

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.

the customary period by which they are compiled; in this case it was the calendar year. But owing to the pressing necessity for having origin figures available for those engaged in negotiations preparatory to the making of Trade Agreements or Trade Treaties between the Saorstát and other countries, it was decided to institute the change at the earliest possible moment after the demand for origin figures became insistent. For four years prior to 1935 statistics of imports of a few commodities were compiled both by country from which consigned and by country of origin. The list of commodities was short, only 13 items, and the results were published in a special table in the annual reports on trade for each year from 1930 to 1935 inclusive. This first collection of statistics according to the dual classification threw a completely new light on the real trade of the country in some articles; for example, in 1930 Great Britain was credited with a consignment trade in bacon amounting to £1,335,000 whereas Great Britain's origin trade in bacon amounted to only £7,000.

In order to be able to compare how far the geographical classification of the trade was affected by the change from recording imports by country whence consigned to country of origin, the *value* of the trade in the different items imported after April, 1935, was continued to be compiled by country from which consigned, and the following table shows the effect of the change in the value of the trade in 1936 according to principal countries.

## VALUE OF IMPORTS IN THE YEAR 1936

| Country   | Consignment       | Origin            | Difference |
|---|-------------------|-------------------|------------|
|   | £                 | £                 | £          |
| ORIGIN FIGURES LESS THAN CONSIGNMENT FIGURES    |                   |                   |            |
| Great Britain ... ..                            | 26,649,406        | 20,704,219        | -5,945,187 |
| Northern Ireland ... ..                         | 1,588,464         | 549,049           | -1,039,415 |
| Netherlands ... ..                              | 677,897           | 487,938           | -189,959   |
| Belgium ... ..                                  | 1,315,411         | 1,155,110         | -160,301   |
| Other Countries ... ..                          | 128,533           | 119,127           | -9,406     |
| ORIGIN FIGURES GREATER THAN CONSIGNMENT FIGURES |                   |                   |            |
| India (British) ... ..                          | 29,713            | 1,271,584         | +1,241,871 |
| United States of America ... ..                 | 1,849,736         | 3,080,291         | +1,230,555 |
| Argentina ... ..                                | 640,716           | 1,151,698         | +510,982   |
| Canada ... ..                                   | 1,149,486         | 1,607,670         | +458,184   |
| Saorstát Eireann... ..                          | —                 | 407,857           | +407,857   |
| Japan ... ..                                    | 19,120            | 408,427           | +389,307   |
| East Indies (Dutch) ... ..                      | 8,717             | 396,121           | +387,404   |
| Australia ... ..                                | 1,402,203         | 1,699,937         | +297,734   |
| France ... ..                                   | 273,826           | 460,108           | +186,282   |
| U S S R (Russia) ... ..                         | 312,356           | 462,275           | +149,919   |
| Czechoslovakia ... ..                           | 177,559           | 298,816           | +121,257   |
| Spain ... ..                                    | 177,567           | 283,959           | +106,392   |
| Mexico ... ..                                   | 22,026            | 107,583           | +85,557    |
| Sweden ... ..                                   | 383,919           | 466,233           | +82,314    |
| Germany ... ..                                  | 1,305,400         | 1,378,856         | +73,456    |
| Iran ... ..                                     | 132,592           | 190,970           | +58,378    |
| Switzerland ... ..                              | 54,079            | 111,278           | +57,199    |
| Poland (including Danzig) ... ..                | 151,950           | 203,227           | +51,277    |
| West Indies (Dutch) ... ..                      | 337,145           | 386,504           | +49,359    |
| Portugal ... ..                                 | 173,441           | 219,681           | +46,240    |
| Denmark ... ..                                  | 146,614           | 167,611           | +20,997    |
| Finland ... ..                                  | 336,831           | 354,433           | +17,602    |
| Other Countries ... ..                          | 467,853           | 1,781,998         | +1,314,145 |
| <b>TOTAL TRADE ... ..</b>                       | <b>39,912,560</b> | <b>39,912,560</b> | <b>---</b> |

