

Fashion Economics: FM 4339  
Quiz #2: The Introduction  
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Rosen, E. I. (2002). *The Globalization of the U.S. Apparel Industry: Making Sweatshops*. University of California Press.

**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).**

Most of Japan's large cities had been devastated by bombing and its industry after World War II. Reconstructing the country and investing money into its economy was to avoid another scenario of disgruntlement between the nations. Textile production was beneficial to every country's economic prosperity, and it also had a major role in keeping a perfect balance of payments between the United States and Japan. According to Ellen, The United States chose the Japanese textile industry as a major industry for reconstructing. The reason was the unwillingness to stimulate the rebuilding of industries that could cause future hostility (Rosen, 2002, p.28, par.5). Another reason was solid economic standing. Every country was eager to achieve success in every possible way. According to the book, The United States survived almost perfectly from its infrastructure and manufacturing capacities being destroyed (Rosen, 2002, p.31, par.3). The United States had many reasons to assist Japan in reconstructing their country after the war in 1945, mainly for its prosperity and for Japan's well-being.

The Supreme Commander of the Allied Powers (SCAP), led by supreme commander Douglas MacArthur, had a critical mission to reinvigorate Japan's industrial production and search for every possible new manufacturing goods. As Ellen Rosen stated in the book, SCAP had organized plans for rebuilding the textile industry in Japan. The rebuilding process was so

successful that it significantly helped increase quantities of the textile products and prepared them for considerable exploration (Rosen, 2002, p.35, par.3). The SCAP's well-organized plans managed to direct Japan's recovery on the right path and most importantly it encouraged female workers to join the labor.

**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).**

Silk was the leading power and first ranked product of Japan textile industry its exportation number declined. In her book, Ellen Rosen says that the plan to rely on silk export was unsuccessful as it was for the rayon, for one reason, the high cost of importing wool pulp and coal and lack of machinery destroyed during the war. This led cotton to move to the front side and go for dominance as the best possible option (Rosen, 2002, p.29, par.2). Japan had many reasons for having conflict about textiles production, starting from the lack of machinery that was damaged and destroyed from bombing to paying import costs. Although the United States was engaged in making an effort to sell raw materials in Asian countries, on the other side Japan had an issue of not having the dollar liquidity to cover the cost of imports that was vitally important for rebuilding the textile industry (Rosen, 2002, p.29, par.2). The rebuilding process was not easy to process for Japan, and it took a lot more effort to put into the plan that was made for it.

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

By the late 1940s, The United States started to ship goods and funds to Europe and open its markets to recentralize Europe. However, the left-wing parties acquired leverage in Europe, and the West began to face a strong and imperialist Soviet Union colonizing eastern Europe. In

response, the United States set an objective to surround and control the Soviet Union and its East European markets. However, as the cold war occurred in East Asia, the U.S. political plan in that area altered too (Rosen, 2002, p.31, par.2) Even before the failure of the Chinese Nationalists and their withdrawal to Formosa in 1947, the deficiency and deterioration of the Nationalists allowed the Communists to acquire a safe foothold in China. As the Communists gained force in China and left-wing revolutions started to emerge in the area, America noticed a new danger to its authority of the Asian-Pacific Rim (Rosen, 2002, p.32, par.2). Even before Mao beat the Nationalist administration and the United States "lost" China, the State Department had already started to bring a more involved attraction in Japan's economic security. As the communist threat in Asia grew, George Kennan began to see SCAP's efforts to isolate Japan and secure the country's rapid industrial recovery (Rosen, 2002, p.33, par.2). However, by 1947, as the Communists started to take control in China, the State Department began to investigate MacArthur's oversight of the Japanese recuperation to examine the principle of his actions to elevate democracy and destroy the prewar alliances.

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

According to Ellen Rosen, one of the reasons the United States had difficulty finding trading partners for Japan's textile exports was connecting the exported products to the different currencies, which was U.S. dollars. Japan needed outside trade partners and new export markets to rebuild and reconstruct successfully and grow the volume of textiles. There were specific numbers of countries that had possibilities to get Japanese textiles, which was a problem because not every country would purchase a product in dollar currency (Rosen, 2002, p.35, par.4).

William Borden stated other than dollar liquidity, there was another issue with finding trading partners for Japan's textile exports, which was a conflict with Red China. Every possible action was correlated with another. The United States made a plan to stop the massive industrial growth of Red China's economy. As one of the best solutions United States came up with the goal of building workshops in Asia. This damaged Japan's trading with China (Rosen, 2002, p.36, par.3). China was beneficial for Japan, it was potential for Japan's economic standing, but this plan significantly damaged Japan's textile trade industry.

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

The United States supported unraveling Japan while the nation was in total wartime trade failure. Moreover, as Ellen Rosen comments in her book, the American government was very considerate to South Korea and Taiwan that it supplied significant economic and financial assets to those countries. After World War II, America also supplied immense financial and economic aid for South Korea's and Taiwan's nationwide military security measures and large grant for their industrial renewal—as it did for other one-time colonial and independent countries in the area, including Malaysia, Hong-Kong, Indonesia, the Philippines, and Singapore (Rosen, 2002, p.50, par.3). This reinforcement links these countries to the Japanese “workshop” and Western-dominated trade and asset grids. All these measures were related to the growth and development of export-led industrialization, which spread the groundwork for the growth of the U.S. apparel industry. In the early 1950s, Hong Kong's textile enterprise was connected to the British sterling bloc. A British Crown territory, Hong Kong profited from general admission to the textile needs of the United Kingdom (Rosen, 2002, p.47, par.2). In 1959, Great Britain started

banning textile shipping from its sterling-area business associates in the Lancashire Agreement, making Hong Kong's textile exporters turn to U.S. markets.

## References

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

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