Fashion Economics: FM 4339
Quiz #5: The US Textile Industry
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 the initial lure for textile mills to move south? Was there any government incentive to attract mill owners to the South? How did unions effect textile mills? (2 pts)

The reason for the preference for textile mills moving to the south was because of less commission, and less electricity (Rosen, 2002, p. 78, par. 3). According to Rosen, a way for a government incentive to appeal to mill owners in the South was by using President Kennedy's plan to increase the speed of tariff reductions which then led to the expansion of production of United States textile sweatshops. Another bonus presented by the government was funds that provided modern equipment and decreased the limit of its workers. (Rosen, 2002, p. 80, par. 1). This was a benefit to U.S. textile businesses because this made them more prosperous than their competitors. Rosen states unions had an impact on textile mills because of a strategy that advised workers and administration to unite in order to "increase revenue, expand the union, restrain imports, upgrade merchandising strategies, and put an end to mill closings" (Rosen, 2002, p. 81, par. 1). This strategy left a positive impact on the union.

b. On top of page 84, Rosen states, *"They were considerably better off than women textile workers in the low-wage South during America's postwar prosperity. Indeed, it was in part the very welfare these workers enjoyed that made U.S. textile and apparel manufacturers begin to seek the comparative advantage of offshore production*." Define comparative advantage. In your own words, describe the author's view, given in these two sentences, of offshore production. (2pts

Comparative advantage is when a nation generates products and aid for a lower market price than its competition. Offshore production is the mass production of goods to a nation shipping to the homeland commerce (Nordqvist, 2021). Based on the quote stated by Rosen, she views offshore production as a benefit for textile workers in the north due to the high-income northern workers made (Rosen, 2002, p. 84, par. 1). Also, offshore production was what apparel and textile manufacturers were looking for because it would help them increase imports. This benefits both the northern textile workers and apparel and textile manufacturers.

c. How did the U.S. government play a part in ending production at U.S. textile mills especially in the North? (2pts)

The U.S government had a role in ending the production of textile mills in the North because they encouraged the relocation to the South. The change of location to the South was because of "increased production, prosperity, and increase in finance of fiber production." Based on Rosen, this led to workers losing their jobs, and northern workers being unemployed (Rosen, 2002, p. 78, par. 4). This had negative effects on northern workers but a positive impact on the South.

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

d. What were the textile initiatives offered to the textile industry by President Kennedy? How come no funds were appropriated to the textile industry until 1970?(2pts)

President Kennedy provided a textile plan that gave government funding for manufacturing reconstruction (Rosen, 2002, p. 90, par. 4). This plan benefited the textile industry because it supplied funds that helped the industry grow. No funds were assigned to the textile industry to support businesses or assist workers who no longer have a job (Rosen, 2002, p. 90, par. 5). Rosen states that the department of labor managed the strategy.

e. What the *two-price* cotton policy? How did this effect U.S. textile producers? (2 pts)

According to Rosen, the two-price cotton policy created in 1964 increased the price of raw cotton for U.S textile manufacturers. This policy also made the high price of raw cotton equal for both U.S textile manufacturers and external manufacturers (Rosen, 2002, p. 91, par. 3). The influence this had on U.S textile producers was that they produced disbursements on plants and tools. This resulted in the quick expansion of manufacturing. As well as leading to textile workers losing their jobs.

References

Nordqvist, C. (2021, November 23). *Offshore production – definition and meaning*. Market Business News. Retrieved March 8, 2022, from https://marketbusinessnews.com/financial-glossary/offshore-production/

Rosen, E. (2002). *Making Sweatshops: The Globalization of the U.S. Apparel Industry* (1st ed.). University of California Press.