The entrepôt trade of some countries stands unmasked, e.g., Great Britain, Northern Ireland, Netherlands and Belgium get credit for the value of goods which did not originate there, but, of course, so far as trading *per se* is concerned they were entitled to that credit. They were in the position of wholesaler compared with manufacturer or producer. On the contrary side, we find countries such as India, United States of America, Argentina, Canada, Japan, Dutch East Indies, Australia, etc., with very large "origin" figures and comparatively small "consignment" figures. It will be seen also that when a classification of our import trade is made by country of origin we may have to show Saorstát Éireann as a country whose goods are imported—perhaps re-imported would be the more correct word. But the really significant facts shown up by this table are the much greater number of countries in the lower part of the table than in the upper portion and that whichever way the value of the trade is looked at, by consignment or origin, Great Britain accounted for over half.

*Extension of List of Commodities.*—The first Saorstát Official Import List was experimental and was based on the list then in use in the United Kingdom. This list was used for 1924 and 1925. After the experience of two years' working the list was drastically revised by the deletion of many headings and the addition of a few new headings, resulting in a net decrease of 488 headings. The official import list, which then contained 892 descriptions of goods survived without much change up to recent years when, with the development of the industrial, and resulting, tariff policy of the Government and the making of International Trade Agreements, a demand for greater detail in Trade Statistics became so pressing that the list now comprises 1,974 separate items. Though statistics of value and in most cases quantity are available for each of these descriptions of imports, they are not all published in detail and in a number of cases are grouped with other appropriate cognate figures and presented in one total. For instance, notwithstanding that the Official Import List provides for separate figures for each of the following descriptions of fencing material:—

- (1) Continuous bar fencing and hurdles;
- (2) Gate posts and gate columns;
- (3) Gates;
- (4) Standards, straining pillars, droppers;
- (5) Vertical bar railing, and
- (6) Other sorts,

only one total figure is published in the Annual Trade Statistics, viz., for the heading "Fencing Material (except wire) and component parts."

The number of published headings for imports in 1924 and following years up to 1929, inclusive, was 521; the corresponding number for 1935 was 1,030 headings—nearly twice as many. The descriptions in the the Official Export List have not changed much; in 1924 they were 432 and now they number 459, but the number of headings for which Export figures are published has increased from 197 in 1924 to 390 in 1935.

*International Minimum List.*—The Minimum List of commodities for International Trade Statistics prepared by the Committee of Statistical Experts of the League of Nations was published at the end of July, 1935. The following countries, up to the beginning of March

last, had stated their intention to publish statistics in conformity with the new international classification:—

|                 |              |              |                  |
|-----------------|--------------|--------------|------------------|
| Australia.      | France.      | Netherland   | Sweden.          |
| Austria.        | Hungary.     | Indies.      | Switzerland.     |
| Belgium.        | Iceiland.    | New Zealand. | Union of S.      |
| Bulgaria.       | India.       | Norway.      | Africa.          |
| Canada.         | Iraq.        | Poland.      | United States of |
| China.          | Latvia.      | Portugal.    | America.         |
| Czechoslovakia. | Lithuania.   | Saorstát     | United Kingdom.  |
| Denmark.        | Netherlands. | Eireann.     | Yugoslavia.      |

Commodities in Trade Statistics are classified and arranged into some logical groupings and sequence. This is done for two main reasons—convenience of reference and for summarisation and analysis. The Committee of Statistical Experts of the League of Nations applied themselves to this task and have so far issued several reports on the matter. Their most recent report suggests groupings according to 17 main sections, 50 chapters and 456 primary items, of which a number are sub-divided, making a net total of 692 items and sub-items. The Saorstát *national* groups and the League of Nations *international* groups are set out in the following lists.

