

at which the goods "originate" for the purpose of statistical classification? It must inevitably be arbitrary, and that very exclusion of the pursuit of the goods' origins beyond a certain arbitrarily selected point defeats a great deal of the theoretical merit of this classification: it goes some way towards a juster picture of economic relations, but possibly not far enough to justify the added labour and the misleading appearance of finality. The classification shows, not the point of origin of the goods, but the point at which the last work to reduce them into the form in which they are imported into the Irish Free State was done. From another point of view the "consignment" classification is of direct interest, and I should greatly regret its disappearance. It is with the country of consignment that the immediate financial arrangements relating to the trade transactions are made, and in all questions of exchange and balances of payments it is these arrangements that are relevant. Lastly, on this point, I think table 96 in the Statistical Abstract for 1937 is dangerous; a summary table, it is the one that will be read and quoted by amateurs, who cannot be trusted to observe and report that the last column is headed "origin," and the preceding ones "consignment," so that they are not comparable; if it is desired to show the "origin" figures for 1936, the "consignment" ones also should be included for comparative purposes, as in the more detailed table 94.

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## (2) Some Notes by a Businessman.

By J. C. M. EASON, B.A., O.B.E.

Since the formation of the Irish Free State as a separate political unit, special interest attaches to the various statistical tables prepared and published, recording the changes taking place in economic and social activities. Such details have become more important in all progressive countries throughout the world because of the growing complexity of social and economic life. Governments all over the world are being called upon increasingly to intervene in the individual activities of their citizens, and knowledge of the facts regarding economic activities within each State has become essential.

In the course of his address to the British Association in 1936, Sir Josiah Stamp drew attention to the fact that we are becoming more self-conscious than before as the result of the large mass of statistics published broadcast at frequent intervals (and, he added, also more conscious of the individual hardships which attend communal progress).

Undoubtedly, there are figures selected from the large mass of available data and published in the daily Press, which have a plain significance, as for instance, the Revenue Returns. There are also figures published which bear little significance until they are interpreted, *e.g.*, Railway Traffic Receipts, giving inadequate information and sometimes leading the public towards a wrong conclusion. Now, it is probably true that a great number of people are positively sceptical with regard to the utility of statistics, and that many more are not so much doubtful as indifferent because they do not visualise for themselves the facts which lie behind figures relating to activities which possibly are outside the normal experience; and there are those

who prefer to act upon their limited individual experience rather than make a survey of facts as a whole.

Possibly, also, there is a small group which suspects the motives lying behind the Government activities in collecting figures because of the possibility that they will ultimately lead to Government action in what is regarded as purely private matters; and I have also come across a more sophisticated viewpoint which objects to the figures because to form a basis for action figures must be up to date, whereas the statistics in question are never up to date.

Whatever be the views held—and they are varied—it cannot be questioned that there is a wide public interest, and that while many are continually tapping the barometer to see what is happening in our economic weather conditions, all will admit the necessity of help in interpreting the movements which are indicated from time to time.

This evening we are concerned with the Trade and Shipping Statistics, which occupy an accepted position in the public's opinion of their value. As compared with some of the other figures, there is a longer history behind them; they get more publicity in the columns of the public Press, and the facts which they deal with are of general public interest.

At the same time, neither the monthly issues nor the annual volume of figures enjoys what might be called a large circulation. The 1935 edition—which was the last available, and which contains a most elaborate survey of five years' trading—sells at 2/6, and is remarkably good value, but I doubt if it gets as much attention as it deserves. The businessman and the farmer who might, perhaps, be expected to interest themselves in these matters, are not ready purchasers: knowledge of the facts of trade in general is not of compelling importance to the man who is carrying on some particular type of business; his actions are almost wholly decided by the circumstances of the moment as regards price and profit, and the tables published indicate the composite results of the variety of individual decisions made by producers and distributors throughout the country. I am not knowledgeable enough regarding farming to know if the average prices which are revealed in the statistics are sufficiently close to the mean to serve as a guide, but certainly in some other classes of goods the figures are of comparatively little value. In connection with the average price for periodicals, books and papers it is of interest only when one year is compared with another, in the case of papers, the average is close to the mean, but in the case of periodicals—which include all monthly and weekly publications together—the highest and lowest prices are much further apart; in connection with books, the figure is merely a correct arithmetical calculation, for a very large volume of the business must be done at prices which are far removed from the average.

As an indication to manufacturers of the volume and value of the trade which is competitive the figures provide a sum total which is of importance to a group, but owing, however, to the inevitable blending together of a variety of items the figure is uninformative to the individual manufacturer. The public demand is for an article of a certain kind or quality at varying prices, and the manufacturer who is producing in competition must, therefore, ascertain in some other way what are the facts. I cannot see that he can obtain them from the trade statistics, nor do I suggest that the analysis of imports should be carried to such an extent that these figures will be provided.

