The CHAIRMAN referred to the amendment proposed by Mr. Flux to the first sub-paragraph of paragraph III. While the change seemed a slight one and of no very great importance, the Chairman thought that it nevertheless had the effect of indicating more clearly exactly what was wanted. He suggested that the Committee could adopt Mr. Flux's amendment without further discussion.

M. COLESCO (Roumania) did not feel quite certain that Mr. Flux's amendment made the original text clearer. What was wanted, in M. Colesco's opinion, was a text which would stipulate that, for instance, in cases where the return of goods was made according to the number of articles, the equivalent in weight should be given as well.

Mr. FLUX (British Empire) pointed out that, in the text of paragraph III as it stood at present, it was implied that only one unit of measure was contemplated. His amendment was intended to remove that implication. The matter might appear to be of small importance, but from the statistical point of view it would be found that more than one unit of measure was useful.

M. JANSSEN (Belgium) thought that the change proposed by Mr. Flux was so reasonable that it could be adopted without any hesitation. In the case of cattle, for instance, it might be valuable to know not only the weight, but also the number of head. The British delegate's suggestion was that it should be optional for countries to indicate the second unit of measure when they considered it to be of interest. There was no necessity to submit the matter to a sub-committee.

The first sub-paragraph of paragraph III was adopted with the amendments proposed by Mr. Flux. The second sub-paragraph of paragraph III was adopted without discussion.

FOURTH MEETING OF THE COMMITTEE ON TRADE STATISTICS.
Held on Friday, November 30th, 1928, at 10.30 a.m.

Chairman: M. Wagemann.


M. GAYON (France), Rapporteur of the Sub-Committee, submitted the following amendments to paragraph IV (document C.S.O./Commerce/7):

"Paragraph IV (a) :

"Delete 'and general trade' from the heading.

"After 'compiled', add: 'alone or parallel with the figures of general trade'.

"The heading of sub-paragraph (a), as amended, should therefore read:

"'When figures of special trade are compiled alone or parallel with the figures of general trade.'

"In the fourth section delete 'With the exception of goods the exclusion of which is specifically recommended above'.

"After the words 'country in question', delete 'intended either for consumption or for warehousing in bond, or for re-exportation or transit'.

"After the words 'that area' delete 'whatever the origin of the goods in question may be'.

"Add: 'However, there shall be excluded foreign goods which at the time of their arrival are re-exported in transit or by transhipment'.

"The fourth section of paragraph IV (a), as amended, should therefore read:

"'General trade shall be taken to include: as regards imports, everything arriving from all territories external to the Customs or trade statistical area of the country in question; and, as regards exports, everything leaving the Customs area for a destination outside that area. However, there shall be excluded foreign goods which at the time of their arrival are re-exported in transit or by transhipment.'"

M. Gayon said that the Sub-Committee had had to choose between the system recommended in the draft Convention [sub-paragraph (a) applying to countries compiling figures of special trade and general trade and sub-paragraph (b) to countries where figures of general trade and special trade were not indicated separately] and the system proposed by the Belgian delegation, which insisted on the principle that special trade should include everything not covered by transit trade and thought it desirable that all statistics should be placed under the heading "special trade". In the view of the Sub-Committee, such a proposal was certain to meet with objection from countries following the Anglo-Saxon system. The Belgian delegation's definition of "special trade" differed from what was understood by that term in the Anglo-Saxon countries, for it did not cover goods in warehouses. There was also the question of goods in what might be described as "disguised transit", that was to say, duty-free goods placed on the home market before being re-exported to another country. While in many Continental countries the amount of these goods was small, for Great Britain they represented an enormous tonnage. Figures for English trade, therefore, could not be compared with figures for Continental special trade.
The Sub-Committee had therefore eventually reached the conclusion that both sub-paragraphs (a) and (b) should be retained simultaneously, and that no attempt should be made to impose a definition of special trade to which all countries should subscribe. It asked the Committee to endorse this conclusion.

14. Article 2, Paragraph IV (General Discussion) (continued).

M. JANSSEN (Belgium) said that paragraph IV was of capital importance. To make comparisons possible, it was essential that the various statistics should include positively the same elements indicating clearly the effective trade of each country. Further, sub-paragraph (b) stipulated that, "when general trade and special trade are not indicated separately, exports and re-exports shall be indicated separately", this being necessary to discover "disguised transit". This movement having been dealt with, transit remained to be isolated, and, further, re-exportations from warehouse, for which it would no longer be difficult to establish returns. One might wonder if, with this information at hand, one could not by a process of deduction arrive at figures for special trade prepared according to a common plan. The amendment proposed by the Belgian delegation was based on these considerations.

M. ACKLIN (Switzerland) made the following declaration in regard to the definition of special trade.

Swiss trade statistics were grouped solely under the heading of "special trade". Nevertheless, according to the draft Convention, special trade should cover, in the case of imports, not only direct imports and goods coming from warehouse, imported into the territory, but also improvement trade and trade in goods sent across the frontier for repairs. In this connection, it should be noted that, up to the present, improvement trade and goods sent for repairs had not been included under the heading "special trade", but had been shown in special tables. It was true that the possibility of drawing up special tables concerning special trade had been foreseen in the Convention, which meant that the present method of publication in Switzerland could be maintained.

Up to the present, however, Swiss statistics did not take account of the increase in value acquired by goods in this class of trade. To determine this value would constitute a difficulty, but it would not be insurmountable. For the moment, reservations on this account would have to be made.

According to the draft, export figures should cover national products and goods nationalised by the payment of duties and, in cases of re-export, goods imported free of duty in order to be improved or repaired. This system, however, differed considerably from the present method in force in Switzerland. Up to the present, it had been thought that great progress had been achieved in the maintenance of trade statistics by excluding from special trade and placing in a separate table the intermediate trade in goods which had paid duty, and thus dealing with them in the same way as with all other kinds of intermediate trade. The idea of special trade had a more restricted meaning in Switzerland, and was defined more accurately than in many other countries, in the sense that it was only applied in actual fact to national products, and that all intermediate trade, recognisable as such, was excluded as far as possible. It was not necessary to lay down that the complete separation of foreign goods, imported for the needs of a country, from the export of native goods, was clearly justifiable from the economic point of view. The objection could, it was true, be made that imports and exports of intermediate trade were of considerable importance in the trade balance of Switzerland, since the re-export of foreign goods generally involved a gain on the part of Swiss trade. There was therefore good reason to ask that a statistical record be made here also. Nevertheless, such returns ought not to be included under "special trade", but ought to be shown separately.

M. Acklin had been instructed to urge that his country should be allowed to retain this procedure in respect of its commercial statistics, for it had followed this procedure for nearly fifty years. He considered these instructions, however, to be merely an expression of a desire on the part of the country which he represented. If the Conference maintained the definition of "special trade" in the form in which it appeared in the draft, it would probably be able to adapt its system to the new definition. Nevertheless, it considered that it would be sufficient to publish the figures of intermediate trade and of improvement and repair trade in its annual publications only. He would make reservations at the proper moment in regard to this traffic.

Mr. Horson (United States of America) was prepared to accept the report of the Sub-Committee and to maintain sub-paragraph (b) if figures for transit trade could be shown separately from figures of import and export, many inconsistencies would be cleared up. Did, however, the phrase "there shall be excluded foreign goods which at the time of their arrival are re-exported in transit or by transhipment", at the end of the amendment proposed by the Sub-Committee, mean that no record of such statistics would be kept?

M. Gayon (France) said that France kept and published statistics of transit and transhipment, and he thought that many countries following the continental system were in a similar position. Reference should therefore be made to this class of statistics in paragraph IV, or else in a separate article. All that should be guarded against was the inclusion in the trade statistics of non-commercial operations relating to transit and transhipment.

M. Piekalkiewicz (Poland) said that the system in use in his country was similar to that used in Switzerland. Finishing-trade statistics were published separately every year. There was nothing against this practice in the draft Convention, the terms of which he could therefore accept.
He would, however, have difficulty in accepting the Belgian amendment, for the statistics in question were only published in Poland annually and could not be published monthly.

As far as the Belgian proposal, that sub-paragraph (b) should be deleted, was concerned, this was a counsel of perfection. Sub-paragraph (b) was, he thought, essential, for there were countries which could not be expected to change their whole system of statistics. A distinction must therefore continue to be made between general and special trade, for it was better to get universal agreement about something which was not quite perfect than limited agreement upon perfection.

M. Colombo (Italy) agreed with the proposal of the Sub-Committee, especially in regard to statistics of simple transhipment. It was very difficult to maintain any distinction between goods merely transhipped in the ports of a country and goods which, although not placed in bonded warehouse, had remained by reason of their nature on the quays of the ports and might even have been the object of commercial transactions.

Mr. Flux (British Empire) supported the proposals of the Sub-Committee. He could not agree to the amendment proposed by M. Janssen, who appeared to doubt, to judge from his amendment, whether the principles in the system described in sub paragraph (b) were sound. Mr. Flux felt certain that this was the case. Under that system, goods imported into a warehouse were shown in the import trade figures of the country immediately on their arrival. They did not find their way into such figures only after they had been removed from the warehouse, for such a procedure gave rise to frequent confusion. To take but one example. Tobacco imported into Great Britain was shown in the import figures, though it might remain for several years in the warehouse before it was actually placed on the market.

In the view of Mr. Flux, a better basis of comparison would be obtained by maintaining both systems, for what was good in system (b) would still remain. As far as the separate record of transit trade statistics was concerned, this was kept in England. There were two sections of such statistics shown in separate tables. The first covered goods in transit in bond, and these were not shown in the import and export tables. The second covered goods in transit after release from Customs but consigned on a through bill-of-lading to another country. Such goods also were shown in a separate table, but were also included in the import and export figures. The importance of what had been described as disguised transit trade was very considerable indeed. He would urge, therefore, that separate records of such disguised transit should be kept by all countries and published.

In conclusion, while he would have no objection to maintaining system (a), he could only support it, provided it were understood that system (b) should also remain. He would therefore urge the Committee to adopt the proposals of the Sub-Committee.

M. ClaesSENS (Netherlands) agreed with the views of Mr. Flux regarding the advantages of the Anglo-Saxon system, which should certainly be maintained. It was very useful to maintain a distinction between goods exported from the country, having been originally produced in that country, and goods re-exported coming from elsewhere.

In so far as imports were concerned, however, it was important that the stipulation to furnish statistics of goods for consumption in a country should be understood in its widest sense. In the Anglo-Saxon system, goods in indirect transit — goods placed in warehouse — were also included among imports. If the figures for this transit traffic in countries following the Anglo-Saxon system were deducted from their general import figures, the resultant figures would be, he thought, exactly comparable with the import figures of countries following the Continental system, always provided that allowance was made for goods in warehouses. The definition, however, in sub-paragraph (b) of general trade was quite contrary to the meaning which it bore in the Continental system, which regarded general trade as including everything entering or leaving a country. If, therefore, sub-paragraph (b) were to be retained in the Convention, then some other name must be found for the expression "general trade" used in it.

As far as transit was concerned, it should not be forgotten that most Governments had now signed the Convention on Communications and Transit adopted at Barcelona in 1921. Article I of the Statute on Freedom of Transit defined traffic in transit as follows:

"Persons, baggage and goods, and also vessels, coaching and goods stock, and other means of transport, shall be deemed to be in transit across territory under the sovereignty or authority of one of the Contracting States, when the passage across such territory, with or without transshipment, warehousing, breaking bulk, or change in the mode of transport, is only a portion of a complete journey, beginning and terminating beyond the frontier of the State across whose territory the transit takes place."

"Traffic of this nature is termed in this Statute 'traffic in transit'."

This was an excellent definition which should be maintained.

Mr. Flux (British Empire) desired to refer to the question of goods imported into Great Britain and left in bonded warehouses. If such goods were only shown in the import figures of Great Britain after they left the warehouses, then some system would have to be devised for determining their countries of origin. He did not see how it was possible to do this. In Great Britain it was impracticable to state with accuracy in the record of goods which left the bonded warehouses, in which they might have been lodged for some considerable time, the countries from which they had come. Statistics indicating the countries of provenance of goods imported were,
however, of great importance and should certainly be kept. It was perfectly possible to do so if the import figures included, on arrival, goods placed in bonded warehouses. Any alteration in such a system would lead to serious difficulties, especially in the case of goods arriving in a raw state from a country and subjected to a process of manufacture when in bond. On leaving bond it would be difficult to say from what country such goods had originally come. He would give an example of the difficulties which arose. Canada had shown a considerable export of wheat to France. The French figures, however, showed no corresponding import of wheat from Canada, but did show an import of wheat offals such as bran. The discrepancy was found to be due to the fact that the wheat imported by France from Canada had remained in bond, where it had been transformed into flour and re-exported, the only products entering France from the bonded warehouses being the wheat offals, which had therefore been shown as having been imported from Canada. These offals found no place in the Canadian statistics under that description.

Great Britain showed, in the case of imports, not only the amount of each article imported, but also its country of consignment. It was only to show in her import figures such articles as had left bond, her whole system would have to be changed, and it was for this reason that he could not support the Belgian amendment.

M. JANSSEN (Belgium) said that the object of his amendment had been to achieve the greatest possible degree of comparability between statistics. He felt certain that the formula he recommended would one day be adopted. Nevertheless, he realised that it was impossible to ask countries applying the Anglo-Saxon system suddenly to abandon methods by which they set great store. It would be agreed, however, that the statistics published as a result of the work of the Conference should be capable of very exact interpretation. For this purpose, it was necessary that each State should clearly indicate in its returns the various movements that were included therein.

Mr. FLUX (British Empire) accepted the new proposal of M. Janssen. In the annual statistical publications of the United Kingdom, three pages of the introduction were devoted to such information.

M. GAYON (France) said that one of the advantages of the draft proposed by the Sub-Committee was precisely the fact that statistics dealing with goods in transit and transhipment were placed in a separate category, and it would, therefore, be possible henceforth to compare the figures supplied by countries following the Anglo-Saxon system and those published by countries following the Continental system. In this connection, M. Janssen had maintained that special trade was the only basis of comparability. M. Gayon could not agree because the definition proposed for special trade took no account of warehousing operations. He would therefore submit once more the proposals of the Sub-Committee, which were to the following effect:

That heading (a) should be amended to read as follows: 'When figures of special trade are compiled alone or parallel with the figures of general trade'.

The object of this amendment, as he had explained at a previous meeting, was that it should be optional for countries to publish statistics of general trade. The fourth section of paragraph IV (a) would read as follows:

General trade shall be taken to include: as regards imports, everything arriving from all territories external to the Customs or trade statistical area of the country in question; and, as regards exports, everything leaving the Customs area for a destination outside that area.

However, there shall be excluded goods in direct transit, that is, those which have not entered into warehouses or depots.

The last sentence had been amended in order to take account of the observations of Mr. Hobson. He would also remind the Committee of the proposal of the British delegation to insert between the second and third sections of paragraph IV (a) the stipulation appearing separately as paragraph IV (1). (Special trade shall not include any part of transit trade.)

Mr. FLUX (British Empire) explained that this proposal had been made because it had been thought that that provision was part of sub-paragraph (a) and was therefore out of place if maintained in a separate paragraph.

M. CLAESSENS (Netherlands) proposed that the phrase "general trade" in sub-paragraph (b) should be deleted and the expression "actual trade" substituted.

The CHAIRMAN summarised the discussion. The representatives of Poland and Switzerland were anxious that improvement trade and repair trade should be kept separate from special trade, but they did not propose any amendment to this effect. The British and Italian delegations supported the proposals of the Sub-Committee and held that transit trade should be shown separately from special trade. The Belgian representative had proposed a definition of special trade which would mean the deletion of sub-paragraph (b).

M. JANSSEN (Belgium), in view of the state of the discussion, withdrew his amendment.
FIFTH MEETING OF THE COMMITTEE ON TRADE STATISTICS.

Held on Friday, November 30th, 1928, at 3.30 p.m.

Chairman : M. Wagemann.

15. Article 1, Paragraph V (External Trade and Shipping) (continued).

The Chairman said that the Committee would consider the following amendment (document C.S.O./Commerce/9), submitted by the British delegation:

"Article 1, paragraph V: Alter heading to 'external trade', striking out the words 'and shipping'.

Leave (a) and (b) as they are.

Insert in the Final Act the following:

"That the inclusion in Article V (b) of certain provisions relating to shipping shall not be held to prejudice the conclusion of any international agreement in the future concerning transport statistics."

Sir Sydney Chapman (British Empire) explained that the last paragraph of the amendment was in order to make it quite clear that nothing in the Convention would preclude the future discussion of an international agreement dealing with transport statistics.

M. Dvola'tsky (Union of Soviet Socialist Republics) said that he desired to support the views of the American delegation on the general question of transport statistics.

He would therefore submit the following amendment (document C.S.O.14) to paragraph V of Article 1:

"The Conference instructs the Committee of Technical Experts to draw up a draft Convention concerning transport statistics.

The Committee of Technical Experts is instructed to prepare proposals concerning the scope and methods of uniform transport statistics, making it possible:

1. To study the movement of goods by recording the movement of a number of representative goods in a number of selected junction stations;

2. To obtain comparable annual statistics relating to the length of the railway systems and the quantity of rolling-stock of the various countries.

To this end the Committee of Technical Experts is requested to draw up uniform nomenclatures: (1) for goods and (2) for rolling-stock."

M. Piekalkiewicz (Poland) said he agreed with the Russian delegation that the question of transport statistics was of great importance. He had, however, already pointed out on a previous occasion that there was a Committee of the League of Nations already dealing with that question. He accordingly did not think it was desirable to lay down any general principles in regard to transport statistics in the present Convention.

M. Dvolat'sky (Union of Soviet Socialist Republics) observed that all the countries represented at the Conference already published extensive transport statistics. It seemed to him desirable that the Committee of Experts to be appointed under the present Convention should discuss ways and means of introducing uniformity into these returns.

Sir Sydney Chapman (British Empire) pointed out that the experts who drafted the Convention had deliberately avoided dealing with the question of transport statistics, because they were aware that another Committee of the League was already considering the matter. He would accordingly suggest that the amendment submitted by the delegate of the U.S.S.R., should not be considered there but should be forwarded to the Transit Committee for its consideration.