#### SAORSTÁT IMPORT LIST—(Classes and Groups)

|   |   |
|---|---|
| CLASS I— <i>Live Animals</i>  | F Vehicles (including Locomotives<br>Ships, Aeroplanes and Parts)   |
| CLASS II— <i>Food, Drink and Tobacco</i>                                    | G Wood and Timber and Manufactures thereof  |
| A Foodstuffs of Animal Origin   | H Textiles, except Apparel  |
| B Cereals and Feeding Stuffs  | I Personal Clothing and Wearing Apparel and Component parts and Accessories thereof                         |
| C Fruit, Vegetables, Vegetable Oils, and Fats, Edible                       | J Hides, Skins, Fur Skins, Leather and Manufactures thereof (except Apparel and Rugs other than Floor Rugs) |
| D Miscellaneous Articles of Food  | K Rubber and Rubber Manufactures (except Apparel)   |
| E Drink   | L Paper and Cardboard, etc  |
| F Tobacco   | M Oil Seeds, Oils, Fats, Resins and Gums and Manufactures thereof (including Candles and Soap)              |
| CLASS III— <i>Other Raw Materials and Manufactured Goods</i>                | N Fertilisers   |
| A Non-metalliferous Mine and Quarry Products and Manufactures thereof       | O Chemicals, Drugs, Perfumery, Dyes and Colours   |
| B Iron and Steel and Manufactures thereof (excluding Cutlery and Machinery) | P Miscellaneous Articles, Raw and Manufactured  |
| C Non-Ferrous Ores, Metals and Manufactures thereof                         |   |
| D Cutlery, Hardware, Implements and Instruments                             | CLASS IV— <i>Parcel Post</i>  |
| E. Machinery and Electrical Goods and Apparatus                             | CLASS V— <i>Bullion and Spectre</i>   |

#### LEAGUE OF NATIONS MINIMUM LIST (Sections and Chapters)

|   |   |
|---|---|
| SECTION I— <i>Food Products, Beverages, Tobacco</i> | „ 3 Dairy Products, Eggs and Honey                              |
| Chapter 1. Live Animals, chiefly for food           | „ 4 Fishery Products for Food                                   |
| „ 2. Meat and Preparations thereof                  | „ 5 Cereals   |
|   | „ 6 Manufactured Products of Cereals principally for Human Food |

- ,, 7 Fruits and Nuts, except Oil-nuts  
 ,, 8 Vegetables, Roots and Tubers chiefly used for Human Food, and their Preparations, n e s  
 ,, 9 Sugar and Sugar Confectionery  
 ,, 10 Coffee, Tea, Cocoa and Preparations thereof, Spices  
 ,, 11 Beverages and Vinegars  
 ,, 12 Feeding Stuffs for Animals  
 ,, 13 Tobacco
- SECTION II — *Fatty Substances and Waxes, Animal and Vegetable*
- Chapter 14 Oil-Seeds, Nuts and Kernels  
 ,, 15 Animal and Vegetable Oils, Fats, Greases, Waxes and their Manufactures, n e s
- SECTION III — *Chemicals and Allied Products*
- Chapter 16 Chemical Elements and Compounds, Pharmaceutical Products  
 ,, 17 Dyeing, Tanning and Colouring Substances  
 ,, 18 Essential Oils, Perfumery, Cosmetics, Soaps and Related Products  
 ,, 19 Fertilisers
- SECTION IV — *Rubber and Manufactures thereof n e s*
- Chapter 20 Rubber and Manufactures thereof
- SECTION V — *Wood, Cork, and Manufactures thereof*
- Chapter 21 Wood, Cork and Manufactures thereof.
- SECTION VI — *Pulp, Paper and Card-board and Manufactures thereof*
- Chapter 22 Pulp, Paper and Cardboard and Manufactures thereof
- SECTION VII — *Hides, Skins and Leather and Manufactures n e s*
- Chapter 23. Hides, Skins and Leather.  
 ,, 24 Manufactures of Leather, not including Articles of Clothing  
 ,, 25 Furs, not made up.
- SECTION VIII — *Textiles.*
- Chapter 26. Textile Materials, Raw or Simply Prepared
- Chapter 27 Yarns and Thread  
 ,, 28 Textile Fabrics and Small Wares  
 Chapter 29 Special and Technical Textile Articles
- SECTION IX — *Articles of Clothing of all-Materials and Miscellaneous Made-up Textile Goods.*
- Chapter 30 Clothing and Underwear of Textile Materials, Hats of all Materials  
 ,, 31 Clothing of Leather and Fur  
 ,, 32 Footwear, Boots, Shoes and Slippers  
 ,, 33 Made-up Articles of Textile Materials other than Clothing
- SECTION X — *Products for Heating, Lighting and Power, Lubricants and Related Products, n e s*
- Chapter 34 Products for Heating, Lighting and Power, Lubricants and Related Products, n e s
- SECTION XI — *Not-metallic Minerals and Manufactures thereof, n e s.*
- Chapter 35. Not-metallic Minerals, Crude or Simply Prepared, n e s  
 ,, 36 Pottery and other Clay Products  
 ,, 37 Glass and Glass-ware  
 ,, 38 Manufactures of Non-metallic Minerals, n e s
- SECTION XII — *Precious Metals and Precious Stones, Pearls and Articles made of these Materials.*
- Chapter 39. Precious Metals and Precious Stones, Pearls and Articles made of these Materials
- SECTION XIII — *Base Metals and Manufactures thereof, n e s.*
- Chapter 40. Ores, Slag, Cinder.  
 ,, 41 Iron and Steel  
 ,, 42 Non-ferrous Base Metals.  
 ,, 43 Manufactures of Base Metals, n e s
- SECTION XIV — *Machinery, Apparatus and Appliances, n e s, and Vehicles.*
- Chapter 44 Machinery Apparatus and Appliances, n e s, other than Electrical  
 ,, 45 Electrical Machinery, Apparatus and Appliances

