

Manhattan's Chinatown Pressured To Sell Out; [FINAL Edition]

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Full Text (907 words)

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-- The sounds on the fifth-story factory floor in Chinatown are nearly timeless: the whirr-whirr of sewing machines, feet tap-tapping on pedals, and the juicy vowels of 50 or so women chatting in Fujianese and Cantonese as they work fabric into vast piles of pants and shirts.

So how is business?

Garment factory owner Peter Wong, 44, smiles wanly and runs his hand over close-cropped black hair. "Off by half in the past six months," he says. "We can't compete with China. The future for my business is very, very dim."

The lifting of world quotas on Chinese textiles has sent a flood of Chinese-made cotton trousers, cotton knit shirts and underwear into the United States and Western Europe. This has devastated factories and jeopardized millions of jobs in places as far-flung as Central America and Sri Lanka, but it has also fallen like a death blow on one of Manhattan's last great immigrant neighborhoods -- Chinatown. Thousands of workers have lost their jobs or had their hours pared back in recent months, and dozens of factories have closed.

It is another economic insult for a neighborhood hit hard by the twin blows of the Sept. 11, 2001, terrorist attacks and a superheated real estate market. In the past few years, real estate developers have converted several towering turn-of-the-last-century factory buildings into multimillion-dollar loft buildings. The number of garment factories in Chinatown has fallen from 400 in 2000 to about 150, with rumors of new closings each week.

At least 30 percent of the factory owners now operate without building leases.

"It's been a battle with gentrification and cheap Chinese textiles -- the factory owners cannot plan even a few months out," said Kevin Chu of the Garment Industry Development Corp. "It's scary -- these garment factories are the backbone of Chinatown economy. Without them, the neighborhood perimeter is shrinking every day."

Unite Here, the historically powerful garment workers union, has closed its Chinatown office. Its membership has fallen by about half to 5,000.

The Bush administration imposed quotas this week to limit growth of Chinese imports to 7.5 percent a year. In response, the Chinese government announced Friday that it voluntarily would slap its own tariffs on 74 categories of textiles.

Such steps might buy Chinatown's factories a few months' grace. But few owners see a long-term remedy.

"In a strange way our problem is the people of China," said Wong, who was born in Hong Kong and raised on the Lower East Side of Manhattan. "They can make it cheaper. Their factories don't demand payment until the textiles are delivered -- we can't compete with this."

The importance of garment factories and restaurants to the traditional economy of Manhattan's

Chinatown -- which in the 1980s surpassed San Francisco as the largest such enclave in the nation -- cannot be overstated. For more than half a century, Chinese women trudged up creaking wooden stairs to factory floors. Their wages are modest, but they receive union health benefits. Their husbands, meanwhile, traditionally worked in the non-unionized restaurants, which offered high take-home pay but no health benefits.

"The closing of the factories knocks out one leg of the traditional economy of Chinatown," said Peter Kwong, a professor of urban planning at Hunter College and author of the forthcoming "Chinese America: A History in the Making." "But the truth is that the unions were very lax about maintaining labor standards and enforcing wage laws.

"The outcome of Chinatown's present decline," he added, "is that many immigrants are finding better ways to survive now that they aren't stuck in a repressive and controlling social and political culture."

Gentrification, fed by American and Chinese investors, casts nearly as long a shadow as Chinese textiles. Gucci and Prada- infested SoHo sits immediately to the north, and TriBeCa with its Wall Street clientele and \$100-a-plate restaurants edges in from the west. Already, chic designers and artists have set up shop in Chinatown tenements.

Around the corner from Wong's factory, at 129 Lafayette St., a former factory has been converted into a condo. When it was a factory, space rented at \$10 to \$15 a square foot. As condo lofts, it goes for \$1,000 per square foot.

"There's no place for factories, and there's no place for the Chinese immigrants to live," said Robert Weber, executive director of Rebuild Chinatown Initiative, set up in the aftermath of Sept. 11. "People double up in smaller and smaller spaces -- we had 10,000 applications for 52 subsidized housing units on Norfolk Street."

This is not to proclaim Chinatown's imminent demise. A walk through Chinatown's back streets reveals block after block of Chinese groceries and pharmacies and video halls. As Weber notes, there is just one Starbucks, and it is on Canal Street, the main drag.

But already the poorer Chinese immigrants, and quite a few of the factories, have migrated along the N subway line to Brooklyn's Chinatown. Others find their way to Flushing, Queens. Together those Chinatowns are larger than Manhattan's.

As for the garment factory owners? Some try to find their way by catering to young designers from New York's design schools. But Wong says this offers small volume and a fair amount of headaches. A number of his fellow owners have sold their factories and begun working as American representatives for Chinese factories.

He might go the same way.

"I give myself three years." He shrugs. "It's hard to fight history."

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