for National Population Censuses 15 endorsed by the Commission at its tenth session, and of regional census programmes in this field; the completion of the three-volume Handbook of Population Census Methods 16 recommended for publication in English, French and Spanish at the tenth session of the Commission; the issuance, in 1959, of part 1 of the Handbook on Data Processing Methods; the organization of training courses to prepare personnel for national census taking, as well as evaluation and utilization of census results; and the extent of direct technical assistance being rendered in the census field. Recent experience in census planning and execution in the Union of Soviet Socialist Republics, the United States of America, the United Kingdom, India and Australia was also reviewed for the benefit of the Commission.

130. Members of the Commission expressed gratification at the success achieved in developing a worldwide census programme as evidenced by the number of countries (sixty-eight) which had already taken a census of population during the period 1955-1959 and the larger number (141) planned for 1960-1964. The degree of co-ordination achieved between the regional programmes together with the provision of handbooks and other training aids to national census technicians was also commended.

131. Interest was expressed in having further exchange of national experience in the use of electronic data-processing, with special reference to the possibility of eliminating the conventional punch-card stage as developed in some current censuses and surveys. The Commission noted also the necessity of evaluating the completeness and accuracy of population censuses and welcomed the emphasis being given to convening seminars on this subject. The importance of early publication of census results and the need to develop increased appreciation of the uses of census data for economic and social planning was also cited.

132. The Commission adopted the following resolution:

**Resolution 14 (XI)**

"The Statistical Commission requests the Secretary-General:

1. To continue to assemble, analyse and disseminate technical information, including the use of automatic data processing, on methods based on the new series of population censuses, giving special attention to the needs of under-developed countries;

2. To examine the extent to which countries and territories have found it practicable to adopt the international or regional recommendations;

3. To study the extent to which regional recommendations depart from international principles with a view to safeguarding inter-regional comparability;

4. To report to the Commission on these studies at a later session."

Other demographic statistics


184. The memorandum drew attention to the increase in volume and complexity of demographic statistics during the period and the effect of this on the assembling, indexing and filing of the data. Special mention was made of the steps taken to evaluate the quality of demographic statistics and the request of the Population Commission at its tenth session 17 that consideration be given to differentiating the data presented in the Demographic Yearbook according to their degree of accuracy. The Commission was informed that in the 1959 issue, now in press, an attempt has been made to accomplish this differentiation by setting in italics data considered to be of questionable reliability.

185. The memorandum also pointed out that the contents of the Demographic Yearbook continues to be planned on a rotation basis in such a way as to provide detailed coverage of each major demographic topic at five-year intervals, and migration statistics biennially.

186. Promotion of development and use of demographic statistics continue to be carried out through the medium of the handbook, consultation with national statistical offices of Member States, and seminars. Plans for three seminars to take place in 1960 were set before the Commission, the first on the Evaluation and Utilization of Population Census Data in Asia and the Far East, to be held under the auspices of the United Nations/India Demographic Centre in Chembur, Bombay; the second, in collaboration with the World Health Organization, planned for Geneva in September and dealing with the use of vital and health statistics for genetic and radiation studies; and a third, also in

15 Statistical Papers, Series M, No. 27 (United Nations publication, Sales No.: 58.XVII.5).

16 United Nations publication, Sales No.: 58.XVII.6.


United Nations publication, Sales No.: 59.XIII.1.
collaboration with the World Health Organization, which will provide technicians from the WHO Western Pacific region with means of exchanging information and experience in vital and health statistics methods.

137. The Commission was informed that the Secretariat had undertaken the study and evaluation of continuous population registers as statistical mechanisms, recommended by the Commission at a previous session and endorsed by the Population Commission at its tenth session. The study now in its formative stage is designed to provide a preliminary working paper for the Seminar on Use of Vital and Health Statistics for Genetic and Radiation Studies, and the more detailed methodological survey requested by the Commission.

