

# States and industrial support

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States and Industrial support: Cotton Candy for Texas Farmers Student

Name: Learning Institution: a) Reason why the US cotton industry has remained successful for so long The US cotton industry receives government support mainly in the form of subsidies that protect them from adversities such as price instabilities. Cotton farmers are also assisted by the US government to purchase modern equipment (Sitting & Bowen, 2010).

This leads to higher levels of income and production abilities compared to monitors from the developing nations. B) Since cotton is an intermediary good, enabling domestic US cotton growers to sell it at a high price means expensive inputs for domestic US cotton buyers. However, this has not become a political problem The US government has sufficient budgetary resources which enable it to pay subsidies to both cotton growers and purchasers. This enables textile manufacturers to purchase expensive cotton from local farmers (Sitting & Bowen, 2010). ) How the US government has intervened in the labor market to make things easier or cotton growers Efforts by the US government to support cotton growers in the labor market start I n the pro I t n bi ion to enslavement to black workers in the nineteenth century.

This led to the introduction of a category of workers called sharecroppers' who were tied to cotton plantations. They were given food and housing allowance. Later in 1933, the federal government enacted Agricultural enactment Act that allowed workers to seek employment freely.

In 1942, the federal government organized a ' Bracers' program that allowed workers from Mexico into the USA in order to offset reduced manpower

caused by the Second World War. The US government further enacted a policy that prevented the Mexican workers from seeking better pay in other farms (Sitting & Bowen, 2010).

D) Other kinds of help received by American growers The US government has also been funding research facilities that support technological innovation and development in the US cotton industry. Reference Sitting, A. & Bowen, N. (2010). International Business - Challenges and Choices. Oxford: Oxford University Press.