

Technology Entrepreneurship: HDCS 4370
Quiz #4: The Introduction
Dr. Adomaitis

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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. What was GATT and how did it facilitate trade? How did it differ from the Marshall Plan?(2 pts)

The General Agreement on Tariffs and Trade was created to reconstruct nations (Rosen, 2002, p. 56, par. 2). According to Rosen, GATT made trade possible because it decreased costs, and advocates trade of lower-income products such as textiles and apparel in the commerce of the United States (Rosen, 2002, p. 57, par. 1). The Marshall Plan supplied funds for the reconstruction of Europe. This contributed to an economic increase by providing more resources, increasing manufacturing, and cultivated production, and being stable financially (The George C. Marshall Foundation, 2020). This was different from GATT because the Marshall Plan was created to help Europe economically with resources, but the GATT was more centered around trade.

- b. On page 57, paragraph 2, Rosen states, “*Trade between countries at the same level of development typically involves a relatively equal exchange of labor. Trade between advanced industrial and underdeveloped poor countries, however, is likely to reproduced previous colonial economic relationships...*” What is meant by this statement? Where have you learned about colonial economic relationships in class, in the text, or otherwise? Defend your answer. (2pts)

Based on Rosen’s statement, this means that countries that are more developed can equally benefit from trade. But a more refined country sends its business to less developed countries because they do not have the economic and political structure. Colonial economic relationships were learned about in class from mercantilism. Which is when a country’s finances can be increased by controlling what comes in and out of the country. Also, as stated in the article

capturing America gave the Europeans control and growth in prosperity (Kelly, 2019). This led to the economic relationship between America and Europe.

- c. Who originally controlled tariffs? Who controlled tariffs in 1934? Why was there this shift in control? Defend your answer with support from the text. (2pts)
- Tariffs were managed by the Agency of Congress. Rosen states that President Franklin Delano Roosevelt controlled tariffs in 1934 and the transfer in power was due to congress creating the Reciprocal Trade Agreements Act. Rosen also stated that “the decrease on tariffs would elevate global trade” (Rosen, 2002, p. 58, par. 2). Which means that trade would be increased.

Rosen, E. I. (2002). The Globalization of the U.S. Apparel Industry: Making Sweatshops. University of California Press. (cont.)

- d. Rosen, on several occasions throughout chapter 4, discusses the defeat of the French at Dien Bien Phu. Why? Why is the defeat of Dien Bien Phu significant in American history? Why is this important to Congressman who favored protectionism a trade policy? (2pts)

Rosen mentions the conquer of the French Dien Bieu Phu throughout this chapter because this event led to the fear of communism which resulted in Congress taking steps to contain the spread of communism. Also, as a result, it caused the prolonging of the Reciprocal Trade Act (Rosen, 2002, p. 64, par. 3). This defeat was significant because the “French regime was negatively impacted and led to the termination of French power in Asia” (Yu, 2017). This defeat changed the impact of the French. Congressmen found this defeat important because protectionism was made to guard a country’s production against outside competition (Amadeo, 2022). This shows how the safety of the country was a priority for congressmen.

e. What was Kennedy's Tripartite compromise? How did this benefit the textile and apparel industry in the US? (2 pts)

Kennedy's Tripartite compromise purpose was to authorize and regulate the trade agenda followed by the United States which was incorporated in the General Agreement on Tariffs and Trade (Rosen, 2002, p. 73, par. 2). Rosen states this helped the textile and apparel industry because "Expanding countries had a demand for an increase in exports but restricted the movement of textile and apparel trade" (Rosen, 2002, p. 74, par. 1). This increased trade and an increase in exports.

References

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