

*By Stanley G. Lyon, B.A.*

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If, at the end of a concert, the leader of the orchestra were to stand up in public and criticise the conductor's rendition of the several items on the programme it would be considered very bad form. I hope this impression will not be made by the following criticism of Mr. Hooper's recent report on the trade of the Irish Free State during the year 1924. I shall have to excuse myself by mentioning that this paper is written at the request of our worthy President as a contribution for discussion on the subject of Irish Trade Statistics for to-day's meeting of the Statistical Society. As I happen to have had an intimate knowledge of the compilation of Trade Statistics in Ireland during the past twenty years and have made a study of the Trade Statistics of other countries, I may be permitted, I hope, to digress now and then from a close criticism of the Report in order to refer to general aspects of Trade Statistics, especially with reference to the subjects of compilation and of international comparisons.

As this is the first of a new series of Trade Reports I would have expected to find some references, beyond one or two tables, to the statistics of Irish trade collected prior to 1924. In the National Library, Dublin, there are records in manuscript dealing with Irish external trade for some years prior to and including 1823. They show particulars of the trade according to twenty-six Irish ports from and to forty specified countries. Goods on which import duties were levied are specially indicated. There was a big gap from 1823 to 1904 when the Department of Agriculture and Technical Instruction for Ireland brought out Annual Reports on the Trade in imports and exports at Irish Ports. These reports were issued for each year up to and including the year 1921.

After 1921 the statistics which were collected were only partial. The ports in the six Northern Counties of Ireland came under the jurisdiction of the Government of Northern Ireland, and, accordingly, returns were not obtained from these ports. Further, the Customs Boundary between the Irish Free State and Northern Ireland was not set up until 1st April, 1923. Notwithstanding these omissions statistics were collected for ports in the Irish Free State under the system described for each of the years 1922, 1923 and 1924, but were not published. They served a very useful purpose in providing information over a continuous period with reference to specific goods or classes of goods. They also confirmed the impression that the statistics compiled from the returns obtained from the period 1904 to 1921 were reliable as indicating changes in the volume and value of Irish external trade.

Comparisons with previous years not being available, the report on the trade of the Irish Free State during the year 1924 would have been very thin but for the comparisons which are shown with the trade of other countries. National Statisticians are very much indebted to those International Bodies who are endeavouring to introduce uniformity into the system and methods of the statistics compiled by the several countries. They have made available in compact form much material which is of assistance in compiling a publication such as that which we are now considering. Publications which help in this respect are issued by the League of Nations, Geneva (*Monthly Bulletin of Statistics*), the International Institute of Commerce, Brussels (*Receuil Mensuel*), and the International Institute of Agriculture, Rome (*International Year Book of Agricultural Statistics*), to name a few, in which the figures for each country relating to the same subject are placed side by side. It must be recognised, however, that erroneous conclusions are liable to be drawn from the tables which appear in such publications unless the figures are compiled according to some agreed international method. Here I might mention that, through the courtesy of the Statistical Officers in several foreign countries, an exchange of statistical publications with the Statistics Branch of the Department of Industry and Commerce has been established, and reference to the introductory matter in these reports usually explains the full significance of the figures and tables shown therein.

Since 1835 International Conventions on the subject of commercial statistics have discussed, amongst other things, an international classification of imports and exports by groups of articles. Some fourteen conferences were held from time to time at different places, and finally in 1913 a Convention was

agreed to by the representatives of 29 countries. This Convention was ratified at Brussels in October, 1923, and the principal resolutions adopted were as follows:—

(1) *Classification of Goods*.—(a) The classification proposed at the Convention of 1913 should serve provisionally as a basis for international statistics. (b) Changes in this classification might be made as the result of experience. (c) A dictionary or list in several languages should be compiled showing the different goods included under each classification number.

(2) *Determination of Values*.—It was desirable to standardise the system of “declared” values. Those countries which had official values should use them as a check on the declared values. The values of imports to be c.i.f. and the values of exports to be f.o.b. or delivered free at the frontier.

(3) *Determination of Weights and Quantities*.—Exact definitions should be fixed for this purpose by international conventions. In statistical publications it should be indicated clearly how the weights and quantities are measured and the exact meaning of the expression “gross weight,” “net weight,” and “net legal weight” should be stated.