Mr. Loveday (Secretary-General of the Conference) thought that there was some misapprehension with regard to the form of the Convention. It was suggested in the first part of the Convention that certain statistics should be published. The second part of the Convention laid down certain principles which should govern the statistical methods adopted in compiling those statistics, while it was suggested in the third part of the Convention that a Committee of Experts should be set up. If the Conference desired that special instructions should be given to that Committee, he would submit that such instructions would more appropriately be embodied in a recommendation of the Conference than in Article 1, and he would propose that the question raised by the delegate of the U.S.S.R. should be discussed when the recommendations came to be considered.

M. Dvolat'sky (Union of Soviet Socialist Republics) agreed.

M. Claesens (Netherlands) said the Netherlands delegation had already suggested an amendment (document C.S.O./Commerce/2) to Article 1, paragraph V, but would now withdraw its proposal in favour of the amendment submitted by the British delegation. He would suggest, however, that there should be omitted from the text of sub-paragraph (b) the words "with cargo and also of those entering and leaving in ballast". It was undesirable to ask statisticians to go too much into details of this character.
Mr. Hobson (United States of America) said that the American delegation had raised the question of transport statistics in the conviction that some reference to the matter should be made in the Convention. He was quite willing to accept the amendment of the British delegation, which already clearly indicated that the subject was under serious consideration elsewhere.

M. Dvolets'ky (Union of Soviet Socialist Republics) said he was prepared to accept the amendment moved by the British delegation.

The Committee adopted the amendment to Article 1, paragraph V, submitted by the British delegation, with the suppression of the words to which the delegate of the Netherlands had drawn attention.

It was understood that the final paragraph would be forwarded to the Bureau in order that its inclusion in the Final Act might be considered.

M. Piekalkiewicz (Poland) submitted the following recommendation (document C.S.O.13) with a view to supplementing the reference in Article 1, paragraph V, to transport statistics:

"The Conference:

"Noting the declarations which have been made to the effect that work is being undertaken with a view to the unification of transport statistics;

"Recognising the importance of the publication of such statistics on a uniform basis and according to a uniform nomenclature, ensuring that they shall have as complete a degree of comparability as possible;

"Expresses the hope that the work which is being done may be successfully concluded as soon as possible, in order that in the near future there may be concluded an international agreement on this subject."

He would ask the Committee to express an opinion on that recommendation and to decide whether it should be forwarded to the Bureau.

Sir Sydney Chapman (British Empire) said that he was prepared to support the proposal to refer this to the Bureau.

The Committee agreed that the recommendation should be forwarded to the Bureau of the Conference.
goods imported into the Customs area in question and subsequently exported therefrom without undergoing any process of transformation. Re-packing and simple mixing or blending are not considered as constituting a process of transformation for this purpose."

M. Gayon (France) proposed to add to the penultimate section of sub-paragraph (a) the words: "and goods which are merely transhipped in ports".

Mr. Hobson (United States of America) said that most countries recorded the statistics of their transit trade separately. There were some countries, however, which did not do so. He thought it would be well to lay down quite clearly that this practice should be invariably followed.

Mr. Taniguchi (Japan) proposed that there should be a clause in the Protocol to the effect that improvement trade did not cover improvements effected in bonded factories. It might also be useful to say whether repair trade was to be regarded as improvement trade or not.

Mr. Hobson (United States of America), referring to the second sentence of the final paragraph, thought that there might be some misunderstanding of the expression "goods imported into the Customs area". Would this definition include goods in transit? He was under the impression, for example, that wheat arriving in Canada and re-exported was not regarded by the Canadian authorities as being imported into the country. It would therefore escape any form of declaration. He would suggest that the expression should read "goods arriving in the Customs area".

Mr. Riddell (Canada) said that the Canadian authorities did not include transit trade in their statistics. He would suggest that an additional clause should be added to the final section to the effect that such trade should in principle be included. Canada was prepared to follow the example of other countries in adopting such a practice.

The Chairman said that the point under discussion appeared to turn upon a question of definition. Goods in direct transit were excluded from general trade under sub-paragraph (a) of the amended draft, whereas goods in indirect transit were included among re-exports under sub-paragraph (b). It would be necessary to define the terms "direct transit" and "indirect transit", and these definitions might be embodied in the Protocol.

Mr. Flux (British Empire) said that he thought that the wording of sub-paragraph (b) was already clear and absolute. It was suggested that re-exports should include all goods imported into the Customs area. There was accordingly no need for any reference to any special class of goods. The only exception to the rule in Great Britain were goods which were transhipped or passed through the country under the seal of the Customs.

Mr. Hobson (United States of America) doubted whether he had made his point altogether clear. The difficulty, in his view, lay in the precise significance to be attached to the word "imported". If transit goods were not in certain cases regarded as being imported, they would not come under the provisions of the article. It was for that reason that he had suggested to replace the expression "goods imported into the Customs area" by the expression "goods arriving in the Customs area".

M. Claessens (Netherlands) suggested that a definition of imports should be inserted in sub-paragraph (b) to correspond with the definition of exports given in (a).

Mr. Flux (British Empire) suggested the following:

"The imports should include all goods passing into the Customs territory, except goods which remain under Customs control or pass under Customs control, through the country."

Mr. Hobson (United States of America) thought that the question of text might be left to the Drafting Committee. He merely desired to ensure that transit trade, as a matter of principle, should be recorded separately.

M. Colesco (Roumania) said that, in principle, he supported the proposal that transit trade should be recorded separately. He would suggest that indications should also be given of the country of origin and destination of the goods.

Mr. Hobson (United States of America) said that amendments to the following effect would, in his view, meet the position. A sentence might be added to sub-paragraph (a) to the effect that goods in direct transit, which were excluded in accordance with the penultimate section, should be reported separately. In sub-paragraph (b) the words "goods arriving in the Customs area" should be substituted for "goods imported into the Customs area", or, alternatively, a paragraph should be added to the effect that neither the arrival nor the departure of goods in direct transit was to be included in statistics of imports and exports, but that, if possible, goods in transit should be declared in separate tables.

Mr. Flux (Great Britain) pointed out that sub-paragraph (a) concluded with a definition of general imports. He would propose that (b) should read as follows:

"When general imports, as defined above, are given alone, the exports and re-exports shall be given separately."
He did not think that any further amendment or addition was necessary if sub-paragraph (b), as it stood, were replaced by a provision to that effect.

The Chairman noted that the Committee was agreed that in principle the statistics of direct transit trade should be stated separately. He would suggest that the textual amendments that had been suggested by the various delegations should be referred to the Sub-Committee appointed on the previous day, with instructions that a revised text should be submitted to the plenary Committee for further consideration.

The Committee agreed.

17. Article 2, Paragraph II (Frontier Values) (continued): Discussion of Revised Text submitted by the Principal Sub-Committee. (Document C.S.O./Commerce/14.)

The Chairman submitted the revised text of Article 2, paragraph II, prepared by the Sub-Committee.

M. JANSSEN (Belgium) thought that before opening the discussion it would be useful in view of the numerous amendments to circulate a revised text of article 2.

Mr. LOVEDAY (Secretary-General of the Conference) suggested that one of two courses might be followed in order to satisfy M. Janssen. The Secretariat could distribute copies of the revised text of Article 1, paragraph V, and of Article 2, paragraphs I, II, III and IV (a). As to paragraph IV (b), the Secretariat could either circulate the text as it stood in the draft Convention appending it in its present condition to paragraph IV (a), or it could circulate only the first half of paragraph IV (b) in its present form, holding up the distribution of the second half until the revised text had been prepared by the Sub-Committee on the following morning. Mr. Loveday suggested that the latter would be the better course.

The Chairman proposed that the Committee should now proceed to consider the revised text of Article 2, paragraph II. The Sub-Committee had agreed unanimously on that text. He suggested that the Committee should first examine sub-paragraph (a), the revised text of which did not make any real change in the original text. The really important alteration would be found in sub-paragraph (b).

The text before the Committee was the following:

"Article 2, paragraph II:

(a) To employ for this purpose frontier values (land or sea frontier, as the case may be), that is to say, for imports the value at place of despatch plus the cost of carriage and insurance from the place of despatch to the frontier of the importing country, and for exports the values free on board or free on rail at the frontier. For imports, import and excise duties and similar fiscal charges imposed by the importing country to be excluded from the values. On the other hand, for exports, export duties to be included as well as excise, and similar fiscal charges imposed by the exporting country, so far as these are in fact applicable to the goods exported.

(b) When a country imposes ad valorem duties on imports or exports, the value calculated for the purposes of these duties in conformity with the fiscal laws of the country may be shown in the statistics of imports or exports, even although they may differ from the value as defined above. Similarly, goods exempt from duty or taxable at specific rates in the same country may be valued on the same basis. In the latter case, the statistics must now clearly this difference in the method of valuation and should give at least an annual, and if possible detailed, estimate of the value as defined in sub-paragraph (a)."

M. GAYON (France) said that the text proposed by the Sub-Committee was the result of a compromise. Sub-paragraph (a) laid down the principle that the value which should be taken in statistics of imports was the value of the goods at the frontier of the importing country. But it had been found that this principle could not be followed in all countries. It had therefore been decided to append a second sub-paragraph, namely, sub-paragraph (b), which gave countries whose legislation was opposed to the application of this principle an opportunity of continuing their present practice, while at the same time satisfying the requirements of the Convention.

With regard to the term "value at place of despatch" in the second line, M. Gayon pointed out that this was calculated in two different manners. In the United States of America, for instance, it was taken to correspond to the value on the internal market of the exporting country, whereas in other countries it represented the invoice value—that was to say, the value for export. If the revised text were adopted, it would be understood that the term "value at place of despatch" would be interpreted by the United States of America as being the value on the internal market, and by other countries as representing the value for export. The Sub-Committee had been unable to reach agreement upon this point, and therefore it had been decided to leave the different countries free to act at their own discretion.

M. BARBOZA-CARNEIRO (Brazil), as Chairman of the principal Sub-Committee said that the text submitted by the Sub-Committee was the result of a very difficult compromise between
the authors of the different proposals which had been submitted. He wished to lay emphasis on the importance of the text submitted. It was thanks to the proposal made by the American delegation that it had been possible to present the text now submitted, which, if adopted, would place the Conference in possession of an undertaking that the United States of America would adhere to the Convention. That was to say, if the United States Government ratified the Convention, they would undertake to publish data which they did not at present publish. The Conference should express its high appreciation of the spirit in which the American delegation had accepted that compromise, the result of which would be that the delegation, instead of making a reservation in the Protocol, would undertake a definite engagement in the text of the Convention. The American delegation was deserving of the warmest thanks for their generous effort to secure greater clearness in international statistics.

The Chairman said that the United States of America being the country which took the foremost place in the world in regard to statistics, it was to be regretted that it had been impossible to secure a better arrangement, and he was sure that the American delegation would have liked to adopt the principle contained in sub-paragraph (a). The text of sub-paragraph (b), however, indicated the great effort that had been made by that delegation to meet the views of the other members of the Conference and therefore the Conference would welcome the present arrangement, in the hope that at some future time the course now adopted would help American statisticians to realise their own ideal.

Mr. Riddell (Canada) was glad that a compromise had been reached. The trading countries of the world were divided into two groups, c.i.f. countries and f.o.b. countries, and the volume of trade of these two groups probably balanced fairly evenly. He would like to be in a position to say that the Canadian delegation were prepared to accept the compromise, but that was not possible for the moment. Canada would have very great difficulty in changing her present system. The question would nevertheless receive the most careful consideration and the delegation might, before the end of the Conference, be in a position to say that it would accept the compromise. Mr. Riddell, however, had wondered that all the giving should be on the part of the f.o.b. countries. He was surprised that the c.i.f. countries should be unable to state for the benefit of the f.o.b. countries what their trade meant in f.o.b. He would, nevertheless, promise that the Canadian delegation would do everything in its power to see if the compromise could be accepted.

The Chairman noted that the Committee accepted the text of sub-paragraph (a).

The Committee assented.

The Chairman asked if there was any objection to the revised text of sub-paragraph (b).

M. Acklin (Switzerland) said that the prescriptions contained in sub-paragraph (a) now seemed to be quite clear and to be in line with the rules in force in Switzerland. There was, however, one point which was not quite clear. Did the term "value at place of despatch" refer to the country of production or to the country of re-consignment? This was a point of importance for Switzerland, which had a large re-consignment trade.

M. Gayon (France) said that, according to the idea of the Sub-Committee, the term "place of despatch" meant the point from which merchandise was consigned to the buying country; in other words, the value at the place of despatch was that which might be used for the calculation of the ad valorem duty imposed by the importing country.

The Chairman observed that M. Gayon's reply satisfied M. Acklin's point and asked whether the Committee accepted the revised text of sub-paragraph (b).

The Committee adopted the revised text.

18. Article 2, Paragraph V (Recording by Countries of Provenance and Destination).

The Chairman suggested that the Committee should now proceed to a general discussion of paragraph V. There was an amendment submitted by the Czechoslovak delegation (document C.S.O./Commerce/10).

M. Gayon (France) observed that the amendment had only just been distributed and that accordingly delegations had not had time to consider it. He would, therefore propose that the Committee should proceed to examine paragraphs VI, VII, VIII and perhaps IX, which would involve less discussion and might perhaps be disposed of more quickly.

The Chairman said that, if the Committee agreed, it would proceed to discuss paragraphs VI, VII and VIII.

19. Article 2, Paragraph VI (Imports and Exports of Gold).

The text before the Committee was as follows:

"VI. In view of the special importance of accurate monetary statistics, to show gold coin, gold bullion and silver coin in special tables, and in these tables to indicate refined and unrefined gold separately under both weight and value."

M. Ito (Japan) said that the Japanese statistics did not indicate refined or unrefined gold, but were confined solely to bullion. He took it that the compilation of statistics for bullion would suffice for the purposes of the rules laid down in paragraph VI and added that, if that were the case, Japan would not publish statistics of refined or unrefined gold.
The CHAIRMAN suggested that M. Ito’s point should be treated at the end of the discussion on paragraph V.

M. COLOMBO (Italy) said that in his country a distinction was made between bullion and specie, but specie included only coin that was legal tender in Italy.

The CHAIRMAN observed that the German statistics made no distinction between refined and unrefined gold, but that that distinction could be made if the text of paragraph VI was adopted.

Mr. Flux (British Empire) wished to ask a question with a view to being quite clear as to the intention of paragraph VI. His point was connected with the observation made by the Italian delegate. Under the heading “gold”, it was the British custom to distinguish between gold coin that was legal tender in Great Britain and other gold coin which was regarded as gold bullion in another form. He observed, however, that in paragraph VI, under the heading “silver”, coin only was mentioned; that raised the question whether silver coin within the meaning of the paragraph was to be taken to be coin which was legal tender of the importing country or other coin which, from the point of view of the importing country, was equivalent only to silver bullion. If the latter were the case, it would be illogical not to include silver bullion. It might, of course, be said that in these days silver bullion was ordinary merchandise. The British statistics mentioned silver coin and silver bullion separately. While the British Government, therefore, would have no difficulty in falling into line with whatever decision was taken, it was desirable to be quite clear whether it was intended in the paragraph that silver bullion should be included not among the precious metals but in the tables of merchandise.

Mr. LOVEDAY (Secretary-General of the Conference) said that in the Committee which drew up paragraph VI he had been responsible for the omission of silver bullion. The idea was to achieve better monetary statistics. The system of showing silver as precious metal had been given up since the disappearance of bimetallism. In practically all countries silver was no longer minted freely and therefore silver was not a currency until minting had taken place. It had accordingly been felt that token money was not of sufficient importance in value to be included in the Convention and therefore the Preparatory Committee had restricted the prescriptions of paragraph VI, in so far as bullion was concerned, to gold bullion.

Mr. HOBSON (United States of America) understood Mr. Loveday to mean that silver bullion was not required for the compilation of monetary statistics. At the present time, the American practice was to show both gold and silver separately. If silver bullion was not included, was it desired that exports of silver bullion should be shown in the table of exports of merchandise?

M. CLAESSENS (Netherlands) said that in his country difficulties had been encountered with regard to the value of coined silver. Large quantities of worn florins were received annually from the Dutch East Indies and were reminted in Holland. What was the value of such imports of worn coin? The practice in the Netherlands was to show the intrinsic value in the mint and not the face value.

M. GAYON (France) asked whether a distinction should be made between refined and unrefined gold. In regard to the point raised by the Netherlands delegate, M. Gayon would mention that French gold had been exported in large quantities during and after the war to Great Britain and America, and, when that gold had returned to France, the Banque de France had said that it could only be declared to the Customs at its legal—that is to say, its face—value. On account of the rate of exchange, the value of such gold in paper francs was much higher than its face value. He thought, therefore, that it would be necessary to complete the text as it stood in the draft Convention in order to solve these difficulties.

Mr. LOVEDAY (Secretary-General of the Conference) suggested that the Committee should authorise him to prepare and submit to the Sub-Committee a text on the following morning.

The CHAIRMAN suggested that, as the Japanese and Italian delegates had also raised points in connection with paragraph VI, they should join the Sub-Committee for the discussion of that paragraph.

The Committee assented.


The following text was before the Committee:

“VII. To show the quantities (and, if possible, the values) of coal and other fuel supplied in ports to shipping engaged in international trade, separately: (a) to national vessels, and (b) to foreign vessels.”

Mr. Flux (British Empire) submitted a small amendment (document C.S.O.8), of which notice had been given already, namely, to insert after the words “to show the quantities” the words “estimated or ascertained”. The object of that amendment was to leave the Governments a freer hand in dealing with the statistics in question, because it might be found that the recording of the mass of details which would be required involved excessive labour. The amendment would
therefore leave room for a partial enumeration, so that it would be possible to arrive at standards of evaluation affording a good basis of estimation, thus fulfilling the requirements of the paragraph.

Mr. Hobson (United States of America) said that his delegation could accept the paragraph as it stood and also the amendment submitted by Mr. Flux. He would ask, however, whether it was desired that bunker coal should be included among exports. The American practice was to show it separately.

M. Claessens (Netherlands) thought that coal supplied to national vessels should not be included under foreign trade, which should comprise only coal supplied to foreign vessels, since that alone constituted an export.

The Chairman said that the Hungarian delegation had asked that it should be clearly stated that reference was made only to seaports. There were river ports in Hungary, but the quantity of coal supplied to river vessels was insignificant.

M. Colesco (Roumania) asked what was the use of the proposal for statistics of coal supplied to vessels.

Mr. Chapman (Secretary to the Committee) said that in some countries bunker coal was included in the statistics of foreign trade, while in others it was excluded. The amount of coal exported in bunkers was very considerable in many countries. It was necessary to make a distinction between coal supplied to national vessels and coal supplied to foreign vessels, because the latter constituted an export from the country in which the coal was hewn to the country to which the vessel belonged.