138. The Commission expressed its satisfaction with the progress achieved since 1945 in developing and improving demographic statistics and adopted the following resolution:

"Resolution 15 (XI)

The Statistical Commission

Recommends the Secretary-General:

1. To complete the study of population registers with a view to ascertaining their accuracy and use as statistical mechanisms;
2. To publish the findings of the population-register study and make it available to Governments of States Members of the United Nations, and to report to the Commission at its twelfth session;
3. To continue experimentation on methods of differentiating demographic statistics according to their degree of accuracy;
4. To continue studies on methods of obtaining vital statistics in States Members of the United Nations where the conventional registration methods may not be applicable."

XII. Balance of payments statistics

139. The Commission had before it a memorandum by the International Monetary Fund entitled "Progress report on balance of payments statistics" (E/CN.3/278) dealing with progress in balance of payments statistics since the Commission's tenth session. The representative of the Fund reported on the attempts made in the current revision of the Balance of Payments Manual to develop categories, particularly in the capital account, in ways that would meet the needs of the national accounts as a whole. The representative of the Fund stressed the desirability of adopting in the national accounts a consistent treatment of capital services to Governments and private consumers.

140. The Commission noted with satisfaction the progress made in reconciling balance of payments statistics with the United Nations System of National Accounts and suggested that attempts be made to overcome the remaining inconsistencies. In this connexion, it was pointed out that the integration of financial statistics with the national accounts would have implications for the recording of balance of payments statistics.

141. The problems involved in collecting the basic statistics for balance of payments purposes were stressed and it was suggested that more attention should be given to this aspect. In particular, difficulties arise in relation to the timing of transactions, and possible distortions may arise in relating the balance of payments to specific time periods.

142. The needs of under-developed countries were discussed and it was suggested that just as there was need for special classifications of international trade suited to under-developed countries, so too it may be desirable to develop a balance of payments system related more directly to the needs of under-developed countries.

XIII. Classification of government transactions

143. The Commission reviewed the progress report on classification of government transactions (E/CN.3/279) which describes in its part A the work carried out by the Secretariat under Economic and Social Council resolution 378 D (XIII) and General Assembly resolution 407 (V). In accordance with the request of the Commission included in the report on its tenth session, the Manual for Economic and Functional Classification of Government Transactions had been circulated to Member States and interested regional and international organizations. Part B of the document includes a summary of the comments received in reply. The Commission noted the correspondence between the concepts in the Manual and the United Nations System of National Accounts.

144. The Commission was informed that, since its tenth session, the Manual had been submitted as a working document to the Regional Workshop on Budgetary Classification and Management held in Santiago, Chile, from 27 May to 5 June 1959. This meeting represented the fourth regional conference of such a nature. Another Budget Workshop, the third for the ECAFE region, will be held in August 1960 in Bangkok. The progress made by Governments of the region in the field of budgetary classification will be reviewed there. This Workshop will also have before it a draft public finance questionnaire designed for collection of public finance data on a regional basis.

145. During the discussion, reference was made to the considerable work on budgetary classification which had been undertaken in recent years in a number of countries and which had resulted in significant improvement in the reporting of government transactions. Classification of government transactions according to

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20 Ibid., Twenty-seventh Session, Supplement No. 3, para. 46.
21 Ibid., Twenty-Sixth Session, Supplement No. 10, para. 93.
22 United Nations publication, Sales No.: 58.XVI.2.
economic and functional categories is now being submitted to the legislatures in a number of countries and important progress in the field of public sector studies has been achieved. These developments made it possible to improve the presentation of public finance data in such United Nations publications as the Statistical Yearbook. The experiences of Governments in that particular field were summarized in a paper entitled Reclassification of Government Expenditures and Receipts in Selected Countries 21 which was published in 1958. The examples drawn from national documents show how the basic concepts of economic and functional classifications of government transactions had been adapted to their specific requirements.

146. A number of the statements in the course of the discussion were concerned with such questions as the extension of the reclassification work from the central government sector to the transactions of State and local governments, the practicability of imputations in the classification schemes, and the need for the development of a more simplified economic classification.

147. The view was also expressed that the Secretariat should examine the differences in the concepts and methods used in the classification of government transactions in countries with centrally planned economies and other countries, and explore the possibilities of improving their comparability.