(4) *Divisions of Foreign Trade*.—The “special” trade of each country should be clearly shown. Special trade should not include goods “in transit”—the application of a Statistical Tax would seem to be a means of minimising the confusion which often exists between special trade and transit trade. There should be uniformity in the regulations concerning goods which are imported into or exported from a country for the purpose of further manufacture. Temporary imports and exports, such as goods for show or exhibition purposes, horses for racing purposes, etc., etc., should be excluded from international trade statistics. Movements of bullion and specie should be shown in separate tables.

(5) *Origin and Destination of Goods*.—Having investigated the different views of the several countries on the question of the country from which or to which goods are imported or exported, and being of opinion that a radical change would upset the comparability of statistics for each country over different periods, the desire is expressed that for statistical comparisons of international trade there should be included in the totals by classes, for imports, values according to the country of consignment as well as the country of actual origin, and, for exports, values according to the country of immediate destination and the country of final destination where such is known.

When such classification is not possible there should be stated in all cases the country whence or to which the goods are consigned. Goods consigned on Bill of Lading with option of discharge should be separately recorded as "for orders."

(6) *Period covered by International Trade Statistics.*—For the purpose of uniformity the period of trade statistics should be the calendar year (1st January to 31st December), and the calendar month (1st to the last day of the month).

The Irish Free State Statistics fall fairly well into line with the International recommendations as regards resolutions 2, 3 and 6; but I should like to develop a little the contrast found as regards resolutions (1) Classification, (4) Divisions of trade, and (5) Countries of origin and destination. The *classification* of goods both in the Official Import and Export Lists and in the published statistics of the external trade differs materially from that put forward by the International Convention of Brussels. In the first place, there are two separate lists for Irish Free State trade, one for imports and re-exports and the other for exports; whereas the International Conference proposes one list for both imports and exports. The lists in force since April, 1923, consists of 1,353 separate descriptions of goods for Imports and 562 descriptions for Exports. (Re-exports are classified according to the Import List descriptions.) A certain amount of interpretation has to be done in compiling the Official Import and Export Lists by reducing to a reasonable number of descriptions of goods the countless number of items that enter into the external trade of a country. If for a particular month it were possible to prepare a list of all the descriptions of goods as they appear on traders' invoices the number of separate items would many times outnumber the total number which appear on the official lists. Secondly, the main classifications of the Trade in both imports and exports of the Irish Free State are—

- (1) Food, Drink and Tobacco; (2) Raw materials and articles mainly unmanufactured; (3) Articles wholly or mainly manufactured; (4) Animals, living, not for food.

Whereas the agreed international classification is—

- (1) Live Animals; (2) Food and Drink; (3) Materials raw and simply prepared; (4) Manufactured goods.

Within each main classification there is a grouping of goods sometimes according to origin of material and sometimes

according to purpose for which intended. I do not think that the grouping for any country is strictly logical in this respect. In the Free State Statistics we find, for example, textile materials grouped together, and leather goods are also grouped together, but in both cases items of apparel are *excluded*; thus the material and purpose classifications cross one another. But so long as the smaller groups can be amalgamated without any overlapping to fit them into the International Code, it does not really matter how many of the smaller groups are used in presenting the Trade Statistics of a country. In this connection I should like to state that the tables in the Report which appeal to me most are those on pages X. and XI. showing the values of the principal items of the total trade according to main classes but without any reference to groups. Here we have a bird's-eye view of the whole trade of the year, bringing into prominence only those items which are of major importance.

It is of interest to compare the numbers of groups and the numbers of separate items found in the trade statistics of different countries:—

	Groups.		Separate Descriptions.		
	Imports.	Exports.	Imports.	Exports.	
Irish Free State	...	43	37	1,353	562
Argentina	...	17	16	1,583	
Brazil	...	4*	4	491	271
Finland	...	31	31	1,602	529
Spain	...	13	13	1,540	383
Australian Commonwealth	...	23	23	926	483
Germany	...		19		946
Belgium	...		38		627
Denmark	...		27		1,619
France	...		34		1,488
Great Britain	...	43	42		1,814
Italy	...		52		2,509
Netherlands	...		15		1,278
Sweden	...		25		1,325
Switzerland	...		16		1,184
Czecho-Slovakia	...		41		2,044

It will be seen that the majority of the countries mentioned above adopt the same grouping for both imports and exports, and that where two separate lists are used for imports and exports the numbers of items on the import lists are considerably greater than the numbers of items on the export lists. This is, of course, to be expected, for a country imports the varied products of several other countries, but exports the pro-

ducts of only one country. In countries whose main activity is agriculture the export list shows considerable detail for live animals, animal products and foodstuffs and much less detail for metal and other manufactures. The import list for such type of country is usually reversed, *i.e.*, detailed list for manufactured goods and the condensed list for animals, animal products and other foodstuffs.

