It is noteworthy that, though the U.S. tariff appears in general to be no less graduated or escalated than those of other countries and is sometimes held to be more so, the effect on the structure of its imports seems to be much less marked than in some other developed countries, especially some of the members of the Common Market and Japan. One important reason is that the United States is itself a major producer and exporter of some of the crude materials included in the table, notably, cotton, cattle hides, and hardwoods. This alone would tend to cause a higher ratio of manufactured to unmanufactured imports than would be true of most other developed countries. The same influence may affect the composition of imports by Canada, Australia, and New Zealand.

Nevertheless, imports of finished manufactures from less-developed countries by most countries of Western Continental Europe look very small, and those of Japan altogether trivial, compared both with their own imports of crude materials and intermediate products and with imports of finished goods by the United States from less-developed countries. Part of the explanation may be that, even if effective tariff rates in the United States are the same as in Europe or Japan, they may be less effective, in fact, in restricting imports of labor-intensive goods, if wage costs per unit of output in manufacturing these goods are higher here than in other developed countries.

NONTARIFF BARRIERS TO IMPORTS

There are, however, other more specific though sometimes less visible hindrances to the growth of the trade than those presented by tariffs. The most obvious, at least so far as they are reported, are quantitative restrictions. After taking note of some further, but slow, progress in removing these restrictions, a mid-1966 report by UNCTAD observes that "the area of exports still affected is considerable and includes a number of products of major export interest to developing countries." The report then summarizes the position as follows: "Out of 63 Brussels tariff nomenclature items of export interest to developing countries, quantitative restrictions on the following among them are still maintained in the developed countries; namely France 56, Japan 24, Federal Republic of Germany 21, Denmark 15, Norway 14, Austria 13, Italy 10, United Kingdom 7, Switzerland 6, Sweden 3, United States 3, Netherlands 2, Belgium-Luxembourg 2, Canada 1." [12]

It is hard to judge the significance of these restrictions, since they may be nominal in some cases and rigorously enforced in others. It is even more difficult to judge the incidence and effect of other more subtle hindrances, such as administrative redtape or collusion among private producers and distributors within the developed countries, but the absence of trade is sometimes difficult to explain otherwise. Though it is difficult to separate from other influences noted, perhaps something should be allowed for the view that competition is keener in the U.S. market than in other developed countries, and that American entrepreneurs are more active in seeking out foreign sources of supply.

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[12] United Nations Conference on Trade and Development, "Review of International Trade and Development, 1966," summary of report by the Secretary-General, July 20, 1966 (TD/B/82), p. 15.