148. Concluding, the Commission recognized the Manual for Economic and Functional Classification of Government Transactions as a useful technical contribution growing out of the Secretariat staff work and associated international discussions which has become a basic work of reference in the efforts to reclassify government accounts in various Member States. It was emphasized however that the classification schemes and accounts presented in the Manual should in no way be considered normative, but should be applied with a considerable degree of flexibility. The needs of economic policy-making and planning agencies in Member States are often paramount, and this fact also argues for the flexible adaptation of the Manual to the particular needs of countries, and cautions against the premature adoption of international standards.

149. The Commission requested the Secretary-General to circulate to the national statistical services of Member States for their information the summary of the comments received from Governments of Member States (E/CN.3/279, part B) as well as the document, Reclassification of Government Expenditures and Receipts in Selected Countries.

150. The Commission requested the Secretary-General to consider the development of simplified schemes of economic and functional classification of government transactions with reference to the particular needs of countries engaged in important economic development efforts. The relationship between the system of accounts presented in the Manual and the treatment of government accounts in centrally planned economies would also be a suitable field for study in this connexion.

151. The Commission finally recommended that progress reports in the field of classification of government accounts be submitted at subsequent sessions of the Commission, whenever developments in this field may warrant such reports.

XIV. Training of statisticians

152. The Commission considered paragraphs 218-227 of document E/CN.3/263 dealing with general problems of training. The Commission was in agreement with the view expressed that there was still an urgent need for statistical education and training at all levels. The efforts being made by several national governments and the international agencies to develop training institutions were noted with satisfaction.

153. It was agreed, as far as the training of intermediate and lower level personnel was concerned, that this might best be done at national, sub-regional or regional levels. This would enable training to be carried on in close relationship with the actual work and under conditions with which the trainees were familiar.

154. Of equal importance to the development of training activities, however, was the fact that it still remained for many governments to give proper weight to statistics and statisticians in their governmental organizations. In many areas conditions of service, including tenure and remuneration, were not such as to appeal to trained personnel; there tended to be considerable attrition of these officers to government posts offering better conditions of employment and to the private sector. The Commission wished particularly to stress the need for strengthened services with adequate conditions of employment, especially in the light of the very urgent needs for improved statistical services in connexion with problems of industrialization and development. The Secretary-General might take advantage of any ways open to him to impress these considerations upon Member States. In this connexion it was important to note the continued need to relate statistics directly to the specific uses to be served; this would call also for the training of administrators who could assist in the effective organization and use of statistics for the formulation and conduct of economic policy.

XV. Priorities of the Commission’s work programme

155. The Commission will recall that it has made a review of priorities during previous sessions in the light of then existing resolutions of the Economic and Social Council and rules of procedure.

156. Resolution 402 B (XIII) which was adopted subsequent to the sixth session of the Commission, established procedures which are recommended in connexion with the establishment of priorities. These are as follows:

(a) The Secretary-General should report to each commission session the action which he has taken to
carry out the commission's programmes according to
the priorities previously established, and submit
suggestions of priorities for future work, including
suggestions regarding projects which might be deferred
or eliminated;

" (b) The programme of work of each commission
should be divided into broad subjects, a differentiation
being made, where practicable, between those of higher
and lower priority;

" (c) The broad subjects should be subdivided into
three groups, the first group consisting of continuing
projects of high priority, the second group of ad hoc
projects also of high priority, and the third group of
projects of lower priority, which might be deferred or
eliminated, or undertaken only in so far as resources
permitted;

" (d) It is not necessary to indicate the relative
importance of individual projects in the first and
second groups, respectively, mentioned in (c); but,
within the group of projects of lower priority, individual
projects should be listed, if possible, in their order of
priority, or some indication of priority should be given;

" (e) In the case of ad hoc projects, there should be
an indication of probable duration;

" (f) The Secretary-General, within his existing autho-

rity, should have discretion as to the scheduling of
work in order that the best use may be made of existing
staff and resources and to take account of unforeseen
circumstances which may arise."

157. The following paragraph, based on the discus-
sion of the Commission at its eleventh session, contains
the proposals of the Secretary-General on the priorities
which might be accorded to the various projects
reviewed by the Commission.

158. Continuing projects of high priority:

(1) Systematic publication of international statistics,

along with the development of appropriate indexes
and bibliographies, and implementation of the changes
resulting from the revision of the SITC in the programme
of statistical compilation and publication, including
the improvement of the timeliness of its publication
programme, if necessary by the use of electronic
machines.