M. Colombo (Italy) asked what would be the position of his country under paragraph VII. As was well known, there was no coal in Italy. At the same time, coal was supplied in Italian ports both to Italian and to foreign ships. Should that coal be included in the transhipment figures?

Mr. Chapman (Secretary to the Committee) pointed out that in cases of the purchase and re-sale of coal in Italian ports, such transactions must affect the national trade balance. If, however, coal was merely stored in hulks or transhipped without any sale or purchase being effected, that would not affect the trade balance. The question differed according to the particular case under consideration.

Mr. Flux (British Empire) explained the origin of paragraph VII. That paragraph came before the Conference as part of a resolution put forward by the Preparatory Committee and discussed and approved by the International Institute of Statistics at Brussels. Since then, some of the countries represented at Brussels had been trying to live up to the proposal, and it was in view of the labour expended on that effort that the matter had been brought forward before the Conference. The present practice in the different countries was so varied that it had been felt desirable to have a resolution making it possible to obtain data that would permit of comparable calculations. Those calculations could not be comparable unless a distinction were made between coal supplied to national and coal supplied to foreign vessels. The proposition was not, in point of fact, quite so simple as had been suggested. The view of the Preparatory Committee had been that the rules contained in the paragraph afforded a step towards the comparability of statistics, as they would bring the various returns made in the different countries on to approximately the same footing. In Great Britain, all coal supplied to vessels engaged in international trade was recorded by quantity and not by value. It was not included in the exports, but shown in the annual volume relating to Great Britain's external trade.

M. Westman (Sweden) said that he would be obliged to make a reservation with regard to paragraph VII. Statistics of bunker coal were not shown at present in the Swedish statistics on the basis prescribed in the paragraph, and M. Westman therefore could not give an undertaking that it would be possible for Sweden to carry out the rules prescribed.

The Chairman observed that the statistics prescribed in paragraph VII were required for two purposes: first, as a contribution to elucidating the question of the supply of coal to vessels and, secondly — and this was the more important object — as a contribution to the question of the balance of payments. For the latter purpose, it was necessary to take into account coal supplied to national vessels as well as coal supplied to foreign vessels, in order to ascertain the amount of coal exported in national vessels. In regard to the question raised by the Italian delegation, if a country's imports of coal were stated, it would be necessary to take into account exports of coal supplied both to national vessels and to foreign vessels.

The Chairman therefore would ask which delegations could not accept paragraph VII in principle.

M. Colesco (Roumania) asked whether it would be possible to accept the paragraph subject to a reservation.

The Chairman replied that the principle of the paragraph could be accepted with a reservation.

M. Colombo (Italy) said that he understood the reasons for which the Economic Committee had recommended that the statistics in question should be asked for. Italy would be in a position to give them if the Conference agreed as to the methods of showing transit statistics; that was to
say, she would be able to make returns of coal transhipped from one vessel to another or from the
wharf to a vessel in Italian ports.

The Chairman then submitted the amendment presented by the British delegation, and asked
whether there was any objection to it.

M. BARROZA-CARNEIRO (Brazil) said that he reserved his right to make a reservation in the
Protocol, with regard both to the text of paragraph VII as it stood and to the amendments which
had been suggested.

M. JAHN (Norway) said that the figures prescribed in the paragraph were not compiled in
Norway and that there would be great practical difficulty in furnishing them. The statistics in
question were of very little importance to Norway and their compilation would cost a great deal of
money. He did not think, therefore, that his Government would be prepared to supply them,
and he would be obliged to make a reservation to that effect.

The Chairman noted that the principle contained in paragraph VII was accepted by the great
majority of the Committee. It also appeared that the amendment proposed by the British
delegation was accepted. Other difficulties, however, had been brought up in the course of the
discussion. Was it, for instance, proposed to maintain the distinction between foreign and national
vessels? Which delegations were opposed to the adoption of that distinction?

Mr. Hobson (United States of America) said that the distinction was not made in American
statistics, but it would be possible to make it. He was not, however, convinced of its importance.
He thought it would be hardly correct to designate coal supplied to a foreign vessel as an export
to that vessel's country, especially in cases where the vessel in question did not sail to the country
of its flag.

The Chairman observed that that was not a real objection.

M. PIEKALKIEWICZ (Poland) said that it was possible to agree that coal supplied to a foreign
vessel should be included in the balance of payments. On the other hand, coal supplied to national
vessels could not be included in the balance of payments. In Poland, the amounts paid on account
of transport were added to the receipts, and the sums paid to foreigners on the same account
were added to debits.

M. GAYON (France) agreed with the Polish delegate. What, after all, was desired by the
compilation of Customs statistics? The object was to have accurate statistics showing each
country's exchanges of goods—that was to say, its purchases and sales. From the point of view
of foreign trade, the supply of coal to a foreign ship was a sale, because it was sold by a national
of the country which supplied it to the national of another country. In the case, however, of coal
supplied to a national ship, there was no sale from the point of view of foreign trade, because it
was a transaction between two nationals of the same country.

The Chairman noted that the majority of delegates appeared to be in favour of adopting
paragraph VII with the British amendment, and observed that the remaining delegations would
be entitled to make reservations.

The Committee assented.

SIXTH MEETING OF THE COMMITTEE ON TRADE STATISTICS.

Held on Saturday, December 1st, 1928, at 10.45 a.m.

Chairman: M. WAGEMANN.


M. CLAESSENS (Netherlands) did not desire the quantity of coal supplied to national vessels
engaged in international trade to be included, as it formed part of the ship's stores.

M. GAYON (France) said that this matter should be dealt with under paragraph VIII, sub-
paragraph (b).

Mr. Flux (British Empire) said that it was customary to differentiate between the fuel used
for the propulsion of ships and the food taken on board for the crew and other forms of ships'
stores. Such stores were taken on board, in the case of a long voyage, at several ports, whereas
the coal might be loaded at the port of departure. He thought that the practice of separating
c coal from the rest of ships' stores might be continued. No distinction should be made in the
statistics of ships' stores supplied to national ships and to foreign vessels.

What the Convention would demand would be that statistics should in future be supplied,
showing all coal supplied both to national ships and to foreign vessels, but that a distinction
should be made between the two. Thus, a country which up to the moment had given figures for all
c coal supplied for shipping, whether national or foreign, would in future be asked to give, first,
the statistics for its national ships and, secondly, for the foreign vessels. Countries which only
gave figures for the coal supplied to foreign vessels would in future be asked to give those figures for their own vessels. Both sides were thus called upon to make concessions and it was hoped in this manner to obtain a more complete survey of the whole problem.

The **Chairman** urged that the word "sea" should be added to the word "port" in the article, to show that only statistics for the coal used in maritime international trade were desired.

Mr. **Flux** (British Empire) said that, as far as Great Britain was concerned, the question of coal taken on board at river ports did not arise. From the international point of view, however, an endeavour was being made to measure an element of exchange between countries, and in that respect, therefore, the problem was the same whether those countries were separated by rivers or by oceans. From the point of view, therefore, of obtaining an accurate picture of the situation, coal taken on board at river ports and used in international trade was as important as coal received in seaports.

Mr. **Hobson** (United States of America) raised the case of the Great Lakes between Canada and America. Were they to be excluded or not?

Mr. **Colesco** (Roumania) said that similar conditions prevailed on the Danube.

Mr. **Flux** (British Empire) said that records for ocean traffic would be better than nothing, but it could not be maintained that the statistics would in that case be complete.

The **Chairman** asked why, if coal obtained in river ports were to be included, coal used on international railway trains should not be also included.

Mr. **Flux** (British Empire) replied that on international railway lines the engines drawing the trains did not leave their own country, which supplied the fuel for them.

The **Chairman** thought that the majority of the Committee wished for figures covering only ocean traffic.

Mr. **Colesco** (Roumania) wished to know how it would be possible to distinguish between coal used for the propulsion of the ship and coal carried on board for purposes of export.

Mr. **Flux** (British Empire) said that there was a customary distinction made in respect of coal. Coal taken out in cargoes for bunkering stations was recorded as merchandise exported, and coal supplied to ships for the voyage was known as bunker coal. It was only this latter class of coal to which paragraph VII applied. Would it not be possible to express in the Protocol a desire that countries should, if possible, show the amount of coal taken on board at river or lake ports in cases of international trade on rivers or lakes?

M. **Janssen** (Belgium) thought it essential to be very clear as to the class of coal covered by paragraph VII. In Belgium bunker coal was regarded as part of the ship's stores and could therefore be dealt with under paragraph VIII, sub-paragraph (b).

Mr. **Flux** (British Empire) replied that bunker coal, though actually part of ships' stores, might well be shown separately owing to its importance. In reply to M. Colesco, he suggested that a slight amendment of the text would meet his point. The phrase might run "coal and other fuel supplied in seaports for the use of shipping".

Paragraph VII was adopted in the following form:

"To show the quantities estimated or ascertained (and, if possible, values) of coal and other fuel supplied in seaports for the use of shipping engaged in international trade, separately: (a) to national vessels, and (b) to foreign vessels."

M. **Barroza-Carneiro** (Brazil) and M. **Colesco** (Roumania) made reservations regarding this paragraph.

22. **Article 2, Paragraph VIII (Movements to be excluded from Trade Statistics).**

The text before the Committee was the following:

"VIII. To exclude from statistics of international trade:

(a) Temporary imports and exports of goods involving no commercial transaction (e.g., goods for exhibition, horse-races, etc.);

(b) Ships' stores;

(c) Fishery products which are regarded by a State as national produce."
M. Claessens (Netherlands) proposed that the word "temporary" should be struck out from sub-paragraph (a). There were certain temporary imports and exports which should not, he thought, be included. He cited as examples furniture and the personal effects of diplomatic representatives, the material of contractors for hydraulic works, etc. Others, such as pictures temporarily imported and sold when exhibited, oriental carpets temporarily imported as samples and later sold, should be included in the statistics.

M. Pieckalewicz (Poland) proposed that paragraph VIII should be divided into two parts. In his opinion, the goods referred to under sub-paragraphs (a) and (c) should be excluded from the statistics of international trade, and a reference to these goods would, in accordance with his proposal, be made in the first part of the paragraph under the heading of goods not to be included (à ne pas comprendre). The inclusion of the goods referred to under sub-paragraph (b), however, should, in his opinion, be optional, and would therefore be dealt with in the second part of the paragraph under the heading of the goods which might be excluded (on peut ne pas comprendre).

He would refer also to the amendments moved by the delegations of Latvia and Estonia which desired to add to the list of goods to be excluded from the statistics of international trade: (d) postal packets of a value not exceeding ten gold francs or two dollars, and (e) sea-going vessels of a gross tonnage not exceeding 20 tons register. If paragraph VIII were arranged in accordance with his proposal, he would put (d) in the second part of the paragraph with (b). Sub-paragraph (e) he would strike out altogether.

Sub-paragraph (a).

The Chairman asked the Committee for the moment to confine the discussion to paragraph VIII (a).

M. Julin (Belgium) said he thought that the text of paragraph VIII (a), as it stood, was clear and satisfactory, and he would ask the Committee not to suppress the word "temporary". The experts had not desired to include in the statistics of international trade goods which merely entered the country and left it after a certain period of time. He would, as an instance of such goods, refer to the commodities which he hoped would be entering Belgium in large quantities on the occasion of the forthcoming exhibition to be held at Antwerp. He would quote as another instance horses which were imported into Belgium in order to take part in the race-meetings at Ostend. These horses could not be regarded as imported into the country unless they were subsequently sold. He did not think that the instances quoted by M. Claessens were really relevant. The personal effects of diplomatic representatives could not be regarded as being in any sense imported. These effects were forwarded to the diplomatic representatives whose places of residence were regarded as portions of the territory of the countries which they represented.

M. Claessens (Netherlands) said he felt it necessary to press his amendment. The Belgian authorities would in certain cases desire to include luggage and personal effects in their statistics. That was also the case in regard to samples. These goods in many cases never left the country after they had once been imported.

M. Gayon (France) said there were many other cases which did not appear to be covered by paragraph VIII (a). The French Customs accorded an exemption from duty to articles included in the personal baggage of persons who came to France in order to be married, or of children who came to France for their education, though these effects could not be regarded strictly as temporary imports. Agricultural and industrial equipment were also under certain conditions exempted. Agreements also existed between France and neighbouring countries under which produce harvested within the frontier zone might be imported free of duty. None of these goods were included in the import statistics; it was a situation of fact of which account should be taken.

M. Acklin (Switzerland) contended that paragraph VIII (a) was not sufficiently extensive. The examples given did not make the position sufficiently clear, and there were many other categories of goods which would need to be covered. There were, for example, goods which were imported temporarily for sale on approval, rolling-stock used in the import of goods, bicycles and motor-cars, which crossed a frontier and returned again, and cattle which were taken over the frontier for grazing or for agricultural labour. He would, therefore, propose that the sub-paragraph should either be suppressed or amplified. The naming of one or two special cases would give the impression that the goods to be excluded from statistics of international trade should be confined to those specifically mentioned.

M. Julin (Belgium) proposed that paragraph VIII (a) should read "temporary or permanent imports or exports of goods involving no commercial transaction". He was not in favour of extending specifically the list of exceptions. Every country had special cases which it would require to cover, and the list would become extremely long if an attempt were made to cover every possible example. He thought that a general formula such as he had suggested would suffice, in view of the explanations which had been made by the delegations concerned. Those explanations would be recorded, and would serve as a guide in interpreting the general formula. He was of opinion that it was better to give no examples at all than to endeavour to make the list exhaustive.

The Chairman suggested that paragraph VIII (a) should merely read "goods involving no commercial transaction".

Mr. Flux (British Empire) said that the proposal of M. Julin and the Chairman went a long way towards dealing with the problem. There was one difficulty, however. There was an
important class of goods which was not everywhere understood in the same sense, namely, packing materials. He believed that in some cases packing materials were valued separately among imports and exports. In other cases these materials were regarded as a necessary means of delivering the goods, and were included in the value of the goods. Since the practice of the various countries in this matter varied, it was necessary to reach some agreement.

M. de Konkoly-Thège (Hungary) approved the formula suggested by M. Acklin.

The Chairman said that the point raised by Mr. Flux was of considerable importance. He proposed that the question should be referred to the Sub-Committee.

The Committee agreed.

Sub-Paragraph (b).

The Chairman said that it had been suggested by several delegations that sub-paragraph (b) should be amended to read "national ships' stores, not including fuel".

Mr. Flux (British Empire) said that the effect of the amendment would be to require that those countries which showed ships' stores as a whole without making a distinction between national and foreign vessels would have to ascertain the value of supplies for stores for foreign vessels and make a return under that heading in their statistics. If that were so, he would ask that the requirements should be limited to the calculation of estimates in view of the large amount of labour which would be involved in compiling accurate statistics of actual supplies of ships' stores.

The Chairman said that he was not entitled to speak on this subject as delegate of Germany, but he thought that Mr. Flux was right in suggesting that the Conference should avoid taking into its discussions matters of trifling importance. If the result of the Convention were to be that the different Governments would find themselves overburdened with statistical work which was of no great value, the Conference would have laboured in vain. It should therefore exclude those refinements which were not worth while considering.

M. Gayon (France) pointed out that the text of the draft Convention bound the Governments not to include ships' stores. It was obvious that supplies for national ships did not constitute a transaction that came within the definition of foreign trade. The supply of stores to foreign ships, however, did undoubtedly affect the balance of payments and in France was valued at 100,000,000 francs per annum. M. Gayon hoped that the effect of the Convention would not result in preventing France from making these returns in the future and including them in the national balance of trade.

M. Colombo (Italy) suggested that the countries should be left free to act at their own discretion; that was to say, either to include stores for foreign ships in their trade balance or not. In Italy, a distinction was made between stores for national and stores for foreign ships. He did not think there was any necessity to make a change in the existing situation.

M. Julin (Belgium) thought that all delegates were virtually in agreement. The question was purely one of drafting. The text of paragraph VII made a distinction between national and foreign ships in regard to the supply of bunker coal. Why, therefore, should not a similar distinction be made in paragraph VIII (b), so that it would involve the exclusion from statistics of international trade of national ships' stores?

M. Claessens (Netherlands) said that in his country since the war an endeavour had been made to give estimates of stores supplied to foreign ships according to the very detailed classification used for export statistics. The obligation to give this great detail had, however, given rise to many difficulties and for that reason it had recently been decided to distinguish between: (1) foodstuffs and (2) engine-room stores other than fuel. He thought that, if that system were adopted, no difficulty would be experienced in ascertaining the data required.

Mr. Flux (British Empire) observed that there appeared to be a very considerable difference of practice and that the various States might find some difficulty in falling into line, at any rate immediately, with a common mode of procedure. He would therefore suggest a compromise. As it stood, the draft Convention required the exclusion of ships' stores and Mr. Flux would propose that the matter should remain in that form with a drafting modification which would state that the matter should remain in that form with a drafting modification which would state that the requirements should be limited to the calculation of estimates in view of the large amount of labour which would be involved in compiling accurate statistics of actual supplies of ships' stores.

M. Pieralkiewicz (Poland) suggested that paragraph VIII might be divided into two parts, the first to include sub-paragraphs (a) and (c) as they stood. The second would comprise sub-paragraph (b) and would be optional. In this manner some States would be given the option of including ships' stores, but, if they did so, they would be required to show them separately in order to allow of a comparison of the different national statistics.

M. Gayon (France) said that there was one inconvenience in the British delegation's proposal, namely, that it ran counter to his amendment to the document C.S.O.2. Annex ("Draft List of Countries"), in which he proposed the creation of a special account for supplies of foreign ships (see document C.S.O./Commerce/20).

The Chairman observed that opinions seemed to differ very widely, and he suggested that it might be well to omit the reference to ships' stores from the paragraph and to insert a sentence to the
effect that ships' stores should be treated separately from other goods and that the methods employed in the case of ships' stores should be clearly indicated.

Mr. Flux (British Empire) enquired whether that proposal would make the registration of ships' stores obligatory.

The Chairman replied that the proposal meant that every country would be entitled to do as it thought fit, but that the returns for ships' stores must be kept separate from those for other goods.

M. Julin (Belgium) thought that the difficulty largely arose from the fact that the negative character of the paragraph had been overlooked. The question would be easier to understand if the fact were borne in mind that the States were merely required “to exclude from their statistics of international trade national ships' stores.” M. Julin understood that that meant that stores for foreign ships should be included in the returns.

