

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.

- 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).

One of the reasons the United States helped rebuild Japan after 1945 was to prevent the spread of communism. Second is the desire to participate in Japan's political, social, and industrial systems (Rosen, 2002, Pg.27, Par.1). The reason for this is to pave the way for future decisions about which countries Japan will allow to trade with, such as trying to get Japan to stop trade relations with China.

SCAP played a guiding role in the reconstruction of Japan. SCAP helps Japan make plans to bring its textile industry back to its former glory and even make it better than it was before. At the same time, seeking suitable new partners for Japanese textile exports. Rosen explains, "in order to revitalize the country's industrial production and find markets." (Rosen, 2002, Pg.27, Par.2).

- 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).

Before World War II, Japan focused more on silk textiles production. The production process of silk is more complicated than other textiles, so the price of silk is higher than other textiles. But after the war, the war not only requires a lot of manpower, but also financial support, war is one of the main reasons for a country to be poor. Since other countries did not have more money to support their trade with Japan in silk textiles, the demand for silk textiles would be fell, and other textiles would replace the demand for silk, such as nylon. (Rosen 2002, Pg.29, Par. 2). For this reason, Japan had to change its plan and finally became an exporter of cotton textiles.

The conflict started because Japan decided to export cotton textiles instead of silk fabrics. This may have been a good idea, but Japan had trouble finding raw cotton to make cotton fabrics in a short time. Difficulties in finding raw cotton prove that Japan's plan to become an exporter of cotton has to be postponed, which also has a bad impact on the Japanese economy. Japan faces this new challenge because it relied heavily on imported raw cotton. Rosen illustrates, "never produced raw cotton but imported it from China." (Rosen, 2002, Pg.28, Par.2). But during this

time, the Chinese Civil War was going on, so it is impossible to get raw materials from China.

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

Communism accelerated the pace of U.S. trade policy toward Japan. This was because the United States was afraid that communism would spread so fast that it threatened the United States. The relationship with Chinese communism is that as the communists defeated the Kuomintang in the civil war, the United States feared that other countries would develop their own country into communism for this reason.

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

The first reason would be it is difficult to break into the Southeast Asian market because Japan is not the only country in Southeast Asia that produces and exports textiles. The second reason would be that some European countries may be reluctant to establish textile trade with Japan because Europe may trade with places or countries colonized by itself. And at that time, many countries or parts of Southeast Asia became European colonies. Japan, as an ally of the United States, will use US dollars for transactions, while European countries or regions or countries that have become European colonies will use euros for transactions. Due to the different currencies used, it was difficult to conduct transactions at that time (Rosen, 2002, Pg.36, Line.1-2).

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

South Korea, Hong Kong, and Taiwan help the East to develop further in the textile industry and gradually move towards internationalization. After World War II, these three regions focused on textile exports. Moreover, people from the mainland China to Hong Kong and Taiwan have driven the development of the textile industry in Hong Kong and Taiwan because these people are familiar with the skills of textile production (Rosen, 2002, Pg.46-47).