

## Criticism of the Customs Index Calculations.<sup>1</sup>

Many experiments have been made lately to fix and co-ordinate the niveau average or customs index of certain states. The report of *Layton-Rist* on the economic situation of Austria drawn up by charge of the League of Nations attempts to classify from the Austrian export point of view the extent of the customs protection i. e. imposts, of states consuming Austrian goods. *Sir Clive Morrison Bell's* well-known diagram "with the height of the tariff-walls" after all, also seeks to express the customs policy of each state by a number. A few days ago *Mr. Richard Riedl*, former Austrian minister published a new calculation of those customs imposts which press on the goods of the different European states.

But greater attention than ever is merited by the fact that for the occasion of the International Conference of Economics ("Conférence Economique Internationale") which will be held at Geneva in May 1927, the League of Nations itself, or rather the economic and financial section thereof ("Section Economique et Financière"), has effectually studied the problem of the preparation of customs indexes and the result of its preliminary examination ("Indices du Taux des Tarifs") was published within a narrow circle in the beginning of 1927.

In its work, the economic section of the League of Nations tried three methods of calculation (*Méthode A*; *Méthode B*; *Méthode BII*).

With method *A* it selected 47 different articles of industry or series of industrial articles. It ascertained the statistical import value of these articles of industry in a few European and overseas states and on this basis determined what percentage of customs imposts they are liable to and by the calculation of the simple arithmetical mean proportion, believed to fix the estimate of the average percentage of the customs imposts of the countries in question, on the one hand in 1913 and on the other hand in 1925. The 47 articles of industry selected (a small fraction of the goods enumerated in the customs tariffs) are the following: 1. glycerine, 2. nitric acid, 3. sulphuric acid, 4. glauber salts, 5. aniline dyes, 6. pencils, 7. raw-wool yarn

<sup>1</sup> The calculations, which we refer to are the results of the enquiries of the Hungarian Central Bureau for Customs Policy.