The single list has the advantage that the group headings and the order of general arrangement of the tables for imports and exports are parallel, so that any development in the nature of the foreign trade which may afterwards take place can be represented without causing any substantial change in the arrangement of the lists.

The values of the items entering into the Trade of the Irish Free State in 1924 have been regrouped to fit them into the international classification. The import figures are not strictly comparable with those published in the Trade Report for 1924, inasmuch as re-exports have been deducted. This was for the purpose of showing what is known as "special trade," *i.e.*, goods retained for consumption. I might remark here that the expression "special trade" appears to be much abused in some countries. Non-dutiable imports, which are merely goods in transit, are frequently described as imports for consumption because many forms have to be filled up, regulations complied with, etc., in the case of transit trade, whereas goods for consumption are simply released on demand, and traders find it less inconvenient to describe all their goods as being for consumption.

The following table shows the "special" trade in imports and exports into and from the Free State during 1924 classified according to the grouping used in the Report and according to the International grouping:—

#### IRISH FREE STATE CLASSIFICATION.

	Imports minus Re-Exports. £	Exports of Irish Free State Produce and Manufacture. £
I. Food, Drink and Tobacco ...	29,364,763	41,548,689
II. Raw Materials and Articles mainly Unmanufactured ...	6,261,114	2,490,129
III. Articles wholly or mainly Manufactured ... ..	28,116,049	2,593,377
IV. Live Animals, not included in Class I. ... ..	765,562	1,816,200
Total ...	64,507,488	48,448,395

## INTERNATIONAL CLASSIFICATION.

I. Live Animals	...	...	1,018,988	22,175,456
II. Food and Drink—				
Unmanufactured—				
Grain	...	...	7,740,631	254,837
Eggs	...	...	52,974	3,079,203
Fish	...	...	137,610	369,578
Fruit, Raw	...	...	679,630	23,315
Milk, Fresh	...	...	17,924	25,492
Potatoes	...	...	187,147	114,687
Other Vegetables	...	...	141,419	—
Cocoa, Raw	...	...	4,935	—
Seaweed Products	...	...	—	7,452
Total Unmanufactured	...	...	8,962,270	3,874,564
Manufactured—				
Grain Products	...	...	4,668,740	103,672
Meat	...	...	2,157,084	5,339,489
Other Food and Drink	...	...	10,195,957	11,762,156
Total Manufactured	...	...	17,021,781	17,205,317
Total Class II.	...	...	25,984,051	21,079,881
III. Materials raw and simply prepared—				
Hops	...	...	809,107	—
Tobacco	...	...	744,231	—
Feeding Stuffs for animals	...	...	1,428,871	109,552
Mineral Oils	...	...	1,421,470	—
Other Raw Materials	...	...	6,261,114	2,490,129
Total Class III.	...	...	10,664,793	2,599,681
IV. Materials Manufactured—				
Tobacco	...	...	145,077	—
Other Articles	...	...	26,694,579	2,593,377
Total Class IV.	...	...	26,839,656	2,593,377
Grand Total	...	...	64,507,488	48,448,395

## SUMMARY OF ABOVE.

			£	£
I. Live Animals	...	...	1,018,988	22,175,456
II. Food and Drink—Raw	...	...	8,962,270	3,874,564
Do. Manufactured	...	...	17,021,781	17,205,317
Total	...	...	25,984,051	21,079,881
III. Materials raw and simply prepared	...	...	10,664,793	2,599,681
IV. Manufactured Goods	...	...	26,839,656	2,593,377
Total	...	...	64,507,488	48,448,395

I have divided the class "Food and Drink" into two parts, (a) Unmanufactured and (b) Manufactured, in order to illustrate the point referred to by Mr. Hooper in the footnotes to the Summary Tables B and C, which appeared in each of the Monthly Statements for 1924, viz. :—

"The above classification is well known and convenient but is not logical. The figures for Class I. are complete, but include Manufactured Foods and Drink, which for some purposes may have to be included in Class III."