Mr. Flux (British Empire) said that he was not aware that a definite amendment had been proposed that paragraph VIII (b) should refer only to national ships' stores; the original text of the draft Convention referred solely to “ships' stores” without any distinction.

M. Julin (Belgium) replied that M. Gayon had suggested the amendment.

The Chairman said that the Committee was discussing the question of the exclusion of stores other than fuel supplied to national ships.

M. Claessens (Netherlands) said that, if the British delegation was unable to agree to the text which the great majority of the Committee seemed to be prepared to adopt, it could make a reservation.

Mr. Flux (British Empire) enquired whether his amendment to the effect that, when statistics showed stores for foreign ships, these should be indicated separately, and that there would be no obligation for countries which did not make separate returns of ships' stores to establish such statistics, had been adopted.

M. Julin (Belgium) said that that was an entirely different proposal. The Committee should discuss one thing at a time. If it were desired to make any mention of stores for foreign ships, that could be inserted elsewhere. For the moment, however, the Committee was concerned only with the negative aspect of the question—that was to say, the exclusion of ships' stores, and if, in this connection, by adding the word “national” to the text of the draft Convention, the difficulty would be solved. There would, of course, also be an addition to the effect that bunker fuel was not to be counted as ships' stores.

Mr. Flux (British Empire) regretted that he must differ, in his view of what was logical, from M. Julin. If the Committee avoided discussing the question of supplies to foreign ships, it would merely be hiding from a difficulty which would recur later. Mr. Flux therefore thought that that question should be dealt with at once. He submitted that the Committee should know what correlative amendment in regard to foreign ships was intended, before dealing with the amendment referring to stores supplied to national ships.

M. Janssen (Belgium) thought that the Committee appeared to agree that it would be useless to include in the statistics of foreign trade stores supplied for national ships, but that it would, on the other hand, be of interest to include stores supplied to foreign ships. Separate returns might be made for this class of goods if such transactions were of importance; otherwise, they might be included with similar goods in the common tables.

The Chairman proposed that the Committee should vote on the following text:

"VIII. To exclude from statistics of international trade . . . sub-paragraph (b), ships' stores, other than fuel, for national ships."

The text was carried by 15 votes to 3 (Mr. Flux, M. Piekalkiewicz and M. Funk voting against the motion).

Mr. Flux (British Empire) said that he had voted against the adoption of the text, not as a matter of principle, but because he was unable to vote on one-half of a proposal until he knew the nature of the other half.

M. Barbosa-Carneiro (Brazil) wished it recorded that the Brazilian delegation had abstained.

M. Piekalkiewicz (Poland) said that if the text adopted by the Committee involved an obligation for countries to make separate returns for stores supplied to foreign ships, he would be obliged to make a reservation.

Sub-paragraph (c).

The Chairman proposed that the Committee should hold over the adoption of paragraph VIII as a whole until later, and enquired whether the Committee was prepared to adopt sub-paragraph (c).

Mr. Flux (British Empire) observed that the British delegation had given notice of an amendment on this point. The amendment could, however, be dealt with by the Drafting Committee and it would perhaps be unnecessary for the Committee to discuss it.
SEVENTH MEETING OF THE COMMITTEE ON TRADE STATISTICS

Held on Monday, December 3rd, 1928, at 10 a.m.

Chairman: M. Wagemann.

23. Article 2, Paragraph V (Recording by Countries of Provenance and Destination) (continued).

"V. [To show, if possible, in the case of the statistics of imports, both the country of provenance and the country whence the goods were originally consigned to the importing country, and, in the case of the statistics of exports, both the country of immediate destination and the country to which the goods are consigned.

"If, however, for any reason this dual indication is not possible, to show on importation the country whence the goods were originally consigned to the importing country; on exportation the country to which the goods are consigned."

The Chairman called upon the Committee to discuss paragraph V, and referred the delegates to Table VI of document C.S.O.1. (Annex 1) (methods of recording countries of provenance and destination).

M. Mraz (Czechoslovakia) said that the Czechoslovak delegation desired to propose certain amendments to paragraph V of Article 2 (document C.S.O./Commerce/10) in order to define more exactly the ideas governing the double indication of the country of provenance and destination.

Czechoslovakia had since 1923 adopted the system of a double indication of the country of provenance for imports; in other words, a return was made of the country of consignment as well as of the country of production. For exports she had hitherto given only a single country, namely, the country of consignment.

It should be noted that Annex 1 of document C.S.O.1, as amended, did not give precise information in regard to Czechoslovakia in Table VI. In the column "imports" the word "purchase", and in the column "exports" the word "sale" should be replaced by the word "consignment". These incorrect indications were derived from the text of the Government Ordinance of 1922 concerning statistics of foreign trade, which was ambiguous.

In practice, the Ordinance was interpreted in the above sense; that was to say, the authorities returned the country of consignment both for imports and exports, and for imports the country of origin as well.

The country of consignment was interpreted in the sense indicated by M. Janssen at the Congress of the International Institute of Statistics in Brussels in 1923; that was to say, the country from which the goods were consigned, i.e., despatched either directly or in transit through other countries without being subject to any commercial transaction.

He would particularly emphasise the last part of the definition. It was of importance in cases where the goods were placed in bond in a certain country for a time only, and did not become the object of a commercial transaction in the country where the warehouse was situated, but in the country from which it was originally despatched.

The use of the double indication presented a considerable advantage for Czechoslovakia, as it enabled the authorities at any moment to establish not only its direct commercial transactions with each country, as indicated by the returns of country of consignment, but also the imports of goods originally produced in each country.

The difference between these two classes of information made it possible to ascertain: (1) what State sold to Czechoslovakia the goods which came from a third State, and in what proportion, and (2) to what degree Czechoslovakia was in direct commercial relations with more distant States.

As examples he would quote the following:

In 1926 the goods imported from Germany and from German ports, as indicated by the country of consignment, amounted to 5,635,000,000 Czechoslovak crowns, whereas the value of the goods imported and produced in Germany amounted to only 3,033,000,000 Czechoslovak crowns. There was thus a difference of 2,602,000,000 Czechoslovak crowns, which meant that Czechoslovakia had bought goods coming from third States, through Germany, to that amount.

Similarly, the trade balance of Czechoslovakia with Great Britain in 1926 had shown a surplus of 935,000,000 Czechoslovak crowns, if Great Britain were returned as the country of consignment. The trade balance, however, showed a surplus of only 861,000,000 Czechoslovak crowns if Great Britain were returned as the country of production.

A very considerable difference between the returns as shown according to these two methods appeared in the foreign trade of Czechoslovakia with the United States of America. The balance of Czechoslovakia showed a surplus of 80,000,000 Czechoslovak crowns, if account were taken merely of imports directly consigned from the United States to Czechoslovakia. The balance, however, showed a deficit of 1,234,000,000 Czechoslovak crowns, if account were taken of all imports of goods produced in the United States.

The difference of 1,300,000,000 Czechoslovak crowns showed the indirect trade between Czechoslovakia and the United States of America effected through other States.

Obviously, it could easily be ascertained to what extent this difference was due to trade effected through English, French, Dutch or German intermediaries.
Further, it clearly appeared that Czechoslovakia had direct commercial relations only with a few States, including, for example, her neighbours Poland and Hungary, in regard to which the statistics of foreign trade, as returned in accordance with the two methods, gave almost identical results.

The system of a double indication of importing countries was, therefore, of great value for the investigation of commercial relations. The Czechoslovak delegation, however, was well aware that the system of double indication could not give all the multiple commercial relations which made up international trade, and that it would sometimes be necessary to resort to other indications, in particular of the country of purchase and sale, etc. Practical and financial considerations, however, made it necessary to adopt a more modest programme. The system of double indication presented adequate possibilities for useful comparison, such as those which he had put forward as examples.

The Czechoslovak delegation would be glad, in the event of the system of double indication being adopted, if the ideas governing the choice of the various countries to be given in regard to imports and exports were well defined.

Czechoslovakia had since 1923 adopted for imports the system of a double indication of the country of provenance, namely, the country of commercial provenance and the country of production. She was also prepared to introduce a similar system for the two countries of destination in respect of exports, namely, the country of commercial destination and the country of consumption. She would be glad if the sections of paragraph V of Article 2, printed between brackets and dealing with countries of provenance or destination, could be discussed and approved.

Nevertheless, the observations made by the various Governments on this section of the resolutions of the Statistical Congress at Brussels (given on pp. 82-91 of document C.S.O.1) showed that the wording of this part of the resolution was not sufficiently precise, since the various countries had interpreted the terms used in the draft in a contradictory sense.

For that reason it would seem desirable to define the various ways of establishing countries of origin and destination as follows:

"To show, if possible, in the case of the statistics of imports, both the country of provenance (origin, production) and the country of consignment, and, in the case of the statistics of exports, the country of final destination and the country of consignment. By country of provenance (origin, production) shall be understood the country of which the goods are a natural product or in which they receive the form in which they are imported. By country of consignment shall be understood, for imports, the country whence the goods were consigned, i.e., despatched direct to the importing country; for exports, the country to which the goods were directly despatched from the exporting country. By country of final destination shall be understood the country which is the last known place of consignment (in this case this country should, as far as possible, be the actual country of final consumption, whether industrial or other).

"Notwithstanding, if for any reason it is impossible to supply this dual indication, to show both for imports and exports the country of consignment, as defined above."

The above wording would remove any ambiguity, and it would be possible to establish a precise distinction between countries of commercial provenance and countries of commercial destination or consignment and other countries which might be included; in other words, the producing countries on the one hand and the countries of final destination or final consumption on the other.

M. JAHN (Norway) said that paragraph V contained the principle of dual indication. No mention was made in it of another system prevalent in Norway and other Scandinavian countries known as the "sale and purchase system". Every system had its advantages and its disadvantages, but Norway had used the system of sale and purchase for more than twenty years. She was not very willing to change it, but she would be prepared to do so, provided that a general system allowing an international comparison of statistics were adopted. If the Conference was successful in achieving such a system, Norway would be willing to adhere to it and to change her present system.

M. FUNK (Free City of Danzig) said that the stipulations of paragraph V did not correspond with the system in use in Poland and Danzig. In virtue of the agreement between Poland and Danzig, for imports, the country of origin of the goods had to be indicated or, if that country were unknown, the first country from which the goods had been consigned to Poland or Danzig. For exports, the country of final destination had to be stated or, if this were not possible, the last country to which the goods were consigned. The system of dual indication — that was to say, on the one hand, the indication of the country of provenance and of the country from which the goods had been consigned originally to Poland and Danzig and, on the other hand, an indication of the country of immediate destination and of consumption, that was to say, final destination — could not be adopted, so far as Danzig was concerned, in the near future because of difficulties of a technical kind. To begin with, therefore, Poland and Danzig desired to maintain their previous system and to that end had submitted the following amendment (document C.S.O./Commerce/17):

"The countries whose system of compilation and publication is such that the provisions of this section could only with difficulty be put into effect shall be authorised to defer the application of these provisions until the necessary reforms have been completed, but at latest within a period of five years."
M. Funk also desired that in the Annex to document C.S.O.2, Danzig should be inserted in the list for the recording of countries of provenance and destination after Denmark or, if this were not possible, that a mention of Danzig should be inserted and a footnote included to the effect that the reader was referred to Poland-Danzig for the necessary information. Further, the heading of the annex should bear some reference to Customs Unions in order to cover the case of countries like Danzig and Poland, Belgium and Luxemburg, etc.

M. Rothé (Austria) said that Austria had explained her views on the question of countries of provenance and destination in 1924. The dual indication of such countries, in the case of imports and exports, would undoubtedly lead to a great increase in work which the Austrian Statistical Department would be unable to carry out owing to reductions of staff made for reasons of a financial kind. In view of the fact that Austria could only mention one country, she took the view that in the interests of economic development and commercial policy the declaration and indication of the country of origin, that was to say, the country of production on the one hand, and the country of consumption, i.e., the country of real destination, on the other, would be preferable. Such statistics should show the real sources of the different goods imported for Austria's internal needs and should not show those countries from which the goods were bought or those to which they had been consigned for ultimate destination to Austria.

The country of origin showed in many cases also the quality of the goods. For example, in importing cotton via Germany or Italy, Austria had no particular need to know whether that cotton had been bought in Germany or in Italy, or whether it had been consigned to those countries for ultimate destination to Austria. What Austria needed to know was whether the cotton imported came from America, India, Egypt or the Levant. It would not be sufficient to show Italy as the country of provenance of wine, for Austria also imported Spanish and Greek wines via Italy, more particularly via Trieste.

There were many other possible examples. Austria was surrounded by other countries and consequently she needed particularly to know, not the countries of consignment, but the countries of real origin.

Further, it was very important for Austria to know the country which consumed the goods produced in Austria. The negotiator of a commercial treaty must be in a position to know what countries could be considered as the consumers of Austrian goods.

The country of origin or consumption might remain the same although the route taken by the goods might change and consequently the countries of consignment. To give an example, the export of goods from Austria to India might be of equal importance over a period of two years, but in the first year the goods might have been exported via Hamburg and in the second via Trieste. If Austria accepted the method of showing the country of consignment, her exports to Germany would have decreased and her exports to Italy increased in the second year.

For all these reasons, if the present text were accepted, Austria would be compelled to make a reservation stating that she was only ready to show the countries of origin and of consumption.

M. Colombo (Italy) desired to make a reservation in regard to paragraph V. The Italian delegation was opposed to the system of dual indication, for, in its view, it could only lead to confusion. In the case, for example, of imports, what was required was the country of the origin of the goods. The statistics furnished by the country or countries traversed by the goods before reaching the country of import were of no particular interest to the country of import, and merely made it more difficult to discover the country of origin. The Italian delegation would therefore associate itself with the observations of the representative of Austria. In view of the fact that import statistics were compiled mainly by the Customs departments of a country, and that they corresponded, in consequence, with the system of commercial policy of the country in question, those countries which adopted the system of conventional tariffs modified by commercial treaties were anxious to know the country of origin, which was, in the majority of cases, the country of production.

The matter was more difficult in the case of exports. To take an example, Sicily exported sulphur. It was impossible for the Italian Statistical Department to discover the ultimate destination of the sulphur exported, for it was frequently imported into bonded warehouses and re-exported. If, however, it were not possible to find the country of consumption, it should at least be possible to give the figures for the last country of destination.

M. Janssen (Belgium) thought that the essential data to be obtained concerned the volume of trade between country and country, as shown by the figures of exports and the corresponding figures of imports. In each case what mattered was that the final country of import or export should be discoverable, that was to say, the country from which the goods came and that to which they were sent as a result of a commercial transaction. Such information should be regarded as a minimum, and supplementary information should not be compulsory but optional.

M. Westman (Sweden) said that Sweden, Denmark, Norway and Finland had adopted a common system based on sale and purchase. In one part of the world identical systems of trade statistics had thus been established. To the "system" based on sale and purchase there were inconveniences but also great advantages. The method was based on data that were simple and easy to obtain. It gave — M. Westman wished to stress this point — valuable information for drawing up the balance of payments between the countries. It was, again, less arbitrary than other methods. It had been established in 1905 in Sweden after careful investigation, and no desire since that date had been shown on the part of the competent authorities or business men to change it. It would be very difficult for Sweden to abandon the system in favour of another.
In any case Sweden was not inclined to accept the method proposed in the draft Convention presented to the Conference. A system of dual indication would involve too great an expense and would be too complicated. If, as M. Westman recommended, a full study into the whole field of trade statistics was undertaken, it would be useful to give particular attention to the definition of the term “country of consignment”, which was subject to the most varied interpretations.

In conclusion, M. Westman would urge that, whatever system was chosen, it should not increase the cost of compiling statistics. The Committee would be wise to remember that, if it was sometimes difficult to reach agreement between statisticians, it was still more difficult to get statisticians and Ministers of Finance to agree. The Ministers of Finance were invisible but nevertheless influential members of this Conference.

Mr. Riddell (Canada) said that it was the laudable ambition of every country to follow its products to the country of consumption. It was also, however, of the greatest importance if a full appreciation of the economic interdependence of peoples were to be obtained. For example, Canada in 1926 had exported to Europe $605,993,000 worth of products, while Europe had reported the receipt of only $491,797,000. This discrepancy was apparently due to the large export of Canadian commodities through the United States of America and the crediting to some extent of these commodities in Europe to that country.

The difference between f.o.b. and c.i.f. values and the apparent loss of identity sustained by commodities in their passage through the United States (or at times through Canada) adequately explained the discrepancies in the total trade figures between Canada and the United States on the one hand and European countries on the other. But when the trade between Canada and the United States, on the one hand, and certain individual European countries, on the other, was considered, the factors mentioned failed to explain or account for the great divergencies that existed between the respective totals. For example, it could be shown that Canada and the United States exported to the Netherlands in 1926 $161,884,000 worth of goods, while the Dutch Customs authorities had claimed to receive goods only to the value of $115,981,000. Such a discrepancy was obviously not explained by differences between f.o.b. and c.i.f. values or by the movement of the goods one way or another through the United States and Canada. A factor exercising a weighty influence was that the chief ports of the Netherlands — particularly Rotterdam — were transhipment ports at the mouth of one of Europe’s great water routes. Both Canada and the United States exported to these ports goods which were later transhipped to the hinterland. The American countries considered the goods as exports to the Netherlands, although that country did not include them in its import statistics.

Switzerland was another good example: Canada and the United States exported to Switzerland goods to the value of $9,590,000, while Swiss imports from the North American countries amounted to $57,321,000. Obviously Switzerland had obtained a portion of the Canadian and American goods transhipped through Dutch and Belgian ports and had credited them to Canada and the United States.

The Canadian Government was therefore prepared to accept paragraph V and would, in fact, give it its warm support. It would point out that the information asked for in the paragraph was desirable because it would cover the case of imports not produced, and the case of exports not finally consumed, in the country of consignment. Information of this character could be obtained only by the general adoption of an adequate and uniform scheme of trade statistics. The Government of Canada was prepared to co-operate with this object with other Governments in every possible way, and it would strongly urge the Committee to give careful consideration to paragraph V.

Mr. Riddell had been gratified to learn at the outset of the discussion that a Sub-Committee would be appointed to deal with this important matter. It was to be hoped that the Sub-Committee would succeed in achieving a satisfactory solution.