|  |   |
|--|---|
| Chapter 46. Vehicles and Transport Equipment, n e s                | Chapter 48. Manufactured Articles, n.e.s.                   |
| SECTION XV.— <i>Miscellaneous Commodities, n e s.</i>              | SECTION XVI— <i>Returned Goods and Special Transactions</i> |
| Chapter 47. Miscellaneous Crude or Simply Prepared Products, n e s | Chapter 49. Returned Goods and Special Transactions         |
|  | SECTION XVII— <i>Gold and Specie</i>                        |
|  | Chapter 50. Gold and Specie.                                |

Comparing the groupings used in the Saorstát Official Import Statistics with those proposed by the League of Nations, we find a considerable degree of correspondence, but the sequence is different as will readily be seen if the two lists are compared. Their Section I (Chapters 1-13) comprises completely our Classes I and II and follows in the logical sequence of :—animals and animal products, cereals, fruit and vegetables, beverages and tobacco. Our Class III comprises all else and the sub-groups of that class very nearly correspond with the Chapters 14-50 in Sections II *et seq.* of the League of Nation's list. The only two groups in the League of Nation's classification which cannot be jig-sawed without difficulty into the Saorstát list are Chapter 34—Products for Heating, Lighting and Power, Lubricants and related products and Chapter 39, Precious Metals and Precious Stones, Pearls and Articles made of these materials. In the Saorstát grouping the former would be included in Class III between groups A and M and the latter in Class III C. In the Saorstát groupings, it will be noted that separate headings are given to (a) Iron and Steel Manufactures, (b) Vehicles and (c) Fertilisers.

The logical principles according to which the classification of commodities should proceed, are :—

- (a) Nature and component material;
- (b) Stage of production, and
- (c) Purpose or use.

It will be understood that as the main purpose here is the subject of classification the following figures for the year 1935 are given merely in illustration of the principles. An analytical comparison over a period of years is matter for the Official Trade Report.

Taking the Saorstát Trade in the year 1935 we find the grouping and classification according to Nature and Component Material published in tables 14 (imports) and 15 (domestic exports) of the report on Trade and Shipping Statistics, 1935. They are very long tables and it is not necessary to reproduce them here in full. Only the value of the trade according to the 17 main groups is given in the following table :—