This division shows that by including Manufactured Food Drink with Other Manufactures the imports of Manufactured goods of all kinds amount to £43,861,437, and the exports to £19,798,694. It is suggested that even though the trade statistics of the Irish Free State are maintained in their present grouping, figures should also be published showing not necessarily the first part of the above table, but certainly the summary figures as shown in the lower portion of the table.

The Free State classification of goods compared with the international classification reveals a few big differences. For instance, Tobacco is divorced from Food and Drink. The descriptions "Hops" and "Feeding Stuffs for animals" are classed "Mainly raw and simply prepared," whereas we include them in the group "Food and Drink." Mineral oils, even though refined, are included in one classification under "Mainly raw and simply prepared," whereas in the other they are included under "Articles wholly or mainly manufactured."

In the "Explanatory Notes" reference is made to the divisions of trade and to certain goods which importers and exporters are not required by law to declare to the Customs. This opens out the question as to what really is an import and what is an export for the purpose of trade statistics. In countries which have a high customs tariff there is much inducement to smuggling, and the amount of trade which escapes notice in this way cannot even be estimated. In a country like the Free State which has a tariff only on a limited number of goods the omission from statistics on account of smuggling is probably very trifling. But take the case of a lady who goes abroad temporarily and purchases in a foreign country, say, a fur coat and jewellery. She returns home wearing these articles, which might be valued at some hundreds of pounds. Is not this an import, and should it not be credited in trade statistics? It is probably owing to the difficulty which would be entailed by marking personal luggage when people are leaving the country and examining it for identity when coming in



that this class of imports must be omitted from statistics. Then there is the case of consignments of raw wool or perhaps wool yarn imported and made into tweed in the piece in, for example, the Irish Free State, and exported to Great Britain. It is subsequently made up into ready-made apparel and brought back again to the Free State. How should these transactions be assessed in a perfect system of trade statistics? Should the total value of each import and export transaction be taken into account, or should account be taken only of the added value at each stage? In some countries they keep separate records for what they call "improved trade" and do not include these figures in their figures for "special" trade. It is frequently suggested that transit trade should always be excluded from trade statistics, but surely there is some value added to the cost of the goods by the charges for transit from the point of entry into a country to the point of exit therefrom; or, in the case of goods warehoused, there is the cost of rental. Goods sent out for dyeing and laundering cannot be regarded as imports and exports in the ordinary interpretation. The same dozen collars may be sent out, for instance, from the Free State to Northern Ireland and sent back again perhaps ten times. The trade records would show ten dozen collars imported and ten dozen collars exported when such was not the fact.

The International Convention at Brussels advises that horses for racing purposes should be omitted from international trade statistics. It is difficult to keep a satisfactory record of this traffic; for instance, a thoroughbred horse of high value might be imported or exported temporarily for racing or breeding purposes, and perhaps having won a race might be purchased subsequently, although when imported or exported it was not intended to sell the animal. For instance, last autumn the noted sire, "The Tetrarch," was sent temporarily to the South of England. On the documents furnished in respect of this one animal the value was stated as £200,000. This particular entry was omitted from the Trade Statistics on both imports and exports side, as its inclusion would have made the values of horses imported and exported ridiculous! But it was only the great value that drew our attention to the incident, and we knew from the name of the consignee what the animal was. Reference to the Dublin daily newspapers confirmed the opinion. Further, at three periods of the year there are big sales of thoroughbred yearlings, twice at Newmarket and once at Doncaster, at which some of the fashionably bred colts and fillies fetch big sums. The exporter when declaring the value cannot be held responsible for under-statement, as he simply consigns the animals "for sale." It might be possible to get

over this particular difficulty by asking the auctioneers for a voluntary statement on their catalogues after sales were over, indicating the value of yearlings from the Irish Free State which were sold at over a certain sum. I would also draw attention to live stock and non-dutiable goods which are imported for exhibition or show purposes. Some of these are sold and remain in the country, some are sold and are exported, while some remain unsold and return to their owners. These are some of the difficulties which are met with in the compilation of trade statistics, and for international comparisons it is most essential that the trade publications should contain very full statements as to what imports and exports are included in the country's trade statistics.

