

Quiz #3: BUF 4300

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- a. Why did the United States assist Japan in rebuilding their country after WWII in 1945? What was the role of the Supreme Commander of the Allied forces (SCAP) in Japanese reconstruction? (2pts).

The United States assisted Japan in rebuilding its economy to maintain world peace, to remain in the position of leading world power, and to contain Communism from spreading by introducing Capitalism ideals. Rebuilding Japan's economy funded the countries infrastructure reconstruction, a lot of the machinery used in the apparel industry was either destroyed or outdated (Rosen, 2002, par.2,p.29) so the Japanese needed money to rebuild their country and their businesses. SCAP's role was to oversee this economical development, to "revitalize the countries industrial production and find markets for the new manufactured goods" (Rosen, 2002, par.1, p.27); first, the U.S. sent a group of specialists that stayed two weeks in Japan to gather information from the military base about the country industries, after SCAP was in charge of a 5-year plan to revitalize the silk industry, that was Japan major export before WW2, in 1947 Nylon took over the silk industry so SCAP developed the more lucrative Cotton industry.

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- b. How did Japan become an exporter of cotton textiles? Why was there a conflict about textiles production in Japan? Defend your answer with citations from the book. (2 pts).

Japan relied heavily upon the silk export before the War but Silk was replaced by Nylon after WW2, Japan tried to implement a Rayon industry but that involved the need

to import coal and wood for production so that didn't take off. Cotton became the preferred choice even though Japan didn't produce cotton, they had to buy the raw cotton to make into the fabric, the US decided to sell the cotton to Japan and later buy the fabrics from them, the following quote explains how the cotton industry deal happened and the difficulty linking the exports to the US currency, "Raw cotton was available from the United States, but Japan did not have the dollar liquidity to finance the imports necessary for the occupied country's textile reconstruction. Yet the textile production was essential for maintaining a balance of payment between the United States and Japan"(Rosen, 2002, par.2, p.30). The US decided to finance the sale of cotton to Japan, "in August 1947 an Occupied Japan Export-Import Revolving Fund was created in Japan to utilize the \$137 million in gold and silver of Japan ownership in SCAP custody as a credit base for loans to finance the import of raw materials for processing into exports"(Rosen, 2002, par.2, p.30). Another conflict was because exports plans were overviewed by SCAP and as Japan was under U.S. rule national consumptions were rationed to 30%, "SCAP was also responsible for production schedules and for setting prices of inputs that went into textile production (Rosen, 2002, par.3, p.29), for sure it wasn't an easy time for the Japanese, but they did rebuild their economy.

- c. What did communism have to do with U.S. trade policy with Japan? China?
(2pts)

The policy was designed to contain trade between Japan and China and to control the industrial development of the Communist country. An embargo was placed to stop the trade between Japan and China. The U.S. trade policy facilitated trade between Japan and other South East Asia countries that were more interested in Capitalism and developing their economies, "In order to contravene China's ability to influence left-wing insurgencies in Asia, it was necessary to build a Japanese "workshop" in Asia"(Rosen, 2002, par.4, p.36.) The Oxford Journal paper (Tucker, 1984) reveals China's expectations was the following:

The emphasis on the recovery of Japan naturally antagonized the Chinese. Japanese soldiers and civilians had occupied China's cities, burned its crops, created a despicable puppet government, killed between eleven and fifteen million people, and destroyed some \$60 billion worth of property. The Chinese expected that Japan would be punished, that they would receive reparations to help rebuild their industries, and that the Japanese would not again threaten their security.

The Communist country resented the occupation by the United States and sided with Russia as allies. Something that seems to be happening now as the ideals remain the same to this day. The situation in Ukraine makes it look like Russia wants to start WWII with China by its side.

CHINA WAS ALREADY LOST IN 1948 IN TIAN MEN SQUARE WHERE STUDENTS WERE KILLED
PAGE 34 PARAGRAPH 2 USA HAD ABUNDANCE OF COTTON , NON AGGRESSION TYPE OF REBUILD JAPAN

- d. Give two (2) reasons why the US had difficulty with finding trading partners for Japan's textile exports?

After WW2 the defeated Japanese nation traded with by the US which was a great deal for the country as the neighboring countries in Southeast Asia were either too poor to trade with Japan or they didn't want to because of the many atrocities committed by the Japanese during the war, "From the invasion of China in 1937 to the end of World War II, the Japanese military regime murdered near 3,000,000 to over 10,000,000 people, most probably almost 6,000,000 Chinese, Indonesians, Koreans, Filipinos, and Indochinese, among others, including Western prisoners of war" (Rummel, 1997). And that was the same generation; it was still fresh on their memory so I don't think trading with the Japanese was something that they wanted to do. So the first reason was

the resentment and the second reason was that the countries were too poor to trade in the dollar since Japan was being controlled by the US and trading in the American dollar.

- e. What were Hong Kong, South Korea, and Taiwan's roles in the textile trade in the East?

After the war, the United States provided financial support to Hong Kong, South Korea, Taiwan, and other Asian countries but these 3 were the Asian Miracles, with the US support and the big influx of dollars they developed their economy, these three countries made the apparel assembly a priority offering a variety of subsidies (Rosen, 2002, par.3, p.47) Taiwan even created a duty-free export processing zone. That means that apparel could be produced for much less in these countries than in America where the industry was heavily unionized. Hong Kong which previously was deeply linked to the UK had its textile production turned to the US because of the Lancashire Agreement, South Korea and Taiwan that were previously Japanese colonies, used the stimulus given to the US to boost their economies and created subsidies for the textile industries.

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- CLINTON MADE CHINA PART OF TRADE ORGANIZATION

References

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