Mr. Flux (British Empire) wished to submit one or two observations of a general nature. Anyone consulting the list of countries in Table VI, “Methods of recording Countries of Provenance and Destination”, given in document G.S.O.1, Annex 1, would look to see what line of development was best calculated to have the greatest degree of correspondence with existing practice. Speaking generally, Mr. Flux was struck by the fact that the “country of consignment” appeared to be chosen by a very considerable majority of countries. With regard to exports, there appeared to be a qualification to this practice, inasmuch as the term “destination”, “final destination” and “real destination” were to be found in addition to the term “consignment”. From his conversation with various colleagues on the Committee, it appeared that these terms did not, perhaps, differ very greatly in meaning. The British practice, for instance, was to regard the country of consignment as meaning the final destination of the goods so far as was known at the time at which the goods were exported. It was impossible for a country to record more than it actually knew with regard to the destination of goods, and it was only possible to state the final destination on the basis of what was known at the moment of despatch. Was it intended that there should be any obligation to pursue the course taken by the goods after they had left the country of known destination? Any obligation of that sort would involve considerable difficulties. Goods were in a sense under the control of a Government so long as they remained inside that Government’s territory, but they ceased to be under its control once they left that territory, and any person residing outside that territory, into whose hands they might come, would be under no obligation to that Government if it asked him for information as to their further destination. Mr. Flux would, therefore, suggest that the requirements of the Convention should be restricted to the final destination so far as known. If that practice were adopted, there would be a very large degree of agreement with existing systems.
In regard to imports, it would be more difficult to find so wide a measure of agreement, because there was a larger choice of alternatives and Mr. Flux took it that this fact had been borne in mind by the drafters of the Convention when they set forth the possibility of a double indication in regard to imports. Under the heading “Imports”, consignment again seemed to be the indication followed by the majority of countries, but there were various signs that interest was taken in the country of origin as well, an interest which it was easy to understand and which the present Conference, being composed of statisticians, should encourage, more particularly in the case of natural products. It should not, for instance, be found too difficult to determine the country of growth, in regard to agricultural products, and the country where the deposits were situated, in the case of mineral products. Even, however, in the case of agricultural products, it was not altogether easy, from the commercial documents available, to determine the country of origin.

Take the case, for instance, of the wheat consumed in Great Britain. It had been found impossible in the case of mineral products. Even, however, in the case of agricultural products, it was not altogether easy, from the commercial documents available, to determine the country of origin.

The question of the country of origin of the wheat consumed in Great Britain was one of particular importance and it was probable that there were others like it.

Mr. Flux therefore suggested that, in view of these difficulties, it might be desirable to invoke the assistance of the Committee of Experts to be set up under the Convention. If, however, the Trade Committee felt that the difficulty might be overcome by the discussions of its Sub-Committee, Mr. Flux would withdraw his suggestion, but he still thought that it would probably be found desirable that the question should be submitted to the Committee of Experts for more leisurely examination. Mr. Flux, accordingly, would suggest that a resolution should be passed and introduced into the Final Act, that it would be desirable for the Committee of Experts to investigate more thoroughly the problem of tracing, more particularly in the case of natural products, the course taken by such products from the country of origin to the country of consumption.

The case of manufactured products presented much greater difficulty. Reference was made in the draft to the form taken by these products at the moment of importation, a reference which suggested that the country of origin was to be regarded as the country where the last transformation had taken place. Such transformation might be of a very slight nature indeed; it was the country where such minor improvement had been effected to be regarded as the country of origin?

Again the different countries had different practices in the drawing-up of tariffs. This was, a matter that lay outside the field of statistics, but the question of the definition of the country of origin entered into that of the application of tariffs, with reference, in particular, to the most-favoured-nation clause. The question, therefore, of imported goods must be considered from two aspects, and hence it would be wise to request the experts to consider it not only from the statistical point of view, but also with a view to ensuring that the term “country of origin”, as used in international statistics, did not differ from that laid down in tariffs with regard to most-favoured-nation treatment.

Mr. Flux, therefore, was prepared to agree with the proposal made by the delegates of Poland and Danzig, but suggested that it would be unwise to ignore the question of the country of origin, which should be submitted for more leisurely examination by the Committee of Experts.

The Chairman said that it was desirable that the discussion on paragraph V should be concluded that morning. It appeared from the debate that no country wished to change its present system, at any rate for the moment. There seemed to be three main systems practised, those of the country of consignment, the country of origin and consumption, and the country of sale and purchase. Certain Governments employed an intermediate system between one of these three. Good reasons might be adduced for the continuance of these various systems. It appeared from the discussion that the scientific work of comparing the various systems had not yet been altogether finished and therefore it might be held with reason that it would be impossible for the present Conference to come to a conclusion on the point under consideration. The Chairman asked therefore whether the Committee agreed that the topic under discussion should, as a whole, be left to the Committee of Experts, and, if that suggestion was adopted, he would recommend that the Sub-Committee be requested to meet that afternoon in order to draft a proposal on these lines. It did not appear worth while continuing the discussion unless there was an urgent desire to do so.

M. Julin (Belgium), Rapporteur, said that, while the discussion had been extremely interesting, it might continue indefinitely and he would therefore support the Chairman’s very wise suggestion. He thought that, if the problem were regarded purely from the economic point of view, leaving aside such matters as the difference in Customs systems, etc., it would not be found to be insoluble. What after all was the object in view? From the point of view of the balance of trade and of imports each country required to know which was the country to which it was making payments. As a corollary to that, each country required to know which country was paying it for its exports. From the point of view of exports, however, there was a further question to be considered; each country required to know which country consumed its goods, in order to be in a position to estimate the requirements of the market to which the goods were of real interest. While it might be difficult to find a formula to cover these points, the difficulty would not be insuperable for a small body of exports, but a body as large as the present Conference would find it almost impossible to discover the right formula.

The Chairman requested the Committee to confine its discussions for the moment to the question whether the topic under consideration should be referred to the Sub-Committee, which should be instructed to prepare a draft recommendation for the reference of the problem to the Committee of Experts.

He noted that there seemed to be no objection to that proposal.
M. Gini (Italy) asked whether under the Convention the Committee of Experts would have power to decide the point under consideration.

The CHAIRMAN observed that it would be necessary to make a special recommendation to that effect.

M. Janssen (Belgium) thought that the question might be simplified. The adoption of the proposal to refer the question to the Committee of Experts would depend on the conclusion reached by the Sub-Committee.

The CHAIRMAN added that the work done at the present Conference constituted only a beginning. There were so many outstanding points in regard to international statistics that it would be necessary to set up some instrument to continue the Conference's work. One of those instruments would be the Committee of Experts, whose task it would be to prepare for another Conference and to decide what points, which would be left outstanding, ought to be settled by this second Conference.

M. Gini (Italy) agreed with the Chairman that the present Conference constituted only a beginning and that its work would have to be continued. He would point out, however, that the question under consideration was one of the most important that the Conference had to consider. There was at the moment no reason why the Conference should abandon a question of such capital importance. M. Gini proposed an amendment in the sense that the question should be referred to the Sub-Committee but that no instructions should be given to the Sub-Committee to propose a formula for its reference to the Committee of Experts, but that the Sub-Committee should be requested merely to report to the plenary Committee whether it considered it possible to do something at present. Great progress would be made if the point could be settled at the present Conference, but, if that were not found possible, the matter could be postponed for further action at a later date.

Mr. Riddell (Canada) heartily supported the proposal of the Italian delegate. The Sub-Committee should be left entirely free to deal with the question.

M. Gayon (France) agreed that the question should be submitted to the Sub-Committee, from which, however, it was impossible to expect a final decision. There were many different points of view to be considered, those, for instance, of Customs, of commerce, of finance, of transport figures and of statistics pure and simple. There were at least five possible countries the indication of which might present an interest from one point or another and a choice must be made between those countries. The Sub-Committee might begin by eliminating those countries which presented only a minor interest and thus it might succeed in reducing the difficulties of the problem and in preparing the way for a solution at a later date.

24. Additions to the Principal Sub-Committee and Appointment of a Sub-Committee on Fishery Statistics.

The CHAIRMAN observed that the general opinion seemed to be that the question as a whole should be submitted to the Sub-Committee for full discussion. He would therefore suggest that the principal Sub-Committee should meet that afternoon at 3.30 p.m. to consider paragraphs V and VIII and that, with the addition of the representatives of Canada, Czechoslovakia, Roumania and Sweden, it should also consider the question of the methods of recording countries of provenance and destination.

A third Sub-Committee to deal with fishery statistics and consisting of the delegates of Brazil, the British Empire, Canada, France, Greece, India, Italy, Japan, Norway, Sweden and the Union of Soviet Socialist Republics, would be requested to meet on the following day at 9.30 a.m. The Committee assented.

M. Ito (Japan) pointed out that a separate Fisheries Sub-Committee had been set up by the Committee on Production Statistics. He hoped that it would be possible to avoid overlapping in the work of the two Sub-Committees dealing with fisheries.

Mr. Loveday (Secretary-General of the Conference) pointed out that that was a matter for arrangement within each delegation.


The CHAIRMAN said that the Committee would now proceed to discuss paragraph IX of Article 2. He observed from Table VII in Annex I of the Preparatory Documents (C.S.O.1) that the majority of countries employed the calendar year with a few exceptions.

M. Dvolahtský (Union of Soviet Socialist Republics) said that in his country the economic year began on October 1st, but that, in order to ensure the comparability of economic statistics, his Government were prepared to publish the figures for the calendar year.

M. Mráz (Czechoslovakia) proposed the omission of the words "and the civil calendar month" and of the following words in brackets. The reason for this amendment was that the period taken for statistics of foreign trade could not be other than the whole year. For technical reasons it was impossible to record in monthly publications all imports and exports which were effected in the current month. If that system were to be adopted, the monthly publications would appear too late, a result which would be at variance with the strongly expressed desires of the interested
that, if the civil calendar month were adopted, the effective date of arrival should be defined in
that of the clearance of the goods through the Customs. These two problems should be kept
of the debate. There was first the question of the making up of the Customs accounts, and, secondly
did not think that it would be impossible for the Conference to make progress on this point. From
the last and first days of the month could be included in the calendar month statistics. M. Julin
month and take off three days at the end of the current month, since in that way goods arriving
the first and the last day of the month, it would be better to add on three days from the preceding
If, therefore, it was practically impossible to have Customs statistics covering the period between
be quite impossible to bring their value within the scope of the monthly statistics. He would
When, on the other hand, the goods formed the subject of legal proceedings, it would obviously
arrived on the last day of a month could not be declared, verified and assessed on that same day;
difficulty in obtaining statistics relating exactly to a given month. Goods, for instance, which
were of no great value. They were of importance to those who desired to follow the variations
were of great value. They were of importance to those who desired to follow the variations
monthly statistics separate from the Customs accounts.
M. GAYON (France) observed that any Customs expert would say that there was a practical
difficulty in obtaining statistics relating exactly to a given month. Goods, for instance, which
arrived on the last day of a month could not be declared, verified and assessed on that same day;
however, the estimated value of such goods could be rectified, in certain cases, a few days later.
When, on the other hand, the goods formed the subject of legal proceedings, it would obviously be quite impossible to bring their value within the scope of the monthly statistics. He would therefore be prepared to adopt the civil calendar month, but in the sense that the monthly statistics should include only goods passed through the Customs during the month in question. He thought, moreover, that all delegates understood the requirement in that sense, and that there was no need for a special statement.
The CHAIRMAN suggested that it would be possible to omit entirely the words “and the civil calendar month (the first to the last day of the month)”, because the question of monthly statistics had been dealt with in Article 1.
M. GINI (Italy) pointed out that two entirely different questions had been raised in the course of the debate. There was first the question of the making up of the Customs accounts, and, secondly that of the clearance of the goods through the Customs. These two problems should be kept separate at all costs. The date of the clearance through the Customs should be taken as the effective date of the arrival of the goods, and the Italian delegation had intended to propose that, if the civil calendar month were adopted, the effective date of arrival should be defined in accordance with this principle.
The CHAIRMAN observed that for purposes of international comparison monthly statistics were of no great value. They were of importance to those who desired to follow the variations of trade in each country month by month, but it appeared quite impossible to have internationally comparable monthly statistics because the monthly periods differed in all countries.

M. Julian (Belgium), Rapporteur, supported M. Gini’s arguments. It was impossible for the Conference to discuss on the basis of misunderstandings. The delegates had come to Geneva not to register in a Convention the existing state of affairs, but to try and secure something better. If, therefore, it was practically impossible to have Customs statistics covering the period between the first and the last day of the month, it would be better to add on three days from the preceding month and take off three days at the end of the current month, since in that way goods arriving on the last and first days of the month could be included in the calendar month statistics. M. Julian did not think that it would be impossible for the Conference to make progress on this point. From
his own experience, for instance, he might cite the progress made in the question of the protection of the health of workers. When that problem had first been taken up, it had been said that industry would be ruined if further measures were taken to safeguard the workers, but those measures had now been enforced for thirty years, and industry had not been ruined. Therefore, it was not true to say that it was impossible to make some progress in the question of the publication of monthly statistics, although it might be difficult to do so. Given goodwill in each country, progress which would be of real value could be effected.

Mr. Flux (British Empire) said that, if it were desired by the Conference, the British Government would find it possible, though he was not prepared to say that they would be willing, to publish monthly statistics covering the period from the first to the last day of the calendar month. For that result, however, a certain price would have to be paid, because it would be impossible to publish the monthly statistics until about three weeks after the present date of publication. While, therefore, there would be no physical impossibility, the value of the monthly statistics would be greatly diminished. The primary purpose of monthly statistics was not to afford an exact mathematical comparison between countries, but to provide traders with data which were of value to them. It seemed to Mr. Flux, therefore, that the Conference must decide whether it desired to have accurate comparable statistics or whether it wished to have less accurate statistics which would correspond with the interests of traders. He submitted that the latter interests were the more important and that, therefore, it was preferable to have data which were published as soon as possible, even if, as Mr. Julin had suggested, it might be necessary to take off a day or two at the end of the current month and add a day or two from the preceding month.

M. Dvolaizky (Union of Soviet Socialist Republics) thought it impossible to compare the exports of one country with the imports of another country for periods of a month, owing to the difference between the date on which goods left the exporting country and that on which they arrived in the buying country. He therefore approved the proposal to omit the words in paragraph IX referring to the adoption of the civil calendar month, especially as a provision for monthly statistics had been accepted in another part of the Convention.

M. Dvolaizky further suggested that the second section of paragraph IX might be omitted, because it was understood that no contracting party would be prevented from publishing any statistics it thought fit.

The Chairman noted that a large majority of the Committee were in favour of adopting an amended form of paragraph IX to read "to adopt the civil calendar year (January 1st to December 31st)", omitting the words "and the civil calendar month (the first to the last day of the month)".

M. Gini (Italy) enquired whether that meant that the Conference renounced the compilation of monthly statistics.

M. Julin (Belgium), Rapporteur, pointed out that the question of monthly statistics was mentioned in Article 1.

The Chairman enquired whether any delegations desired that the question of monthly statistics should be considered by the Sub-Committee.

M. Gini (Italy) replied in the affirmative. It was possible that the Sub-Committee might arrive at some solution.

The Chairman noted that the Committee agreed to leave the question of monthly statistics covering the civil calendar month as indicated in paragraph IX to the Sub-Committee, provided the latter had time to deal with it.

EIGHTH MEETING OF THE COMMITTEE ON TRADE STATISTICS.

Held on Tuesday, December 4th, 1928, at 10 a.m.

Chairman: M. Wagemann.

26. Article 1, Paragraph V (a) (External Trade) (continued) (Document C.S.0./Commerce/28).

The Chairman said that the Committee would now consider the British delegation's proposal that the following paragraphs should be inserted in the Protocol:

"A. It is understood that Article 1, V (a) does not require that quantities should be shown in the case of special categories of goods where the statement of their quantity would afford no information of practical utility for statistical purposes.

"B. It is understood that in the monthly returns required by Article 1, V (a):
1. Quantities may be shown to a more limited extent than that to which they are shown in the annual returns;
2. The enumeration of articles may be less detailed;
3. The information furnished may be, in the case of the foreign trade of countries which is of relatively little importance, of a summary character only.

He asked whether anyone wished to speak on paragraph A."
M. JULIN (Belgium), Rapporteur, said that the point dealt with in paragraph A had already been debated in detail by the Committee. The question was, therefore, purely one of form. The Committee had already recorded its agreement on the point that, in cases where the information required from importers or exporters would be of little value, it would be bad politics to bother them with questions. M. Julin, therefore, proposed the adoption of the British delegation's proposal.

The CHAIRMAN noted that there was no objection to paragraph A and that it was therefore adopted by the Committee.

The Chairman enquired whether anyone wished to speak on paragraph B.

M. COLESKO (Roumania) thought that it was generally agreed that monthly returns should not be as voluminous as annual returns, but suggested that in sub-paragraph 1 after the word "quantities" the words "and values" should be inserted.

M. JULIN (Belgium), Rapporteur, suggested that the whole of paragraph B might be restricted to a simple statement to the effect that the monthly returns might be less full than the annual returns.

Mr. Flux (British Empire) thought that, if the Committee agreed on the question of principle, it might be left to the Drafting Committee to consider the views expressed in the Plenary Committee and to decide upon a more precise text. There were two main points to be considered — firstly, that the monthly returns might be less complete than the annual returns, and, secondly, that where both quantities and values were shown in the annual returns quantities need not necessarily be shown in the monthly returns in full.

M. COLESKO (Roumania) agreed.

The CHAIRMAN thought that it would be simpler to say that the monthly returns should be more limited in extent than the annual returns. He thought that that would cover the whole point of the British delegation's proposal.

Mr. Flux (British Empire) agreed with the Chairman, except that he thought it necessary to retain sub-paragraph 3.

M. DVOLAITZKY (Union of Soviet Socialist Republics) said that he agreed in principle with the British proposal, but that he thought it unnecessary to adopt paragraph B because Article 1, V (a) said nothing about the scope of monthly publications, and the effect of the British delegation's proposal might be to encourage the publication of monthly returns on a more limited scale. Each country, however, retained the right to publish such monthly returns as it thought fit.

Mr. Flux (British Empire) said that the implication of the draft would appear to be that the monthly returns were to be compiled in practically the same degree of detail as the annual returns. The object of the British delegation's proposal was to get over that implication.

M. COLOMBO (Italy), referring to sub-paragraph 3, pointed out that it would be necessary to instruct the Drafting Committee to see that the same principles were observed with regard to nomenclature as those adopted by the Committee of Experts on Customs nomenclature, in order to ensure comparability.

