

## 9. SOME HISTORICAL RETROSPECTION

An Elementary Index Number Theory has been developed against the background of the recent history of statistical practice. At the outset we have referred to the Fisherian era (until the mid-20<sup>th</sup> century). This era assumed the presence of  $c_a$ -type collectives only. Quantity indices had been considered by Fisher theoretically as **formally** matching price index formulae, though there was already a need for keeping national accounts. Just this pressing need led eventually to the advent of the R. Stone era.

The R. Stone era indicated a shift of interest towards quantity indices (when the utility units were ordinary) and to volume indices (when the utility units appeared compound or elementary ones). Characteristically, the interest of the national accounting practice shifted even to the estimation of absolute values. Accordingly, we could show that the System of National Accounts still lacks such a basic notion as “utility unit”, and, particularly, “elementary utility unit”. SNA’93 is failing to acknowledge the difference between elementary utility units (utility dollars) and monetary dollars. So, to sum up: the Fisherians failed to understand the conceptual needs of the new era, and, the appropriate rebuilding of the Common Index Number Theory did not take place. By its essence, SNA is still pressing for that!

## 10. ELINT VERSUS CINT, AND CONCLUSION

The following nine points mark the merits of ELINT which CINT lacks.

First: ELINT is a **system**. ELINT stands and falls as a whole. CINT is rather a bulk of price index formulae, each to be tested individually.

Second: ELINT’s INFs do not need **any testing** of individual price index formulae.

Third: ELINT starts with the construction of whole **equations** of INFs.

Fourth: ELINT starts with the construction of INFs in their **multilateral**, and never in their bilateral **form**.

Fifth: ELINT starts with the construction of INEs in the **general form**, never with the constructions of special cases of INEs.

Sixth: ELINT constructs INFs with the help of a **general and uniform** formulae **generating algorithm**, and never obtains missing formulae from accompanying formulae by implication.

Seventh: ELINT’s INEs always display the **product property**, and even for the INFs’ numerators and denominators.

Eighth: ELINT never classifies INFs into crossed, chained, or rectified; never classifies them into mediocre, acceptable, and ideal (superlative), and ever identifies them by **name of the author**.