VALUE OF TRADE OF SAORSTÁT EIREANN IN 1935 CLASSIFIED  
ACCORDING TO THE MAIN GROUPS OF THE MINIMUM LIST  
DRAWN UP BY THE LEAGUE OF NATIONS

|  | Imports    | Domestic Exports |
|--|------------|------------------|
|  | £          | £                |
| SECTION I Food Products, Beverages, Tobacco ...  | 9,654,084  | 16,165,760       |
| „ II Fatty Substances and Waxes, Animal and Vegetable                                  | 438,416    | 174,962          |
| „ III Chemicals and Allied Products ...  | 1,647,993  | 44,523           |
| „ IV Rubber and Manufactures thereof, n e s  | 339,888    | 1,361            |
| „ V Wood, Cork and Manufactures thereof  | 1,252,131  | 49,035           |
| „ VI Pulp, Paper, and Cardboard Manufactures thereof                                   | 1,200,379  | 15,168           |
| VII Hides, Skins and Leather and Manufactures thereof, n e s                           | 876,290    | 320,683          |
| „ VIII Textiles . . . . .  | 4 209,794  | 845,664          |
| „ XI Articles of Clothing of all Materials and Miscellaneous Made-up Goods             | 2,521,841  | 67,930           |
| „ X Products for Heating, Lighting and Power, Lubricants and Related Products, n e s   | 3,851,598  | 32,519           |
| „ XI Non-metallic Minerals and Manufactures thereof, n e s                             | 1,252,234  | 28,781           |
| „ XII Precious Metals and Precious Stones, Pearls and Articles made of these materials | 26,403     | 491              |
| „ XIII Base Metals and Manufactures thereof, n e s                                     | 2,941,999  | 137,560          |
| „ XIV Machinery, Apparatus and Appliances, n e s, and Vehicles                         | 4,275,979  | 34,258           |
| „ XV Miscellaneous Commodities, n e s ...  | 2,513,178  | 1,298,260        |
| „ XVI Returned Goods and Special Transactions  | 345,653    | 397,683          |
| TOTAL I TO XVI ... ..  | 37,347,860 | 19,614,638       |
| „ XVII Gold and Specie ... ..  | 115,598    | 147,235          |
| GRAND TOTAL (including Gold and Specie)  | 37,463,458 | 19,761,873       |

The classifications according to (a) Stage of Production and (b) Purpose or Use are as follows:—

| BY STAGE OF PRODUCTION                               | Imports    | Exports    |
|--|------------|------------|
|  | £          | £          |
| Crude Materials ... ..                               | 11,260,848 | 9,493,831  |
| Simply transformed articles ... ..                   | 7,487,490  | 4,737,539  |
| More elaborately transformed articles ... ..         | 17,780,365 | 4,741,616  |
| Unclassified ... ..                                  | 934,755    | 788,887    |
| TOTAL ... ..   | 37,463,458 | 19,761,873 |
| BY USE :   |            |            |
| Materials for Production ... ..                      | 17,059,403 | 7,901,249  |
| Oils and Fats ... ..                                 | 438,416    | 174,962    |
| Fuel, Electric Energy and Lubricants ... ..          | 3,851,598  | 32,519     |
| Capital Equipment ... ..                             | 3,934,461  | 746,194    |
| Articles ready for Retail Sale or for Consumers' Use | 11,244,825 | 10,118,062 |
| Unclassified ... ..                                  | 934,755    | 788,887    |
| TOTAL ... ..   | 37,463,458 | 19,761,873 |

The big values shown for "Unclassified" are made up of Parcel Post (Imports £330,903 and Exports £242,199), Miscellaneous Manufactures (Imports £142,601 and Exports £1,770), Special Transactions (mainly horses) temporarily imported or exported (Imports £345,653, Exports £397,683) and Gold and Specie (Imports £115,598 and Exports £147,235).

It would provide material for a full paper for this Society rather than the type of contribution being made this evening to explain the reasons for the changes which are made or which are desirable in the different groupings used. So long as the same principles are used by a country in its own Trade Statistics the figures are comparable over a time series, *i.e.*, year by year. It is when we come to make comparisons between one country and another over the same period of time that the work of the Committee of Experts of the League of Nations is fully appreciated.