M. JULIN (Belgium), Rapporteur, thought that if all delegates were in agreement on the point of substance there was no need for the Committee to waste time on the question of form. Each delegate could find his own particular formula to express a principle which had been generally adopted. In order to save further discussion, M. Julin would ask the Committee to accept the following draft of paragraph B: "In the monthly tables the articles enumerated and the data relating thereto may be published in an abridged form."

The CHAIRMAN noted that there appeared to be no objection to the text submitted by M. Julin and therefore declared it adopted.

27. Discussion of Revised Text of Article 1, Paragraph V, and Article 2, Paragraphs I, II, III and IV, submitted by the Principal Sub-Committee (Document C.S.O./Commerce/21).

M. GAYON (France) said that the majority of the texts submitted in document C.S.O./Commerce/21 had been adopted as they stood by the plenary Committee. The document therefore merely presented the co-ordinated text of the various decisions taken by the Committee. It might be that there were one or two words which would require changing in the final draft, but this need not be submitted again to the Committee.

M. PIEKALKIEWICZ (Poland) pointed out that the Committee had taken no decision with regard to the text of paragraph IV of Article 2 concerning transit questions.

M. HENEIN (Egypt) observed that the second sub-paragraph of paragraph III was not quite in harmony with the terms of the British delegation's proposal in document C.S.O./Commerce/28 which the Committee had just adopted.

The CHAIRMAN pointed out that this was a question of drafting and suggested that the Committee should go on to consider paragraph IV.
M. Claessens (Netherlands) observed that in paragraph IV the term "general trade" was used, but in a sense quite different from that in which it had been employed for over a century. He suggested, therefore, that it would be better to use another term, for instance, "national trade". The British practice, for instance, did not employ the term "general imports", but "total imports".

Mr. Flux (British Empire) suggested that the term "total trade" should be used instead of the term "general trade".

M. Gayon (France) replied that in his country "general trade" meant the same thing as "total trade". "General trade" comprised solely commercial operations and did not include transport, which was not a commercial operation. He therefore suggested that the term "general trade" should be maintained.

M. Claessens' argument that the use of the term "general trade" would make it difficult to compare future statistics with those for past years had no weight. The more the Conference based its Convention on past practice the more difficulty would it encounter in securing improvement.

Mr. Flux (British Empire) thought that M. Gayon had not understood M. Claessens' point, which bore on the position of those countries which used the label "total imports". Mr. Flux was not prepared to say that those countries would be ready to change that label to "general imports". A slight alteration in the wording of sub-paragraph (b) would, he thought, meet M. Claessens' point. The beginning of sub-paragraph (b) might be amended to read:

"When the figures of imports relate to total trade only, total imports shall comply with the definition given above in sub-paragraph (a) of general import trade."

The Chairman pointed out that the Committee had already discussed the terms of paragraph IV, but there were still certain outstanding difficulties as to direct transit and transit in general. He enquired whether the Committee was prepared to vote on the paragraph without a further reading.

M. Claessens (Netherlands) said that he had prepared a new version of paragraph IV which he would submit to the Sub-Committee that afternoon. His draft was much shorter and much clearer than that submitted in document C.S.O./Commerce/28.

M. Gayon (France) proposed that the Committee should come to a decision on the text before it, subject to the reservation that the Sub-Committee, after examining M. Claessens' text, should be allowed a free hand to make such drafting alterations as it thought fit.

Mr. Hobson (United States of America) hoped that the Committee would pronounce on the question of principle at once and leave to the Sub-Committee only the question of drafting.

M. Barboza-Carneiro (Brazil) and M. Ito (Japan) supported Mr. Hobson's proposal.

The Chairman noted that there were no objections in principle to the text submitted to the Committee and proposed that it should ignore trifling questions of drafting.

M. Piekalkiewicz (Poland) was prepared to adopt this course for the remainder of the text but not for paragraph IV. With regard to that paragraph he was obliged to point out that it was impossible to state the country of origin in transit statistics, because nothing was known as to goods in transit except the country from which they had come — that was to say, the country of provenance — and the country to which they were going, namely, the country of destination. Furthermore, a proposal with regard to the improvement of trade statistics had been made by the Japanese delegation in document C.S.O./Commerce/13 which had not yet been discussed.

Mr. Loveday (Secretary-General of the Conference) took it that this was a question of drafting which he thought the Committee might unanimously accept in principle and which might be dealt with by the Drafting Committee that afternoon.

Mr. Flux (British Empire) suggested that the same course might be taken in regard to the question raised by the Polish delegation, since the whole question of the allocation by countries had not yet been discussed by the Sub-Committee.

NINTH MEETING OF THE COMMITTEE ON TRADE STATISTICS.

Held on Wednesday, December 5th, 1928, at 10 a.m.

Chairman: M. Wagemann.


Paragraph VI: Imports and Exports of Gold.

The Chairman observed that, in the revised text submitted by the Sub-Committee, the reference to silver coins had been omitted and that there was a simplification in regard to returns to be made under the heading "Gold".
M. Gayon (France) said that he would ask the Secretariat to make certain drafting modifications which did not touch on the substance of the text submitted.

Mr. Flux (British Empire) wondered whether the term “bars” gave a clear line of distinction and was sufficiently definite to serve as a basis of classification. In practice, it would almost certainly be found that the definition had very little value. The Sub-Committee had not seen its way to making a distinction between refined and non-refined gold, and Mr. Flux therefore wondered what was the value of the distinction made as to gold bars.

M. Gayon (France) remarked that it had been agreed in the Sub-Committee that gold bars were to be taken as gold used for the settlement of accounts between banks.

Mr. Flux (British Empire) submitted that in that case gold bars consisted of refined gold.

M. Gayon (France) pointed out that, according to Mr. Loveday, it was desirable to distinguish between gold used for commercial purposes and gold sent from one bank to another; that was to say, gold used in a more or less special manner for international payments.

Mr. Flux (British Empire) replied that his point was that the distinction was not clear enough for the classification which the Sub-Committee had thought desirable. His impression of the conclusion reached by the Sub-Committee was that no clear distinction could be made. While Mr. Flux would be glad to see that distinction made if it were possible, he felt that the present definition did not exactly express what the Sub-Committee had had in mind.

The Chairman observed that the question had been discussed at great length by the Sub-Committee, and proposed that, in order to save time, it should be referred back to them. He added that, in Germany, it would be possible to carry out the requirements of the text as it stood.

M. Barboza-Carneiro (Brazil) supported the Chairman’s proposal and added that any delegate who wished to put forward amendments to the present text could submit them in the Sub-Committee.

M. Colesco (Roumania) suggested that, as everyone appeared to agree on the question of principle, the explanation required by Mr. Flux could be inserted in the Protocol.

Mr. Flux (British Empire) thought that he could accept M. Gayon’s proposal, because he would be justified in interpreting the term “bars” to mean refined gold in bars.

The Chairman noted that paragraph VI, with the amendment proposed by M. Gayon, was adopted unanimously.

Paragraph VII: Bunker fuel.

M. Colesco (Roumania) suggested that the small letters in brackets might be deleted as being superfluous.

The Chairman said that that was a question of drafting. Personally he thought that the small letters in brackets made the text rather clearer. He noted that there was no objection to the text and therefore declared it adopted.

Paragraph VIII: Movements to be excluded from the statistics.

M. Barboza-Carneiro (Brazil) thought that, for the correct understanding of the text and for the information of the administrations which would have to apply the Convention and which, perhaps, were not represented at the Conference by an official and were therefore unable to follow the discussions in full detail, it would be useful if a somewhat full explanation of what was meant by sub-paragraph 1 (a) were given in the final report of the Committee. There were, for instance, certain imports which did not constitute a commercial transaction, e.g., personal effects, presents, etc., but were liable to Customs duty and would therefore be included in the statistics of imports.

M. Julin (Belgium), Rapporteur, said that he was in a somewhat awkward position. If, in his report, he was to give a full account of the discussions, it would be so long that the delegates, who were overburdened with work, would refuse to read it. If, again, he made it too short, it would be said that the report contained nothing at all. He would therefore try to strike a happy mean between these two positions and his object was to draw up a report setting forth the principal ideas and arguments that had been advanced. M. Barboza-Carneiro was now asking him to refer to special cases. M. Julin would be prepared to cover a few special cases, but he could not go into all. He was not a member of a Customs administration, but if those delegates who were would care to draw up a table showing the special cases M. Julin would be ready to annex it to his report.
Each country had its own point of view and any endeavour to state the point of view of every delegation would make the report unreadable. M. Julin therefore proposed to confine himself to expressing the main ideas, and, in commenting on them, to give a few examples.

M. BARBOZA-CARNEIRO (Brazil) hoped that the wish he had expressed had not been indiscreet. He took it that the object of appointing a general rapporteur was to have a report for the use of those who had not had the advantage of being present at the Conference and of hearing explanations which had been given and obtained in private conversations or in the meetings of the Sub-Committees. M. Julin's reply had dispelled M. Barboza-Carneiro's first apprehensions, for he had said that he would cite certain cases; M. Barboza-Carneiro would therefore ask him to include among them the point referring to sub-paragraph I (a). If M. Julin saw any inconvenience in giving an undertaking to that effect, M. Barboza-Carneiro would be obliged to ask for a discussion on the interpretation of that sub-paragraph.

M. GAYON (France) said that he had drawn the Sub-Committee's attention to the fact that a very considerable number of special cases might be foreseen. Thus, in the last circular of the French administration, three pages were filled by an enumeration of the articles not included under "commercial transactions". The same was probably true for other countries. M. Gayon further declared that he could cite every morning before the committee so many new cases that the Conference would be kept months at Geneva discussing them.

What was the object of the Conference? It was to lay down certain main principles in a Convention. If that were done, each administration would decide on each special case in the light of the main principles contained in the Convention and of its own judgment. In case of difficulty, it could apply to the Committee of Experts which was to be set up for that purpose.

M. JANSSEN (Belgium) thought that the question was not so complex as it appeared. If an article was subject to Customs duties, it was thereby assimilated to goods which formed the subject of a commercial transaction. And if in the legislation of the country immunities or exemptions were provided for, the records of imports would still appear clearly in view of the fact that immunities and exemptions were always explicitly defined.

M. BARBOZA-CARNEIRO (Brazil) said that he was glad that he had raised this point, because no Minutes of the Sub-Committee's meetings were published, but only for the meetings of the plenary Committee. The Minutes would therefore contain the statements made by M. Gayon and M. Janssen, which completely satisfied him. He would be greatly obliged if the Rapporteur could mention in his report the interpretation which they had given to sub-paragraph I (a).

M. JULIN (Belgium), Rapporteur, thought that he would be able to satisfy the Brazilian delegate's request.

M. Mr' z (Czechoslovakia) supported M. Barboza-Carneiro's proposal.

M. PIERALKIEWICZ (Poland) thought it desirable not to cite too many special cases in the report. The members of the Committee had succeeded in coming to agreement on the main principles, but the discussion of special cases could be continued indefinitely.

The CHAIRMAN said that Mr. Chapman proposed the following addition at the end of sub-paragraph I (a): "not regarded as merchandise for Customs purposes".

M. JANSSEN (Belgium) pointed out that all goods came under the purview of the Customs. It was the exemptions from Customs duties that were here under examination.

The CHAIRMAN observed that the best course would be for the Rapporteur to explain in his report the intention of the sub-paragraph by mentioning one or two examples. He noted that there was no objection to that proposal, and declared paragraph VIII adopted.

Paragraph IX: Period covered by the Statistics.

The CHAIRMAN said that if there was no objection to the revised text he would declare it adopted.

The Committee assented.

Paragraph V (Sub-paragraph 3): Goods for Orders.

The CHAIRMAN proposed that the Committee should examine those parts of paragraph V which had not yet been dealt with. It would discuss the revised text of the third sub-paragraph.

M. CLAESSENS (Netherlands) said that he had proposed in the Sub-Committee the addition of the words "the direction of the vessel" after the words for orders". This point was of importance not so much to the Netherlands as to the Dutch East Indies, because it would make it easier to follow the vessel's course to its final destination. He did not think that the proposal would give rise to any difficulties.

Mr. HOBSON (United States of America) thought that, if it were possible to obtain an early realisation of the recommendation in the third sub-paragraph, this would satisfy M. Claessens
and would also be of great assistance in clearing up the whole question. Mr. Hobson was optimistic of the Sub-Committee's finding a way of clearing up the whole problem of "for orders".

M. Claessens (Netherlands) said that it would be very difficult for the Dutch East Indies, which at present compiled admirable statistics, to ascertain the final destination of a vessel. The question was of importance for annual statistics. No improvement could be made in the monthly statistics because a period of five or six weeks often elapsed before a vessel was unloaded.

M. Julin (Belgium) said that he thoroughly understood M. Claessens' difficulties. He did not think, however, that it would be wise to introduce too many detailed recommendations into the present text. It was, in his view, better to lay down a general principle, to be interpreted in the light of the specific difficulties which each of the Governments would have to meet in particular cases.

M. Claessens (Netherlands) urged that the addition which he had proposed would not be likely to inconvenience any of the Governments concerned. His amendment would cover the case of any country whence goods were despatched to all parts of the world.

M. Gayon (France) said that the Sub-Committee had deliberately refrained from specifying any indication as to the direction in which goods "for orders" were despatched, particularly as it was difficult to define exactly what was meant by "direction". Would it be sufficient to indicate the continent or region to which the goods were going, as, for example, to South America or the Far East?

Mr. Hobson (United States of America) said he had no objection to the proposal of M. Gayon, but he did not quite see what useful purpose would be served by indicating a continent or region. The only object of showing the countries to which the goods were proceeding was that it would enable an estimate of the trade and the balance of payments to be made as between the various countries. That object would not be secured by merely indicating a continent or region.

M. Colesco (Roumania) thought it would be better to leave the text as it stood. The adoption of any amendment would either be useless or it might lead to difficulties in compiling statistics. The present text already made it necessary to introduce a new statistical heading and the proposal of M. Claessens, if adopted, would involve still further sub-division.

The Committee agreed to adopt the text as it stood.

Paragraph V (Sub-paragraph 4) : Draft List of Countries.

The Chairman suggested that the proposal of the French delegation (document C.S.O./Commerce/20) should be considered by the principal Sub-Committee.

The Committee agreed.

The Chairman said that the text of paragraph V, sub-paragraph 4, proposed by the principal Sub-Committee, was as follows:

"The countries and/or statistical areas shown in the statistics of trade by country of provenance and destination will be those contained in Annex.... This Annex is accepted with the reserve that it will be revised by the Committee of Experts to be set up under Article 8. If two or more countries are grouped together, they may be shown under the heading 'Other Countries'."

M. Piekalkiewicz (Poland) said that he did not feel it possible to accept the suggestion that the Annex should be revised by the Committee of Experts. It had not yet been decided what its powers would be.

Mr. Loveday (Secretary-General of the Conference) pointed out that the Committee on Production Statistics had already provisionally referred a number of points to the Committee of Experts on the assumption that such a committee would be set up and would be given adequate powers. Should the Bureau decide against the appointment of such a committee, there would be a number of points for reconsideration. The present Committee might, however, for the moment act on the assumption that the Committee of Experts would be appointed.

M. Piekalkiewicz (Poland) said he was quite willing that the Annex referred to in the paragraph under discussion should be examined, but not that it should be revised, by the Committee of Experts. That Committee might have power to consider the question and refer the list to a further Conference, but not to revise the annex on its own responsibility.

M. Julin (Belgium) said he quite understood the hesitation of M. Piekalkiewicz in the matter of giving definite powers of revision to the Committee. He was certain, however, that there would be a Committee of Experts which would have the right to examine certain questions and to offer advice. He would propose that the word "revised" should be replaced by the word "examined".

M. Piekalkiewicz (Poland) agreed.

M. Nathan (Germany) said that the German delegation had proposed in the Sub-Committee that there should be a maximum and a minimum list of countries. The minimum list would be compulsory and the maximum list would be optional. The German delegation had suggested that the Committee of Experts should have the right to draw up a list indicating the countries for which returns would be obligatory and the countries in regard to which the returns might be given at the discretion of the parties. He was not in favour of the heading "Other Countries".
The heading would include different countries in different cases and the statistics under this heading would not be comparable.

Mr. Flux (British Empire) said that the present text dealt with the application of the list of countries to the statistics of trade. Was it contemplated that the minimum list would apply in respect of individual commodities, or merely to aggregate totals showing the amount of trade as a whole with certain countries? The minimum list might, in his opinion, be accepted, if it were understood that only aggregate figures would be required. If, however, it was proposed that returns for individual commodities should be made in accordance with this list, the result would, in his opinion, be the accumulation of details in regard to a great deal of trade which was insignificant. The work involved would be enormous and, to a large extent, useless. If an obligatory minimum list were contemplated, it should be clear that it was to be applied only to aggregate trade returns, and not to separate statistics of trade in individual commodities.

M. Gayon (France) agreed with Mr. Flux that statistics for individual commodities could not mention all countries included in the minimum list. Those countries with which transactions were of little relative importance would be included under the heading "Other Countries". A country might, for example, in the case of rubber, indicate the imports from Brazil or Indo-China and from other countries grouped together. He thought everyone was agreed that the minimum list might be accepted for the purposes of the presentation of the general results of foreign trade.

M. Nathan (Germany) agreed with Mr. Flux and M. Gayon.

M. Pieckalkiewicz (Poland) said that he was prepared to accept the principle of the minimum list, but he could not accept the list as it stood, which, in his opinion, included too many countries. He thought that the list should be referred to the Committee of Experts for examination with a view to its final consideration by a further Conference.

M. Gayon (France) said that perhaps the German delegation would be prepared to draft a clause to the effect that the Committee of Experts, which would examine the maximum list, should also be asked to examine the minimum list.

The Chairman proposed that the text should be referred back to the Sub-Committee for revision and subsequent consideration by the Plenary Committee.

M. Nathan (Germany) said that the German delegation would submit a proposal in writing to the Sub-Committee. The proposal of the Chairman was adopted.

The Chairman said the Committee would now take the recommendation appended to the paragraph which had just been considered (C.S.O./Commerce/29).

"Being desirous of rendering it easier for the Statistical Departments to make an accurate classification of imported and exported goods in accordance with the items enumerated in the list of countries and statistical areas (Article 2, paragraph V, of the draft Convention) the Committee on Trade Statistics recommends that the Economic Section of the League of Nations be asked to draw up, before the entry into force of the Convention, a 'schedule of sea or river ports of loading and unloading open to international trade' with references corresponding to the list of countries and statistical areas. The Economic Section might also be instructed to keep this schedule regularly up to date."