(2) Maintenance and development of publications
dealing with statistical methods, with particular refer-
cence to the need for the inclusion in these publications
of material concerning the practices of national offices
in solving problems of collection and analysis.

(3) Maintenance and development of arrangements
for regional consultations on statistical questions, espe-
cially in connexion with the statistical needs of the less
developed countries.

(4) Advice and assistance in giving effect to existing
standards or guiding principles for the improvement of
national and international statistics under the following
heads, together with the exchange of information on
problems of methods and applications:

(a) Population and housing censuses;

(b) Vital statistics;

(c) Statistics for social programmes;

(d) Basic industrial statistics;

(e) Index numbers of industrial production;

(f) External trade and transport statistics;

(g) Distribution statistics;

(h) National accounts;

(i) Capital formation statistics;

(j) Classification of industrial and related data
according to kind of economic activity;

(k) Basic statistical series for use in programmes of
economic and social development;

(l) Housing statistics;

(m) Questions of methodology, including sampling,
and information on automatic data processing.

159. Ad hoc projects also of high priority:

(1) Comparative study of national practices in the
field of distribution statistics, and of methods of
carrying out the census.

(2) Continuation of work towards the improvement
of comparability in external trade statistics.

(3) Comparative study of national requirements and
practices in the field of statistics of assets and liabilities
and revenue and expenditure of enterprises and develop-
ment, with the aid of experts where necessary, of
proposals concerning this field of statistics.

(4) Technical study of the statistical unit in economic
inquiries; review of national practices in this field
and preparation of suitable schemes for classifying enter-
prise-type units and relating these units and their sub-
divisions to one another.

(5) Continuation of the study of systems of industrial
statistics of selected highly industrialized countries and
of developments in basic industrial statistics and
publication of manuals and other technical reports
concerning this field.

(6) Preparation of a technical publication on the
collection and compilation of representative and compar-
able series of wholesale prices and drafting of a
set of guiding principles on this subject for use inter-
nationally.

(7) Studies designed to evaluate the accuracy of
demographic statistics and methods of differentiating
them in publications according to their degree of
accuracy, including experimental studies on methods of
obtaining vital statistics in countries where the
conventional registration methods may not be appli-
cable.

(8) Collection of information from Member States on
estimates of national product and expenditure in
constant prices, on the related price index numbers and
on the methods of computing these indexes, with a view
ultimately to preparing a study of the conceptual and
statistical problems in this field in consultation with
interested regional and international organizations.

(9) Development of methods for the compilation of
national accounts, with special regard to the problems
of capital formation statistics in countries at an early
stage of economic development.
(10) Appraisal of the conceptual and statistical problems in regard to the distribution of personal income with a view to preparing guiding principles for use in this field.

(11) Study of the remaining differences in definition and concepts in the OEEC Standardized System, the IMF Balance of Payments Manual and the System of National Accounts, with a view to eliminating these differences.

(12) Studies of systems of centrally planned and other countries with a view to discerning the conceptual differences involved and to improving international comparability, particularly in the fields of national accounts (balances of the national economy), industrial statistics and government accounts.

(13) Collection of information from Member States as to their experience with statistics of input-output and financial transactions and consultation with interested international organizations and individual experts.

(14) Give increased attention to the problems of improving the statistical quality of items in the national accounts.

(15) Completion of the methodological study and evaluation of continuous population registers with a view to measuring their usefulness as (a) a statistical mechanism, (b) a means of verifying the accuracy of population census results, and (c) a mechanism for follow-up studies.

(16) Study the extent to which Members States have been able to adopt international or regional recommendations for population censuses, and also the extent to which inter-regional comparability is maintained.

(17) Initiation of studies on socio-economic classifications in use in the various Member States with a view to promoting the use of such classifications and international comparability of statistics in this respect.

(18) Completion of studies on methods of estimating housing needs.

(19) Preparation of a handbook on sample surveys of family living conditions, in collaboration with the specialized agencies and scientific institutions.

(20) Appointment of an ad hoc group of specialists in sample survey methods to consider methods appropriate to the collection of statistics for social programmes.

