

Fashion Economics: FM 4339
Quiz #3: The Introduction
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Rosen, E. I. (2002). The Globalization of the U.S. Apparel Industry: Making Sweatshops. University of California Press.

Please answer to the best of your knowledge the following essay question. Use detail where appropriate. Remember grammar, punctuation & spelling count.

- 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).**

After World War II, the United States assisted Japan in reconstructing its country for several reasons. First, it had goal of world peace, rebuilding Japan would fulfill a bigger goal of preventing a third World War by preventing the remilitarization of a main enemy from World War II. General MacArthur led a plan to restructure the military, social and political views while also creating economic stability in this war-torn country. while creating economic stability. “The U.S occupation targeted the textile industry as a key industry to rebuild, in part because of the reluctance to encourage the rebuilding of industries which might aid future aggression” (Rosen, 2002, p. 28). Providing aid to a war-torn Japan also allowed for the United States to expand its democratic views into the Eastern hemisphere, later being a key nation used to fight communism in the East. Leading into the Cold War, the rebuilding of Japan into a democratic, capitalist nation helped in fighting communism and spreading the American power across the globe.

Supreme Commander of the Allied forces (SCAP) had the integral role of leading the plan to reconstruct Japan. Led by General Douglas MacArthur, post-World War II Japan was occupied by the U.S military. The primary role of SCAP was to handle overseeing the reconstructing of Japans political system, its industrial reconstruction and reforming its society (Rosen, 2002, p. 27). In rebuilding their industries, the U.S created a plan to build up Japan textile industries to use as exportable goods to trade for much needed imports such as food. SCAP essentially transformed Japans nation and government into a peaceful, trade partner and contributor in the free trade post World War II economic system.

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).

With the United States vision of transforming Japan into a textile producing exported, cotton became the easiest good for both parties to help in rebuilding Japan. Before World War II as Rosen states, Japan produced cotton cloth, rayon and silk (Rosen, 2002, p. 28). However, post war, rayon and silk became undesirable as the textile produced good in Japan due to high import costs of raw materials as well as lower global demand, enabling cotton with the help of the U.S to become the good exported and produced by Japan. "In 1947, SCAP began to authorize production targets for cotton textile reconstruction" (Rosen, 2002, p. 29). Unlike silk which Japan produced as a natural resource, raw cotton was a good that needed to be imported into the country to create cotton textiles and apparel which posed challenges for both Japan and the United States plan.

Securing raw cotton for Japan eventually became a problem that created roadblocks into Japans quest as a world exporter of cotton textile. Having previously depended on China, Taiwan and Korea to import raw cotton, political instabilities or overall Asian countries refusal to trade with their previous ruling Japanese nation created an import shortage and problem for textile production within Japan. "It was decided that the United States would finance the sale of its own supplies of raw cotton to Japan. In 1946, SCAP oversaw the first shipment of U.S raw cotton to Japan" (Rosen, 2002, p. 30). Having trouble in finding trading partners to export cotton to Japan, the United States instead create a plan to export their excess cotton as a loan to Japan to accelerate their reconstruction and ability to recover.

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

Post-World War II, Americas fight against the spread of communism in the East drastically changed U.S trade policy with both Japan and China. SCAP's initial plan was to rebuild Japan's textile industries and reconstruct the nation, but the onset of the Cold War that followed altered these early plans with trade policies that favored fighting the brewing communism threat. "By 1949, American foreign policy was primarily aimed at thwarting the industrial growth and political power of Red China...it was necessary to build a Japanese workshop in Asia" (Rosen, 2002, p. 36). In aligning with this new vision, the U.S hurt the trading relationship between former allies China and Japan and further imposed its capitalist ways onto Japan and other Southeast Asian countries. The 1951 peace treaty with Japan further imposed this plan, imposing an embargo on Japanese trade with China,

blocking Japan's old reliable trading partner and establishing the U.S as the main partner.

China and the United States had their trade policies completely uprooted with the growing threat of Red China and the spread of communism. "The Eisenhower administration encouraged Congress to authorize aid and technical support to capitalist leaning countries in East Asia and wholeheartedly supported the United Nations embargo against China" (Rosen, 2002, p. 37). Cohesively the United Nations fight against communism, blocked trading with China in an effort to stop the spread in the East. Instead of trading with China, the United States focused on the other East Asian countries like Japan, further establishing its roots on the eastern hemisphere, spreading capitalism and democracy to fight the threat and spread of communism. The U.S also demanded that trading partners like Japan change their trading policies with communist nations, further damaging China and helping the United States establish their power across the world.

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

The United States and Japan struggled in finding trade partners for Japan's textile exports after World War II. The first issue that created difficulties was the geopolitical factors coming out of the war. Many of the normal trading partners in the Southeast area had troubles in establishing a trading relationship with the country that previously ruled them and forced them into bad trading dealings. Another issue that Japan faced in establishing trading partners for textile exports was the trade barriers imposed on China and the issue of different currencies in the East. "Only countries with dollars—the United States and those strategically important to U.S policy objectives—could buy Japanese textiles" (Rosen, 2002, p. 36). While the cotton swap between the U.S and Japan was established in U.S dollars, traditional trading partners from the area traded in sterling and yen, creating an issue in establishing trades for goods dominated in different currencies.

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

In fighting the communist threat, the United States engaged in military intervention to protect countries such as South Korea and Taiwan as well as Hong Kong from the spread of communism while also establishing textile trading hubs in these places like the ones established in Japan. "With the U.S. military umbrella in place, along with large amounts of U.S. foreign aid, and an embargo against trade with China, a successful strategy against communist aggression was forged in South Korea, Taiwan and Hong Kong. The Rapid economic growth subsequently generated in this region was to make these three into Asian Miracles" (Rosen, 2002, p. 46). Expanding into Southeast Asia further established the American dominance and power across the globe while also laying the foundation for the globalization of the apparel and textile trade industries of the U.S. During the tense moments of the Cold War, the U.S imposed its capitalistic views into these nations, rebuilding their economies while also imposing their political views and influence to fight the spread of the communist threat. These three "Asian Miracle" nations also provided low wage labor and duty-free export processing zones on which the U.S. helped in building and establishing apparel and textile industries for exportable goods to trade with these nations.

Work Cited

Rosen, E. I. (2002). *Making sweatshops: The Globalization of the U.S. apparel industry*. University of California Press.