This recommendation was originally put forward by the French delegation in document C.S.O./Commerce/23, where it was preceded by the following statement of reasons:

"The draft list of countries for the indication of countries of provenance and destination in foreign trade statistics (document C.S.O.2/Annex, comprises 205 items. There can be no doubt that an accurate distribution of imported and exported goods between these 205 items will be a very difficult matter unless the statistical departments are provided with a schedule of the ports of loading or unloading corresponding to the list in question."

"To be of practical value, this schedule should first of all have a column giving, in alphabetical order, the names of all the sea or river ports open to international maritime traffic. If a port is known by more than one name, each of these alternatives should figure in the schedule in its alphabetical order."

"The second column would show the names of the countries in which the ports are situated. Lastly, a third column would indicate the number of the corresponding statistical area."

"The safest method of drawing up a correct schedule would be to ask each country to furnish a list of its ports open to international trade. When these lists are received, a card should be filled in for each port giving the indications required for the schedule. It would then only be necessary to arrange these cards in alphabetical order and have their contents typed and printed in the two official languages."

"If all the countries represented at the Conference were to draw up this schedule separately, each on its own account, the total amount of work involved would be
enormous. A great deal of this effort could be saved if the Economic Section of the League of Nations were, in the common interest, to undertake this task.

"This solution would have the additional advantage that, owing to its high standing, the League of Nations could obtain all the lists of national ports more easily and rapidly than any individual country.

"Each country could make known the number of copies of the printed schedule which it required, and a charge might be made for these copies so as to cover the cost of printing.

"Subsequently the Economic Section would forward annually to the various countries a list of the changes to be made in the schedule in order to keep it up to date."

Mr. Loveday (Secretary-General of the Conference) referred to the suggestion that the Economic Section of the League of Nations should be asked to draw up a schedule of sea or river ports of loading and unloading open to international trade before the entry into force of the Convention. He did not know exactly how much work would be involved by the compilation of this schedule, or at what date the Convention would come into force. He would accordingly ask that the words "before the entry into force of the Convention" should be deleted. The Secretariat was quite willing to undertake the proposed work, but it could not guarantee that the work would be completed by an unknown date.

M. Gayon (France) said it had been proposed that the Convention should come into force three hundred and sixty-five days after it had been ratified by a certain number of countries. He would further point out that the recommendations of the Convention could not in practice be applied during the middle of a statistical year, and that the necessary changes could only be introduced on January 1st. There would accordingly be three delays, and if, for example, the Convention were ratified on February 15th, 1929, it could not practically be applied until January 1st, 1931. All that time would be at the disposal of the Secretariat.

Mr. Loveday (Secretary-General of the Conference) said that those delays would give the Secretariat ample time for the work to be undertaken. He would propose, in order to avoid all possible ambiguity, that the words "before the entry into force of the Convention" should be replaced by the words "before the stipulations of the Convention are actually applied".

M. Gayon (France) accepted that amendment.

Mr. Flux (British Empire) said that there was already in existence a schedule of sea or river ports. It was necessary, however, that this list should be kept up to date, and it had been decided that the Secretariat should be asked to insert in the list of ports and places of loading or unloading the official or code number attached to the respective countries. The task proposed for the Secretariat was less considerable than the preparation of an entirely new list. The Secretariat would need the co-operation of the various countries in keeping the list up to date, and would have to be informed of any changes that were made. Such co-operation would lighten the work of the Secretariat, which might otherwise find itself burdened with a very serious task.

The question arose whether an annual revision of the list would be necessary, or whether it would suffice, once the list was complete, to revise it every three years, and for the interim years to issue small supplements bringing the information up to date.

The Chairman suggested that M. Gayon and Mr. Flux, together with any other members of the Committee who were interested in the matter, should consider this question in a small sub-committee.

The Committee agreed.

29. Article 1, Paragraph IV (Index Numbers of Prices) (C.S.O./Commerce/21).

M. Julin (Belgium) asked that the consideration of this question should be postponed. Paragraph IV raised very difficult questions, and, if it were proposed to consider them in detail, time and reflection were essential.

The Chairman asked whether it would not perhaps be advisable to refer the matter to a special sub-committee.

Mr. Hobson (United States of America) said he would hesitate to refer the question to a sub-committee before it had been discussed in the plenary Committee. The sub-committee might agree upon a text which would come back to the plenary Committee for further discussion by members who had not taken part in the work of the sub-committee. Was it not desirable to have a general exchange of ideas, in order that the sub-committee might have some definite basis for its work?

M. Julin (Belgium) agreed with Mr. Hobson. A general discussion was desirable, but should, in his opinion, be postponed.

The Chairman agreed that paragraph IV raised very considerable difficulties in substance as well as in detail. It did not appear to him, however, that there could be any objection to the general principles indicated in the draft Convention.

M. Julin (Belgium) said that, so long as the Committee confined itself to the general propositions laid down in the draft Convention, no difficulties were likely to arise. All such difficulties had been deliberately avoided in the draft. The problem, however, became immensely complicated if it were proposed to discuss the numerous methods employed in the compilation of the index numbers.
A great deal of work had already been done on the subject by the Conference of Labour Statisticians, and the question arose whether it was necessary to go over the same ground.

If, on the other hand, the Committee decided to confine itself to the general recommendation laid down in the draft Convention, the problem was of the utmost simplicity. Countries were merely asked to publish index numbers expressing the general movement of wholesale prices and the cost of living. The great majority of countries already did so. Countries were further asked to indicate the methods which they used in calculating their indices. There could be no possible difficulty in regard to either of these recommendations.

He would repeat that the difficulties only began to arise when the problem of making the index numbers of prices comparable by the introduction of uniform methods of calculation came to be considered. Did the Committee merely wish to accept the general recommendations of the draft Convention as it stood, or did it propose to decide as to the merits of the various methods of compilation?

M. Gayon (France) said that M. Julin had written a learned treatise on the compilation of index numbers. The present Committee was hardly qualified to discuss the problem, and its members, as Government statisticians, were merely being asked to agree to publish the indices and to indicate the methods followed in their compilation. He did not think the Committee was being asked to deal with the question of principle or to consider the respective merits of the various methods employed.

The Chairman said that, in that case, the Committee might at once accept Article 1, paragraph IV, and no further discussion appeared to be necessary.

Mr. Hobson (United States of America) said that he had a number of minor amendments to move, but these amendments affected only the text and not the substance of the recommendations.

The Chairman suggested that Mr. Hobson should submit his amendments to the drafting sub-committee, and that the plenary Committee should consider the final text of paragraph IV at its next meeting.

The Committee agreed.

TENTH MEETING OF THE COMMITTEE ON TRADE STATISTICS.

Held on Thursday, December 6th, 1928, at 9.30 a.m.

Chairman: M. Wagemann.

30. Article 1, Paragraph IV (Index Numbers of Prices) (Continued).

The Chairman observed that two amendments had been received, one from the United States delegation (document C.S.O./Commerce/32), which related, in his opinion, to a question of drafting, and a second from the Hungarian delegation (document C.S.O./Commerce/27), which raised points that could not be dealt with by the Committee on Trade Statistics, such as index numbers of production, etc.

M. Julin (Belgium), Rapporteur, thought that the United States delegation's amendment related partly to a question of form and partly to a question of substance. In M. Julin's view the amendment would place certain Governments in a very difficult position. The draft Convention stipulated that the Governments undertook to publish "a short official statement indicating the items whose prices had been used in the calculation of the indices and the methods employed in the calculation". The United States amendment omitted the word "short", and therefore implied that the statement to be published was not limited in length. The publication of a monthly statement would in any case cause certain difficulties, and therefore M. Julin would prefer to retain the word "short".

The principal objection, however, to the United States amendment was that, whereas the draft Convention laid down that the official statement should indicate the items whose prices had been used in the calculation of the indices, the amendment specified that it should indicate the items and prices used in the calculation of the indices. If the United States suggestion were adopted, it would mean that the Governments would have to include in the statistics of the cost of living the price of each foodstuff and of other items in each locality. For instance, in Belgium, the cost of living was calculated on the basis of fifty-six articles, and the returns were made for fifty-nine localities. It would therefore be necessary for the Belgian Government to publish fifty-nine columns of fifty-six lines each. If M. Julin were right in his interpretation of the United States amendment, and if that amendment were adopted, the Belgian Government would have to make a formal reservation.

Mr. Hobson (United States of America) said that M. Julin's interpretation of the United States delegation's amendment did not correspond at all with its intention.

In reply to what the Chairman had said, Professor Hobson observed that the amendment was not intended purely as a drafting amendment.

The elimination of the word "short" had been proposed because some countries already publish long official statements, and it was desirable that they should not be discouraged from continuing to do so. The United States official statement, for instance, was fourteen pages long. The object
of the amendment was to leave each country free to publish as much as it thought fit, and hence it would be inadvisable to make it an obligation that they should publish short statements.

With regard to the amendment to substitute for the words, "items whose prices" the words "items and prices", Mr. Hobson said that he did not propose to discuss the question of the methods followed by the various countries, for these were so complex that, if the Committee attempted to do so, it would be buried in the ruins of its own discussion. Each country must be left free to follow the methods it thought best. It was, however, desirable that the prices should be given as well as the items, in order that each country might be able to ascertain the prices taken by the other countries as a basis and either make its own conform, or, at any rate, make its own interpretation of the figures conform, with that of other countries. With regard to M. Julin's point concerning the compilation of prices for each locality, Mr. Hobson pointed out that the American practice was to publish one price for the whole country, and he understood that most countries did the same. He had therefore been surprised to hear the objection raised by M. Julin. The method of arriving at that price was left to the discretion of each country.

Finally, Mr. Hobson suggested a further modification to his original amendment in order to make it clear that the statement of the methods employed was required not monthly but annually. For this purpose it would suffice to insert before the words "the methods employed", the words "giving at least annually a statement of the methods employed".

M. Gini (Italy) said that the question of the compilation of index numbers was a very complicated one and had formed the subject of long discussion both in the International Institute of Statistics and in the Preparatory Committee. The paragraph in the draft Convention had been adopted by the Preparatory Committee after very full consideration. M. Gini agreed with M. Julin that it would be preferable to retain the requirement that the official statement should be short. This would not prevent any country from publishing a long statement if it so desired. He would point out that the Conference was asked to adopt a minimum because it was felt that it would be unwise, if not impossible, to go further at the moment.

The really important change, however, in the United States amendment was the requirement that the countries should publish monthly prices as well as items. The number of prices to be published would be immense and the work involved would be beyond what most countries were willing to undertake. The United States Government would, of course, be free to continue to publish the prices if it thought fit, but M. Gini believed that most countries would not be prepared to follow their example. If the United States Government desired to ascertain the prices on which the calculation of the indices was based in other countries, they could always apply to the respective national statistical offices which would give them such assistance as was within their power, but the United States proposal as it stood would result in excessive work for the Statistical Bureaux of other countries.

With regard to the question of the methods employed in the compilation of indices, it had been held in the Preparatory Committee that it should suffice if information on that point were published once and if subsequent notification were limited to any changes that might be made later in those methods. M. Gini would therefore urge the United States delegation not to insist upon the monthly publication of prices.

M. Frumkin (Economic Section of the Secretariat) drew the attention of the Committee to the Memorandum on Currency and Central Banks published by the Economic Section. The issue for 1923 of that memorandum contained, in addition to a statement of the principal methods actually employed, a comparative study of practically all existing index numbers of wholesale prices. It was found that even when the compiling authorities published detailed statements explaining the methods used for the computation of the index numbers, those statements differed so much from each other in form that it was very difficult to compare them. The Secretariat, therefore, decided to adopt the following scheme for the description of the various index numbers in the Memorandum:

1. Price quotations (nature, origin, date, etc.);
2. Base period (fixed base period, chain system, shifting of base period, etc.);
3. Number of items (price quotations, price relatives, number of commodities, etc.);
4. Grouping of commodities;
5. List of commodities;
6. Average and weighting.

In the subsequent edition, that for 1924, there was added an additional table showing the relative importance of the various groups. The Secretariat had, in addition, asked the various administrations to comment on the statements given.

Mr. Flux (British Empire) agreed in general with M. Gini's remarks. He wondered whether, having in mind the publication of the League to which M. Frumkin had referred, the Committee might not envisage a course which would perhaps satisfy Mr. Hobson's desiderata. If every country which published wholesale price indices would communicate their index numbers and methods of compilation to the Secretariat, and if these were published in subsequent editions of the Memorandum on Currency, this would offer a much more convenient means of reference than a whole series of pamphlets published by each different country. The proposal would, it is true, involve a more frequent issue of the Memorandum on Currency than at present, but this was a point which the Secretariat might take into consideration. Mr. Flux understood that a new
M. Frumkin (Economic Section of the Secretariat) pointed out that the space given to the publication of index numbers in the Memorandum on Currency formed only a small part of that memorandum. Each time, of course, that the Secretariat published the Memorandum on Currency, it would be prepared to publish a section dealing with index numbers, but it could not undertake to publish the Memorandum merely in order to give the latest information with regard to index numbers. The Secretariat might, however, examine what additional steps could be taken to carry out Mr. Flux's suggestion, for instance, by supplementing in some way or other the information published in the Monthly Bulletin of Statistics, but M. Frumkin could not, of course, at present commit the Secretariat in any way.

Mme. Falkner-Smit (Union of Soviet Socialist Republics) said that her delegation had made a proposal with a view to introducing into the Convention certain requirements relating to labour statistics. In the draft Convention only wholesale prices were dealt with; the Soviet delegation proposed to complete these by the publication of indices of retail prices and of the cost of living.

M. Gini (Italy) observed that reference to these indices was made in the draft Convention.
methods of ascertaining the cost of living, and M. Julin would venture to point out that Ernst Engel had formulated and published the famous Engel law as long ago as 1857. Since 1891 account had been taken of this law in Belgium. The whole question had recently been fully discussed again at the Conference of Labour Statisticians, with regard both to the cost of living and to the question of the working-class budget, and M. Julin believed that the results of that Conference corresponded entirely to what was needed at the present moment in regard to this problem.

The Chairman observed that the Committee on Production Statistics was about to meet and would discuss the question of index numbers. Various delegates wished to be present at that discussion. He therefore suggested that the Committee should adjourn the consideration of this question and resume it at a later meeting.

The Committee would now proceed to consider paragraph II of the draft recommendations annexed to the draft Convention (document C.S.O.2).


Amendment proposed by the U.S.S.R. Delegation.

M. Dvolaitsky (Union of Soviet Socialist Republics) said that he wished to propose that, in the statistics of foreign trade, one category of goods which had a quite special purpose, namely, arms and ammunition, should be indicated in a more detailed manner than was the case in the nomenclature determined by the Brussels Convention of 1913. The delegation of the Union of Soviet Socialist Republics had distributed a draft classification which might meet this requirement (document C.S.O./Production/15). The reasons for this proposal had already been set forth by M. Kritzmann at one of the plenary meetings of the Conference and there was no need to repeat his argument. M. Dvolaitsky hoped that the Committee would not consider his proposal exaggerated, for the draft Convention, in Annex III, provided for the compilation of statistics of a number of articles of quite minor importance.

M. Janssen (Belgium) said that the delegate of the Union of Soviet Socialist Republics appeared to have overlooked the fact that the activity of the International Bureau of Commercial Statistics at Brussels was governed by a special Convention; and, so long as that Convention was not modified, the Bureau could not modify its methods of presenting statistics. If it were of importance that the nomenclature on which the work of the Brussels Bureau was based should be modified in respect of arms, it was of quite equal importance that this should be done in respect of other classes of goods. If this nomenclature were to be revised, it should be revised as a whole and not piecemeal.

M. Gayon (France) said that, in view of the fact that there had been previous Conferences and Conventions dealing with statistics of arms and traffic in arms, and that the questions of the manufacture of arms and statistics of the manufacture of arms were now being discussed by another body appointed by the League, it was obvious that the present Conference was not competent to deal with that question or to reconsider the bases which had already been laid down at another and fully qualified Conference. If the delegate of the Union of Soviet Socialist Republics desired a revision of the nomenclature relating to arms and ammunition, he should bring the matter before the competent body.

M. Piekalkiewicz (Poland) drew attention to the amendments proposed by his delegation to paragraph II of the draft recommendations (see document C.S.O./Commerce/24), which read as follows:

"Sub-paragraph I.
In the second line, for 'tariff' read 'statistical'.

"Sub-paragraph II.
It is proposed to amend this passage as follows:

' That, as soon as the tariff nomenclature has been accepted, the Committee of Experts should draft the statistical nomenclature, which should be adopted in accordance with the principles laid down in Article 8'. "

The effect of the second amendment was that the Committee of Experts should take the Customs tariff nomenclature, as soon as it had been accepted, as a basis for the special statistical nomenclature.

With regard to the point made by the delegate of the Union of Soviet Socialist Republics, M. Piekalkiewicz pointed out that provision had already been made for the preparation in the new tariff nomenclature of chapters for arms and munitions; he therefore thought that it was useless for the present Conference to discuss the question.

M. Dvolaitsky (Union of Soviet Socialist Republics) explained that he had not proposed any modification of the Brussels nomenclature. The Brussels nomenclature contained a heading "Arms and Ammunition"; and M. Dvolaitsky was simply proposing that the present Conference should accept a detailed list to come under that heading, without changing the Brussels nomenclature. In reply to the objections of the French delegate, M. Dvolaitsky pointed out that his delegation was not making any proposal with regard to disarmament, which was being dealt with by a special Commission of which the Union of Soviet Socialist Republics was a member. The question it had raised was a purely statistical one. In conclusion, M. Dvolaitsky would request the Chairman to put his proposals to the vote.
M. Gayon (France) observed that he had not said that the Union of Soviet Socialist Republics delegation's proposal should be referred to a Conference on Disarmament, but simply to the Commission which was dealing with the manufacture of arms.

M. Gini (Italy) asked whether the delegate of the Union of Soviet Socialist Republics was aware that the League of Nations issued a publication concerning the traffic in arms, which contained data for all States except the Union of Soviet Socialist Republics, which, it appeared, had ceased to publish the relevant figures since 1924. That Government, therefore, need only publish its own figures in the League publication in order to make those statistics on the arms traffic more complete.