---



## DISCUSSION.

Proposing a vote of thanks, **General Mulcahy** said that every member of the Society would be grateful for the papers they had just listened to. He thought that the nature of the subject dealt with would remind them of their indebtedness to the Statistics Branch of the Department of Industry and Commerce for the valuable material put at the disposal of the lecturers.

There was one aspect of the adverse trade balance which he as a comparative amateur felt of the greatest importance, and that was the figure of the adverse balance as a percentage of the domestic exports which it now nearly equalled. With an increase in this percentage the balance was hitting a country gradually growing less able to bear the strain of it internally. The adverse trade balance was not likely to improve in the future and was striking the country with much more greater momentum. He would say that as far as the figures had been produced up to the present, there had been a steady tendency for import prices to rise without a similar tendency in the case of export prices. Mr Eason had pointed out that in the earlier years there had been a tendency to over-value the imports and to under-value the exports. If that was so then the adverse trade balance to-day was even greater than it would have been if that tendency were not there.

He agreed with Mr. Eason that it would be a valuable thing if the Preface to the 1935 Trade Report could be published as a separate volume ; but were we to wait until 1940 for the next review of the trade situation ? He thought it was very much to be regretted that the policy pursued in the past of giving an annual review was not persisted in. Volumes of trade statistics from 1924 to 1930 were small, nevertheless they were governed by a policy of producing statistics that were vitally important to the people of the country. An extract was given of the imports to Great Britain in those particular markets with which we were concerned, the countries supplying cattle, sheep, pigs, etc. etc., and the amounts. An annual picture was given of the imports and exports of this country put side by side with one of its principal competitors—Denmark. When we came to the larger report of 1930 it dealt with the position of the cattle trade for the world as a whole, taking into consideration our own situation and its trends and giving a very detailed report indeed. When we turned to the report of the next five years it was to find that our eyes were shut to the export market except in regard to bacon.

The statistics produced by Professor Duncan indicated that we were as vitally interested in the market in Great Britain to-day as ever before. There was no one who did not realise that, and he felt that to concentrate as we were doing on what was going on internally was disastrous from the economic point of view. We could not show any satisfactory development unless we watched our external trade also. He would like to see a quarterly pamphlet issued from the Statistics Office which would analyse the position clearly.

**Mr. Prendeville** seconded the vote of thanks and said there were one or two points that had struck him. The first (taking in particular Professor Duncan's paper) was that the period under review had been so abnormal that one could not really be justified in drawing any dogmatic conclusions from the figures and facts mentioned. From 1926 to 1936 there were a number of abnormal forces all acting, more or less, to depress our foreign trade. There were the penal duties on agricultural produce from 1932 ; the rapid industrial changes brought about under the aegis of the present Government ; the world depression ; the stoppage of emigration to America and its direction to Great Britain ; the new protective policy of Great Britain and, lastly, the sharp rise in raw materials which entered into our import trade in considerable volume. If these factors were kept in mind and the reaction of

these factors on our efforts to substitute home products for imported goods, by way of subsidies to native industries, the decline had not been so great as one would have expected.

Professor Duncan had introduced a very interesting volume indicator and, if he was not mistaken, there was no such indicator in the official report. Perhaps it might be adopted and elaborated still further. There was a tendency, he felt, merely to look at values ; but they must also keep an eye on quantities.

Mr. Lyon's paper had brought to mind the question of freight rates. From his figures it was obvious that the amount of shipping coming into the country was enormous. According to the 1935 Shipping Statistics certain big ports—notably Dublin, Limerick, and Cork—were capturing the bulk of the trade. Firms placed at a distance from the distributing ports must be at a great disadvantage. He did not know if it was possible to get any figures for freight on imports but it would be interesting to know the amount paid.

**Professor Smiddy**, in associating himself with General Mulcahy's remarks about the good work of the Statistics Branch, said that the papers just read had demonstrated the efficiency of the Office and its consistent progress. He himself owed a great deal to his contact with it. Each paper was full of points of interest, any one of which would be sufficient in itself for an evening's discussion.