(21) Preparation of a handbook on housing census methods.

XVI. Control and limitation of documentation

160. The Commission considered the document (E/CN.3/L.58/Add.1) concerning the control and limitation of documentation, as requested by General Assembly resolution 1272 (XIII), and noted that the documentation for the eleventh session of the Commission was 20 per cent less than the documentation for its tenth session.
ANNEX

External Trade Statistics: Financial implications relating to resolution 6 (XI)

1. Resolution 6 (XI) requests publication of the Standard International Trade Classification as revised and of related alphabetic (commodity) indexes. In addition it requests the application of the SITC, Revised, to the compilation of data for “Commodity Trade Statistics”, beginning with data for the full year 1960 and taking into account the suggestions for improvement which have been made by the Commission.

2. The implementation of the resolution will involve in 1961 an additional cost of $30,000 beyond the costs foreseen prior to the consideration of the resolution. Of this $10,000 (see paragraph 3 (b) below) is for preparing the text of the alphabetical commodity indexes to the SITC, Revised, which are mentioned in paragraph 3 of the resolution. The remaining $20,000, which, as explained in paragraphs 4 and 5 below would recur each year, is to make possible by the use of additional staff or preferably by high-speed, large-memory, stored-programme machines the processing of statistical data according to the SITC, Revised, in such a way as to provide the degree of detail described in the resolution (see paragraphs 3, 4 and 5 of the resolution).

3. The publication of the SITC, Revised, and of the commodity indexes would involve the following estimated expenditure.

(a) Printing

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<th>Language</th>
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<th>Pages</th>
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<tr>
<td>E</td>
<td>3,750</td>
<td>200</td>
<td>3,700</td>
</tr>
<tr>
<td>F</td>
<td>1,150</td>
<td>55</td>
<td>3,000</td>
</tr>
<tr>
<td>S</td>
<td>950</td>
<td></td>
<td>3,000</td>
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<tr>
<td><strong>Total</strong></td>
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<td></td>
<td><strong>10,000</strong></td>
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(ii) Commodity Indexes for the SITC ........................................

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<tr>
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<td>752</td>
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<td>F</td>
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<td><strong>Total</strong></td>
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<td></td>
<td><strong>13,700</strong></td>
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</table>

(b) Contractual costs for production of machine-recorded text ................................................................. 10,000

* For these sums see paragraph 5 below.

4. Application to the compilation of “Commodity Trade Statistics” of the SITC, Revised, and particularly of the suggestions for improvement made by the Commission would require additional facilities, whether the work is done manually or by machine. The reasons for this are the increased selectivity of publication which is proposed, the need during the next several years for central conversion of national data to the form of the SITC and, on a long-run basis, the increased volume which will result from participation of additional countries on the new basis.

5. If this work is performed manually it would require a permanent increase in statistical staff of one (P-2) statistical supervisor and two General Service clerical staff at an estimated cost in the first full year of $20,590 (gross salary plus common staff costs). If it were found possible to carry out the operations through the use of high-speed, large-memory, stored-programme computing machines, no increase in statistical staff would be needed but an annual expenditure of approximately $20,000 for machine contracts would arise.

6. The Secretary-General would undertake to carry out the proposals of the resolution in the following way:

(a) Publications

Allowance for printing the SITC, Revised, has provisionally been made in the 1960 Publications Programme. If the project is approved, the Secretary-General would envisage giving it high priority within the existing level of appropriations and would endeavour to issue the SITC, Revised, under the 1960 Publications Programme. As regards the commodity indexes, publication is now planned for 1961 and provision will be made for internal reproduction in that year.

(b) Contractual costs for Commodity Indexes

The contractual costs for the production of machine-recorded lists for the Commodity Indexes, estimated at $10,000, would be taken into account in presenting revisions of the initial 1961 estimates to the General Assembly at its fifteenth regular session.

(c) Machines for processing statistics

The contractual cost of use of computing machines for processing statistics or, if the experiments referred to in paragraph 5 of the resolution give a negative result, the alternative staff costs, would similarly be taken into account by the Secretary-General in presenting revisions of his 1961 estimates to the General Assembly at its fifteenth regular session.
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