Notwithstanding that the Irish Free State definition of "country of consignment" is partly in accordance with the international recommendations, *i.e.*, the country of last ownership prior to import into the Free State or the first country of ownership after export from the Free State, I should like to say a word here about *country of origin and destination*. In a good system of Trade Statistics, as indicated by Mr. Hooper in Section III., "Trade with other Countries," it should be possible to trace imports from the country of origin, and exports to the country of ultimate destination. So far as it has been possible to ascertain, only three countries, *viz.*, New Zealand, Australia and Czecho-Slovakia, attempt to state the country of origin as well as the country whence consigned in the case of imports. It might be possible in an indirect way to get at the country of origin in the case of a few specific articles, *e.g.*, butter or bacon, by making sub-heads of these commodities in the Official Import List to read: New Zealand Butter, Danish Butter, Canadian Bacon, Danish Bacon, American Bacon, etc., etc. Though the ideal to be aimed at is the country of origin in the case of imports and ultimate destination in the case of exports, it would seem from the experience of other countries, that country whence or to which consigned is the most practicable information obtainable. Spain tried for several years to record her Trade Statistics by country of origin, but in 1917 had to give up the attempt.

The statistics for Parcels Post to which attention is drawn on pages IV. and V. of Mr. Hooper's Report, have been included in one of the summary tables dealing with the total trade of 1924. As far as can be ascertained from the published trade returns of other countries, a number of them do not include these figures as part of their statistics of foreign trade. This would be a very serious omission in the case of the Irish Free State for which the value of the contents of the parcels containing non-dutiable goods amounted in 1924 to an estimated

sum of £3 millions imports and £1½ millions exports. It should be stated that no distinction can be made between parcels containing goods which entered properly into the import and export trade and those parcels which contain presents or goods of no commercial value. Parcels outwards containing returned goods (re-exports) cannot be separately identified and are included with parcels containing goods which are of Irish Free State produce and manufacture. The inwards parcel post comes under the control of the Customs Department, and, accordingly, all parcels containing dutiable goods are taken into account both as regards description of goods and value as if they were merchandise imported as ordinary cargo. In the case of non-dutiable inward parcels particulars are furnished as regards numbers only, and values are estimated officially. As regards parcels exported, both the numbers and the values as declared by the senders are recorded.

Table II. on page XIX. of the Report under consideration shows the trade of Ireland per head of population, and comparisons are shown for each year from 1904 to 1921 indicating the amount of the total change in values which was due to changes in the volume of trade. Though this table is not up to date it may not be out of place to refer to the point to which it draws attention. In explaining changes in the value of the trade of a country two factors are taken into consideration—(1) the change due to changes in the volume of trade and (2) the change due to higher or lower prices. No material is at present available to compare the trade of the Irish Free State in this way. To measure changes in the volume of trade over a period of years, average prices are calculated for the base year or base period, and these average prices are applied to the quantities of the different kinds of goods imported or exported in the several years under comparison. The aggregate of the new values for each year as ascertained in this manner when compared with the total actual value indicates the change due to change in volume of trade. It follows that the remainder of the differences between the values of the trade of each year is due to changes in prices. The following appears to be a very simple way of illustrating this point ( $p$  representing prices and  $q$  representing quantities):—

The change in value from one year to the next may be considered as taking place in two steps, first quantities changed without changes in prices—addition to value =  $p(q^1 - q)$ . Then, secondly, quantities not changed but prices changed, addition to value =  $q(p^1 - p)$ , therefore total addition =  

$$\leq p(q^1 - q) \div \leq q(p^1 - p).$$

The Annual Trade Statistics of many countries, *e.g.*, United Kingdom, United States (America), Belgium, Switzerland, Germany, Italy, Spain, Czechb-Slovakia, Brazil and Australia, contain merely tables showing the total trade according to articles during the year, total trade by ports or frontier stations, summaries of the transit trade, etc., together with a few introductory notes and definitions. Other countries, *viz.*, Norway, Sweden, Denmark, Netherlands, South Africa, New Zealand, present their Annual Trade Reports with a readable analysis of the trade during the year, such as that contained in the Report under discussion. I have no doubt that the members of this Society will agree that annual statements of a country's trade should contain reviews of this kind in which the principal facts are placed before the public, comparisons made and conclusions drawn from the statistics of the trade of the year. There is a demand for more of this kind of work. In some countries the annual review of the trade is published in official journals, but I think it much better that it should appear as part of the annual- statistical statements. It would be much easier to follow the lead of the majority of other countries in this matter, but I think it is the duty of the official statistician to present his annual statements, not as bald tables with a few definitions, but as live publications containing matter of interest to the public. In publications on Trade Statistics the education of the ordinary public has to be kept in view as well as the needs of the economist, the legislator, the administrator, and the business man.