With regard to paragraph 2 of Professor Duncan's paper, he did not quite follow this paragraph at the top of page 2. In so far as we did not pay the British the sums in dispute, which approximated to £5 millions a year, there was a corresponding diminution in invisible imports. On the other hand, our visible exports would have been diminished by the amount of the £5 millions ; and so far that £5 millions has been collected in duties by the British. That sum was offset, however, by the amount of the bounties paid on exports to Great Britain.

There was another more important point he wanted to bring to Professor Duncan's notice, in regard to the last sentence in paragraph 2. Professor Duncan chose an abnormal time in selecting this period. Between the beginning and end of 1932 there accumulated a large amount of fugitive moneys. If he took the first quarter of 1932 that figure would be very much reduced. Again, he did not think he took into account a change that was made in the method used by the Currency Commission for tabulating foreign assets held by the Banks. A change was made a few years ago by which the whole of the capital owned by banks incorporated outside the Free State, instead of being divided between "outside" and "inside" this country, was credited in full to each bank, and assigned wholly to the column "Elsewhere." Therefore, the liabilities outside the Free State were increased and the liabilities in the Free State were decreased. Now, in looking at the adjustments that were made in 1935/36 by the Currency Commission it worked out at a decrease in the liabilities of £3 millions and an increase in the assets elsewhere. These adjustments, however, were not taken back to 1932 and 1933, therefore it was necessary to modify the figures as they appeared in the tables of the Currency Commission. Between the first quarter of 1932 and the first quarter of 1937, on the basis he referred to, there was a decrease of £6½ millions, there was also a decrease in British Post Office Savings Bank of £1 million. On the other hand there was an increase of £3½ millions in Sterling funds, also an increase of £646,000 in Trustee Savings Banks for the first time. The sterling assets of the Currency Commission increased by £3½ millions. If we took such items into account we would have a net increase in balance of £406,000 instead of a formidable decrease of £16 millions. If we take only the foreign assets of the Currency Commission and commercial banks—as taken by Professor Duncan—there is a decrease of £2,931,000.

The Hospital Trustees held considerable sums of money and a good deal of this money was invested in Irish securities, but at least £5 millions was invested in British and Foreign securities, and, so far as the Free State is

concerned, these were external assets. That would bring us an increase of £5,800,000. We would be surprised that there should be a decrease. A decrease should be expected, however, where one considers the amount put into new industries, advances by the Industrial Credit Corporation (£4½ millions in 1933/36) investment of capital by private individuals and investment of public funds. What the external assets of private individuals other than the banks were in Great Britain and elsewhere we did not know, but it must be a very large figure when we consider that the income from investments abroad reached £14 millions.

He did not wish to be regarded as pleading for any particular economic policy. He was merely stating facts. He thought that the savings of the country should be greater than they were in actual fact. Referring to a Memorandum by the late Mr. John Hooper, he said that since 1910 the savings in Ireland had been very considerable—throughout that period the savings in Ireland per head had been greater than the savings per head in Great Britain. These assets increased very much and were very high in 1931. There was no drain on our foreign assets. In 1936 our visible exports were £22 millions and the invisible £25 millions—excluding Stock Exchange transactions which balanced both sides. Our invisible exports were actually 3 millions in excess of our visible exports. Holdings of investments abroad, renunciations, etc., enabled us to bring in goods to this amount and thereby enabled the Free State to have a comparatively high standard of living. The relation of our invisible exports to our total external payments showed the strength of our position, and he for one was not afraid of the adverse trade balance when we had assets abroad to the extent that we had.

Referring to Mr. Lyon's paper he felt that the people did not avail themselves as they should of the information given by the Statistics Branch of Industry and Commerce. One very effective method of making this information available would be for the universities to do something to disseminate the figures. But not one of the universities in this country had a whole-time lecturer in statistics. There was insufficient teaching of statistics in the universities, and he held that such teaching was necessary in conjunction with the teaching of economics.

**Mr. Clark** said that the interpretation of the statistics should be undertaken not by the universities but by the accountants.