M. Barboza-Carneiro (Brazil) proposed that the Committee should now proceed to vote.

Mr. Riddell (Canada) said that he was a member of the Commission dealing with the question of the manufacture of arms which was now meeting in the Secretariat. The Commission was working out a whole scheme for statistics of the manufacture of arms in all countries, and at the moment was considering the question of classification. Hence, as the Council had set up a special body which alone was competent to deal with the problem, and on which were represented not only Members of the League but also countries which were not Members, the present Conference would be overstepping the limits of its competence and encroaching on the work of another body if it took up the problem.

The Chairman enquired which delegations were in favour of adopting the amendment of the delegation of the Union of Soviet Socialist Republics.

M. Dvolaitsky (Union of Socialist Soviet Republics) alone voted in favour of adoption.

The Chairman noted that the amendment was rejected.

Amendments proposed by the British and Polish Delegations (documents C.S.O./8 and C.S.O./Commerce/24) to Draft Recommendations, Paragraph II.

Mr. Flux (British Empire) drew attention to the following amendment proposed by the British delegation:

"Recommendation, II 2:
"Delete 'it should be simultaneously applied in trade statistics'; and substitute 'a corresponding basis should be adopted as far as possible in the preparation of trade statistics'."

That amendment was in the same spirit as the Polish delegation's amendment, but did not go so far in detail. It was quite probable that the League might seek the advice of the Committee of Experts in drawing up a plan to be submitted to the various countries, but the obligation involved would be better explained if, instead of a requirement that the tariff classification should be adopted absolutely and entirely, there was a requirement that the basis adopted should correspond with that classification.

The Chairman suggested that the Committee might vote on the adoption of the British and Polish amendments in principle. If they were adopted in principle, they might be referred to the Drafting Committee.

M. Claessens (Netherlands) observed that the Polish amendment raised a question of substance, namely, that the statistical nomenclature should be based on the tariff nomenclature to be prepared by the Sub-Committee of Experts. M. Claessens was not prepared to discuss at that meeting whether the preparation of the statistical nomenclature should be left to the Conference on Customs Nomenclature.

M. Piekalkiewicz (Poland) replied that his proposal did not go so far as M. Claessens thought. His proposal did not mean to say that the statistical nomenclature prepared by the Committee of Experts should be obligatory, but merely that the experts should prepare a draft nomenclature which would be considered by a new Conference to be held in accordance with Article 8. He thought that M. Claessens would therefore agree to this proposal.

M. Claessens (Netherlands) asked whether the future agreement referred to by M. Piekalkiewicz would replace the Brussels Convention.

M. Piekalkiewicz (Poland) replied in the affirmative.

M. Janssen (Belgium) pointed out that, if the Brussels Conference of 1913 had realised only a minimum programme, it was because it was recognised that it would be impossible to do better at the moment.

The International Bureau at Brussels could not, of course, adopt a new nomenclature on its own initiative. But when the work at present being undertaken in connection with the unification of Customs nomenclature was finished, the Belgian Government would not fail to take steps to ensure that the various Governments which adhered to the Convention of 1913 should be consulted as to the revision of the statistical nomenclature set up by this Convention.

M. Gayon (France) observed that the new Customs nomenclature would show a number of primary headings and a number of secondary headings. The draft statistical nomenclature to be prepared by the Committee of Experts would have to be confined to a strict minimum; that was to say, to a minimum number of headings to be observed by each country in the compilation of its statistics. Within these headings, however, each country would, of course, be free to include
any number of items that might be necessary to meet its own national economic requirements. The Committee of Experts should confine themselves to considering which were the primary headings to be included in the statistical nomenclature.

The Chairman said that the Committee would now proceed to vote on the principle of the British and Polish delegations' amendments.

M. Gayon (France) pointed out that the Polish amendment was not quite the same as the British.

The Chairman thought that, if the amendments were accepted in principle, they might be left to the Drafting Committee. He enquired whether any delegates objected to the adoption of the amendments.

M. Barboza-Carneiro (Brazil) said that he opposed the amendments.

The Chairman announced that the amendments were adopted in principle, and said that they would be referred to the Drafting Committee. The Committee might accordingly adjourn, and leave the further discussion to the Sub-Committee, which still had to consider paragraph V and other points. The full Committee would meet on the following day at 10 a.m.

M. Barboza-Carneiro (Brazil) understood that the Committee had not as yet taken any decision in regard to paragraphs III and IV of the Draft Recommendations.

The Chairman replied that this was the case.

ELEVENTH MEETING OF THE COMMITTEE ON TRADE STATISTICS.

Held on Friday, December 7th, 1928, at 10 a.m.

Chairman: M. Wagemann.

The Chairman said that he had asked the Bureau to put the question of the index numbers of prices to the Committee on Production Statistics, which had already concluded its work. The discussion of the question would have taken too long for the Committee on Trade Statistics, and it had therefore been handed over to the other Committee.


M. Jahn (Norway), Chairman of the Sub-Committee on Fishery Statistics, submitted the report and observed that, as a result of the Sub-Committee's proceedings, certain small changes had been made in the relevant passages in the draft Convention, but those changes related to matters rather of form than of substance.

Article 1, paragraph III (e) had been re-drafted with one or two changes. The first modification was the introduction of a passage to cover inland-water fisheries. It had been stated in the Sub-Committee that in certain countries inland-water fisheries were of very considerable importance, whereas in other countries, more particularly in Europe, they were of very little importance, and it would be impossible to obtain the necessary data. The amendment, however, had been introduced to meet the requirements of those countries where inland-water fisheries were of importance and were properly organised, and where it would be possible to obtain statistical returns.

The Sub-Committee had adopted the wording of the draft Convention that returns should be required from countries "to whose economy fisheries are important". Since then, however, the Indian delegation had placed before the Chairman a proposal that this wording should be amended to read "wherein there exists an organised fishing industry". That delegation had said that in their country the fisheries were of great importance, but there was no organised fishing industry.

The Chairman observed that the term "développée" used in the French text did not appear to him to be an exact translation of the term "organised" used in the English text of the Indian delegation's amendment.

M. Julin (Belgium), Rapporteur, thought that, if a fishing industry was economically important to a country, it might be said to be an organised fishing industry.

M. Jahn (Norway) pointed out that the Indian delegation had observed that their fisheries were of importance but did not constitute an organised industry. Fishing was carried on by small privately owned boats, and the catch was sold in the villages. It was rather a domestic industry.

M. Jahn further suggested that, the point raised by the Chairman could be left to the Drafting Committee.

The Chairman agreed and said that, if there were no objections to the amendment, he would regard it as adopted.

M. Barboza-Carneiro (Brazil) said that he understood that the Sub-Committee had been dealing only with the Indian delegation's amendment and not with the revised text of the article submitted by the Sub-Committee. That being so, he wished to state that the Brazilian delegation was obliged to request the Committee to authorise Brazil to make an express reservation with regard to the application of the article. There were no organised statistics of fisheries in Brazil,
although the fisheries were of considerable importance. In the present financial situation of the
country it would be impossible to organise a statistical service to deal with fisheries.

The CHAIRMAN thought that it would be unnecessary for the Brazilian delegation to make a
reservation in view of the amendment which had just been adopted by the Committee.

M. BARBOZA-CARNEIRO (Brazil) observed that he could accept Article 6 but not Article 1,
paragraph III (e).

Mr. FLUX (British Empire) suggested that, if Article 1 did not govern the terms of Annex IV,
the matter might be made clearer if the phrase referring to the existence of an organised fishing
industry were introduced again in the Annex. Mr. Flux understood the Brazilian representative
to have said that there was an organised fishing industry in Brazil, but that there were no organised
fishing statistics. If that were so, the phrase adopted on the suggestion of the Indian delegation
did not meet his point.

The CHAIRMAN observed that the question raised by Mr. Flux could be settled by the Drafting
Committee, and noted that there were no further objections to the adoption of Article 1,
paragraph III (e).

The Committee would now examine the revised text of Article 6 and Annex IV.

M. JAHN (Norway) said that Article 6 had been altered so as to bring it into line with the
new drafts of Articles 3, 4 and 5. The terms of all these articles were now much vaguer than in
the original draft.

Annex IV had been re-drafted. A new paragraph III had been introduced in the revised
text. Further, in paragraph III of the original draft Convention it was laid down that statistics
of fisheries should show "the number and class of . . . appliances employed in fishing". The
requirement as to appliances was omitted in the new text. Those countries which had
compiled statistics of appliances had said that they were very difficult to obtain and that the
returns made were so poor that they had ceased to ask for them.

M. KADOWAKI (Japan) asked whether there would be an obligation to present the statistics
of inland and sea fisheries separately or together.

M. JAHN (Norway) drew the Japanese delegate's attention to the passage in Article 6 reading
"and agree to apply them as far as possible in their respective fishery statistics". This seemed
to cover M. Kadowaki's point. M. Jahn understood that, in the Japanese statistics, no distinction
was made between inland and sea fisheries, but, in view of the drafting of Article 6, M. Jahn thought
that there would be no obligation for Japan to keep separate statistics.

M. BARBOZA-CARNEIRO (Brazil) asked that an explanation of the term "class
of national boats"
used in paragraph VI of the Annex should be given.

M. JAHN (Norway) said that what was required was a classification of boats according to
whether they were sailing-vessels, steamers, motor-vessels, etc.

M. GAYON (France) observed that the term "qualification" would be more correct than the
term "designation" used in the French text.

Mr. FLUX (British Empire) said that it would be useful if an interpretation of the item
"aquicultural products" could be given either in the report or in the Minutes.

M. JULIN (Belgium), Rapporteur, protested against the use of so barbarous a term in an
international Convention. He had heard of apiculture, agriculture and pisciculture, but he
doubted whether any dictionary contained the word aquiculture. Further, as far as he knew,
there was no culture of sea fish.

The CHAIRMAN remarked that oysters were specially cultivated.

Mr. FLUX (British Empire) said that, if that was the significance of the term, it might be
clearer to say "fish, including shellfish".

M. JULIN (Belgium), Rapporteur, said that he had always understood that, in order to be
able to explain anything, one must first be able to understand it oneself. He would therefore
ask those who were responsible, and he believed it to be the Japanese delegation, for the
introduction of this term to explain it. Did the term mean simply fish — that was to say, living
animals — or did it include products of the sea which were not altogether animal nor altogether
vegetable, for instance; coral, sponges, and so forth? What, again, was to be done about pearls?
M. Julin would prefer, if possible, to use a clear and definite paraphrase instead of a qualifying
adjective.

M. KADOWAKI (Japan) said that he was not an expert in this matter, but he understood that
fish were raised in artificial ponds and the term used in the draft was intended to cover such
artificially raised products.

M. JAHN (Norway) illustrated the meaning of the term by pointing out that, in Germany
for instance, fish were raised in special pools, just as in other countries oysters were raised in
artificial beds. All such products were cultivated in water by the aid of man; that was to say, they
did not, like other fish, take their food where they themselves found it, but were fed artificially.
They might be classified, in a sense; as domestic animals. The question was one of the greatest
importance to Japan in regard both to sea and inland water fisheries. He might point out that
the requirement was not obligatory.
M. JULIN (Belgium), Rapporteur, understood that the term “aquicultural products” was intended to cover fish raised under special conditions, with a view to the production of spawn. Such a proceeding was covered by the term “pisciculture”. M. Julin thought, however, that the term “aquicultural products” was intended to cover something wider, and he would therefore propose a more general phrase, such as “and the other water products”.

Mr. Flux (British Empire) suggested that the term “fishery products” would serve.

M. JAHN (Norway) drew attention to the fact that the important requirement was that the returns for the principal kinds of fish and for “aquicultural products” should be shown separately. The essential thing for Japan was that a distinction should be made between fish caught in waters where they lived in a wild state and fed themselves naturally, and those products of the sea which were specially raised and fed by man.

M. JULIN (Belgium), Rapporteur, said that if that was the case he would withdraw his amendment, which was far broader and which would cover such substances as coral, etc. He would accordingly propose that the right term to use was “piscicultural products”, so that there would thus be a distinction between fish which lived in the natural state and fish raised in special basins or pools. In any case, it was essential that the term used in the Annex should express exactly what was meant.

Mr. Flux (British Empire) thought that the term “other fishery products” might serve unless it was considered dangerous to use so wide a term.

M. JAHN (Norway) failed to see that the text submitted by the Sub-Committee was not perfectly clear. The only question was what was meant by “aquicultural products”. He had tried so far as he could to explain that term and did not think that any other definition could be found. They were the products cultivated in the water. He repeated that the essential point was that the returns should be shown separately. The term “other fishery products” meant nothing at all.

The Chairman observed that it would appear that the only country which desired these separate returns for cultivated fishery products was Japan. If that was so, Japan would be free to make separate returns; but, if the other countries did not desire to do so, the Chairman thought that the Committee would be going beyond the scope of its work in dealing with the question.

M. JULIN (Belgium), Rapporteur, said that Japan was not the only country concerned in this question. Oysters and mussels, for instance, were raised in special artificial beds and each of these forms of cultivation had its appropriate scientific term. It would, however, be impossible to introduce so many designations into the Convention and a more general term should be found.

M. GAYON (France) suggested that the term “produits des élevages aquatiques” would cover what was required.

M. Kadowaki (Japan) intimated that he accepted M. Gayon’s proposal.

Mr. Flux (British Empire) suggested that it should be left to the Drafting Committee to discover the best English equivalent.

M. Gayon’s proposal was adopted, together with the revised text of Annex IV.

The Chairman suggested that the Committee would now consider the Sub-Committee’s suggestions for the deletion of paragraph IV of the Protocol.

M. JAHN (Norway) observed that the deletion of paragraph IV of the Protocol was necessary in consequence of the revised form adopted for Article 6.

The proposal to delete paragraph IV of the Protocol and the report as a whole, with the amendments accepted in the course of discussions, was adopted.


M. GAYON (France), who presented the report, observed that, in the revised text submitted, the Sub-Committee had assembled a certain number of proposals which had been presented in the course of the discussion by different delegations.

In the first sub-paragraph of the revised text of paragraph V, the Sub-Committee submitted a definition of the term “statistical territory”, to which reference was made in Article 2, paragraph IV, and a definition of which had to be given in the Convention.

The second sub-paragraph reproduced the text contained in the original draft.

The third sub-paragraph provided for the contingent modification of the list of statistical territories contained in the Annex. The high contracting parties would submit their requirements in this matter to the League, which would then take a decision upon the necessary modification of the Annex.

The fourth sub-paragraph left it to the Committee of Experts to draw up a minimum list of statistical areas to be specified in the statistics of trade by country of provenance or destination. The original list distributed had contained some 210 items; in order to save the statistical bureaux excessive work and a needless development of publications, it had been agreed to adopt a minimum list of territories which it would be obligatory to show in the statistics.

Certain members of the Sub-Committee had expressed apprehensions with regard to the proposal to leave the minimum list to be drawn up by the experts. M. Gayon thought that, when the matter came to the test, these fears would be found to have no ground in reality.

There followed a recommendation with regard to the publication by the Secretariat of the League of a schedule of sea or other ports of loading and unloading open to international trade.
A correct and complete list of these ports was essential, because their geographical or political position was a matter which it was not in all cases easy to ascertain. Moreover, it would save a great deal of work and would ensure better prospects of accuracy if that task, instead of being carried out by each Government individually, were entrusted to the Secretariat of the League of Nations.

With regard to the question of Customs unions, it was obvious that it would be impossible to have separate statistics in cases where there was no Customs frontier between the two countries concerned. But if, on the contrary, the two countries were not adjacent (in the case, for instance, of the United States and Alaska), it would be possible and even desirable to have separate statistics, in so far as the countries concerned were willing to publish them.

With regard to tables showing the movement of different categories of goods, it was understood that countries of provenance and destination which were of little importance would be grouped under the heading “Other Countries”.

The recommendation concerning goods consigned “for orders” referred to consignments whose final destination was not known at the time of sailing, and for which orders could only be given to the captain by wireless on the high seas or in a port of call. The statistics, in such cases, not being able to show the countries of destination of the goods, indicated merely that they were “for orders”. But, in order to reduce the amounts shown under this temporary heading, it was recommended that the statistics should be completed as soon as the country of unloading was known.

Finally, the Sub-Committee proposed that the Committee of Experts should be requested to consider the question of the different methods of classification of imports by country of origin or production, country of consignment and country of purchase, and to make recommendations on the basis of reports to be received from the various Governments on the results of an experiment which they would undertake. This experiment was as follows: each Government should undertake to compile for a period of twelve months, in regard to a number of articles to be selected by each country, import statistics indicating in a comparative manner the countries of origin or production, the countries of consignment and the countries of purchase. Its object was to give every Government an opportunity of testing the respective merits of the different methods of registration and, if necessary, to introduce in its present methods such changes as it thought desirable. The Sub-Committee had come to the conclusion that it was essential that a really serious study of this question should be made in plenary session. It was essential that the public should know that the decision had been adopted was not that the Conference considered itself incompetent or unqualified to make a choice, but that it was essential to have some solid foundation before proceeding further.

M. Julin (Belgium), Rapporteur, stated that the text now submitted had been unanimously approved after long discussions by the Sub-Committee. He would accordingly move the adoption of the proposals of the Sub-Committee.

He would, as Rapporteur, include in the general report of the Committee a reference to the various theses which had been put forward during the discussions of the Sub-Committee, and each delegate might be assured that due account would be taken of any observations which he might have made.

M. Birkovitch (Kingdom of the Serbs, Croats and Slovenes) said he could not on behalf of his country accept the proposal contained in the draft that there should be a double indication of countries of provenance and destination.

M. Julin (Belgium) pointed out that the double indication was not obligatory.

M. Pierkalikiewicz (Poland) accordingly proposed that the words “of provenance and destination” should be deleted from sub-paragraph 2, and also from sub-paragraph 4 of the proposed text of paragraph V.

He did not think that the method of experiment suggested by the Sub-Committee was desirable either on theoretical or practical grounds. In respect of certain articles, the countries of consumption, purchase and destination would be identical, so that no purpose would be served by requiring the countries to be separately indicated.

The proposed experiment would, moreover, make it necessary for the statistical services to modify their statistical returns in respect of certain commodities, and these partial modifications might lead to confusion and misunderstanding. Statistics compiled as the result of such modifications were never very satisfactory until some time had elapsed after the changes had been made. Innovations were misunderstood by traders, and sometimes proved difficult of application. Traders would be peculiarly apt to misunderstand such changes if they applied only to particular commodities, and would inevitably suspect the authorities of some ulterior motive in requiring additional information.