There are those, however, to whom the figures are of importance. Major decisions regarding capital expenditure and trading policy are largely influenced by the figures available, or at any rate they should be. A business firm planning for some years ahead must have some knowledge of trends, although I suspect that in many cases there must remain a large element of speculative risk. It is significant that at a time when we are producing more figures than ever to indicate movements of trade, it is increasingly difficult to forecast the probable course of events for more than a few years ahead. The forces underlying certain trends are not always easy to measure, and there is an incalculable factor arising from Government intervention, with the result that here and elsewhere important decisions have to be based upon opinion as to the probable course of Government policy rather than upon an examination of price levels.

While, however, the businessman is not particularly concerned with the generalities, he is very definitely interested in the preliminary processes which lead to the collection of the details summarised in these figures. It would be interesting to trace in detail the gradual improvement in the process of collecting accurate figures; the business man knows that in his own business it has become more precise. When the statistics were first compiled, they were based upon declarations made in good faith by persons who were not knowledgeable as to the type of description required for Customs purposes or primarily concerned with the meticulous accuracy of the value declared. The first marked advance towards greater accuracy was made with the imposition of the Customs entry duty, which immediately required a more careful classification of goods, because a payment had to be made for each item in the classification. The same difficulty as to accurate description arose when the British tariffs were first imposed; it was particularly noticeable in connection with the Wrapping Duty, which led to some very substantial changes in the recorded values of certain types of paper. As duties became more widely imposed the Revenue Department obtained not only a more accurate description, but also the precise value, all tending towards a more complete inventory.

It creates difficulty for employees who have been carrying on for years with a certain routine to suddenly find that matters, which were of no immediate concern in connection with the management of the business, occupied a place of major importance in the minds of the Customs officers. To the business mind it seemed unnecessary that there should be so much meticulous recording of the cost of packing cases, the precise recording of discounts on an invoice, and the description of goods to agree with the formal and sometimes peculiar terms of the Import List. These are matters, however, in respect of which time and trouble has been spent during recent years, and the education of the importer has been carried to such an extent that few difficulties now arise. Unfortunately, the business houses on the other side have not yet got altogether accustomed to the requirements of the Free State, though there again the educational processes have penetrated a very long distance. On full consideration no one will question the necessity of obtaining the information asked for: it does enable an accurate picture of the external trade of the country to be presented, and that is a primary need. My experience would certainly lead me to regard the figures which were published in former years as being, by comparison with the present-day results, mere approximations con-

taining large individual errors, the general position being that imports tended to be overvalued and exports undervalued.

By special arrangement with the Department, those who desire to get more detailed information and to receive it at an earlier date, can do so by making a payment for the service. In all cases it is of definite value, and I would expect that most trade organisations are availing themselves of this service.

### (3) Methodological Aspects.

By STANLEY LYON, B.A., Director of Statistics Branch.

In May, 1925, I read before this Society one of a series of short papers which were then presented on Trade Statistics and I am glad to have this opportunity of bringing to your notice some facts which will indicate that substantial progress has been made since then in the form of presentation of the Saorstát Trade Statistics. While it is undesirable that there should be frequent changes in the method of compilation, tabulation or presentation of any set of statistics thus preventing satisfactory comparisons being made, there come times when a change in method is a necessary step in the stage of development and improvement of the statistics themselves.

The year 1924 was the first for which Trade Statistics of the Saorstát were collected and compiled, and the methods adopted were published in the report on the trade of that year. *Experientia docet* and the volume on Trade and Shipping Statistics published last year bears only a slight resemblance to the initial effort. The first report comprised 95 super royal octavo pages, whereas the report for 1935 extended to 352 pages of the same size.

Perhaps the most important change in the method of recording Trade Statistics was in classifying imports by country of origin instead of by country whence consigned and incidentally removing the cause for "disappointment" referred to by the late Professor Oldham, for several years President of this Society, who once stated:—\*

"These statistics cannot tell us anything about the *economic relations* between the Irish Free State and the other countries of the world. This is such a disappointment that most people will not stand it; they will persist in using the geographical classification in these trade tables without regard to the validity of the evidence. He who wishes to be deceived let him be deceived!"

Next in importance might come the appreciable extension of the list of commodities for which detail figures are given, and thirdly, the inclusion of tables in which the total trade of the year is classified in accordance with groups and sub-groups drawn up for purposes of international comparisons by a Committee of Statistical Experts of the League of Nations. Trade is essentially international and it was always a drawback in the past that no satisfactory comparison between countries could be made except by much work and study on the detail tables presented in each country's own Trade Statistics, and I might add that the nomenclature expressed in the various foreign languages did not lessen the difficulty.

*Country of Origin.*—The change was made as from 1st April, 1935, in the recording of imports by origin instead of consignment. It is usually a mistake to change any system except at the beginning of

\*Journal of the Statistical and Social Inquiry Society of Ireland. Part C. Vol. XV, Page 115.