**Mr. Geary** alluded to Professor Duncan's misgivings about the import and export price index figures. These figures published by the Department required, and received, the most constant supervision. Back to 1924 the import price index numbers had followed closely the trend of the British wholesale price index numbers. It was now more fashionable to call these index numbers "value" indices rather than "price" indices. The "price" was an attribute of a particular quality or description of a commodity, "value" of all descriptions without distinction of quality. There was a distinction now between the value per unit and the price per unit. In the import price index numbers they managed to include about 60 per cent. of the imports. With regard to the observations on the consignment and the origin bases of classification and their repercussions on the balance of trade, the balance of trade between two particular countries had little or no significance. The only rational thing was the balance between the Free State on one hand and all other countries on the other hand. He would like to see consignment statistics maintained but origin statistics were more useful. All new countries had chosen the origin system when inaugurating their trade statistics.

Mr. Prendeville had expressed a desire that a volume indicator should be published. He would like to point out that monthly volume figures were published in the quarterly *Irish Trade Journal*. He had also asked what were the figures for insurance and freight. These figures could be estimated from the difference between the value of the United Kingdom exports to the Free State and the value of the Free State imports from the United Kingdom (which were valued c.i.f.) and vice versa. For several years there was a regular

difference between the two of about £1½ millions for imports and about £¾ million for exports per annum and this about represented the total value of the insurance and freight each way.

**The President**, in moving the vote of thanks, said that he thought for the past four years there had been a decline in the net sterling assets of the banks of £10 millions, from £78 to £68 millions. That obviously was a somewhat large figure. He did not think one could be too complacent about that figure because it must be remembered that in these times which have been a period of recovery throughout the world, most countries had seen an actual increase of their foreign assets, and even maintaining a stable position would not necessarily be satisfactory. With regard to the export figures, there was one portion of one of Professor Duncan's tables which was rather surprising. That was his tabulation of the proportion that the value of manufactured or prepared articles, other than food, drink and tobacco, bore to total imports for the various years that he had examined. This proportion was rising steadily at every interval selected throughout the whole period. It seemed a very striking result to find when one bore in mind the very active steps taken to promote greater manufacturing activity within the country. He thought Professor Duncan was right in pointing out that the adverse balance was likely to be effected by the price factor operating on the imports.

**Professor Duncan**, replying, said that General Mulcahy had expressed the view that the adverse trade balance constituted a strain on the country. He considered that it was the maintenance of a favourable balance of trade that represented the strain on any country. The adverse trade balance indicated large available resources. It was not the existence of the adverse balance but the causes leading to changes that were important.

Professor Smiddy had raised a point with reference to his last few words in paragraph 2. These periods were the only ones for which figures were available when the paper was written. He did not think Professor Smiddy had read very carefully what he had said. Against the decline he had set off the assets of the Currency Commission. Professor Smiddy's correction did not arise. With all the erratic causes of change he was, of course, perfectly familiar and he did not make any pretence that this was an exhaustive picture. Professor Smiddy had informed them that there had been invested in the Free State in a period of 5 years a sum of £16 millions and also that savings per head were higher than in the United Kingdom. If they considered the volume of savings in the United Kingdom they would find it ran about 10 per cent. of the total national income saved. In this country it was 5 per cent. There should have been an increase of the foreign assets held of £20 millions. As Professor Smiddy had pointed out, there was no direct information on the change in the volume of sterling assets held by private individuals but if there was, through a period of time, a certain clear trend in the assets held by Banking concerns we might suppose that the assets held by private individuals followed the same trend. He was aware that the holdings of the Hospitals Commission constituted a very large figure in our total foreign assets, but the holdings were dependent on its activities, had no previous existence and were unreliable as to their future existence.

**Mr. Lyon** said Professor Duncan had dealt with most of the more important points raised. He would only refer to General Mulcahy's allegation of a change of policy in the Statistics Office. There was no change of policy in the Trade Report of 1935, and it had never been intended that the same matter exactly should be dealt with in each quinquennial analysis of trade. Trade Statistics were produced every month and it was the intention to deal with a major subject every five years. In 1928 there was a special analysis of the trade by parcel post. Owing to the Census of Production figures having assumed more importance in recent years than heretofore, they had perhaps analysed them more frequently.