

# A History of the Wong Family Textile Business

## by Eleanor Wong

# Part Two: Life in Hong Kong

## Birth of a New Life (1949–1954)

### The Business Environment

When he arrived in Hong Kong from Shanghai, early in 1949, Wong Toong Yuen (王統元, known as T.Y. Wong) was already running Peninsula Spinners (九龍紗廠), which he had set up in 1947, and Hong Kong Cotton Mills (香港紗廠), established on 31 March 1948. By mid-1949, Peninsula Spinners had been operating for nearly two years with 7,000 old spindles retrieved from the Tai Shan Textile mill (泰山紡織廠) in Shanghai, whereas Hong Kong Cotton Mills was a brand-new factory with state-of-the-art spindles that had been diverted to Hong Kong when imports of foreign equipment to Shanghai were prohibited. Output from these British-made spindles exceeded expectations.

But what could the recently settled Shanghai textile industrialists, T.Y. Wong amongst them, do with all the yarn they were producing? Setting up lines of export was not something they could do overnight; nor was there sufficient market in Hong Kong. True, there were a number of Cantonese-owned knitting and weaving factories who could use some of the yarn, but in 1949 and the early 1950s, these factories were mostly small cottage industries



*Hong Kong Island from Victoria Harbour; circa 1950s.*

with only a handful of looms each. Records from the Hong Kong Weaving Mills Association (香港布廠商會) show that in 1950 there were indeed 3,000 looms in Hong Kong, but they were old, non-automatic machines with very low productivity. There was only a sprinkling of weaving mills already in Hong Kong which could viably use the yarn being produced, but that was only a very small percentage of what was being output. Jack Tang (唐驥千)—whose father P.Y. Tang (唐炳源) of South Sea Textile Manufacturing Co., Ltd. (南海紗廠有限公司), was also one of the first to set up in Hong Kong from Shanghai, in 1948—recalls that most of the yarn in the early days went straight into warehouses, rather than being sold.

The Shanghai textile industrialists had turned up in Hong Kong with their engineers and technical experts and some, like C.Y. and T.Y. Wong, had previously diverted new machinery to Hong Kong for their new mills. But almost all the textile industrialists had arrived with very little operating capital and had not yet established relationships with existing banks from which to obtain credit.

A handful of the early spinning mills from Shanghai, therefore, relied on William Gomersall and his company, China Engineers Ltd. (信昌洋行), for business loans. Despite the respectable paid-up capital that C.Y. Wong and his son T.Y. had been able to put into Hong Kong Cotton Mills at its investiture, they also had to take out a loan from Gomersall, to the tune of HK\$8 million by 1949, to cover the massive start-up costs, which comprised not only the cost of machinery and equipment, but also the purchase of land, construction of the factory and the workers' dormitories and other initial expenses.

For the first two years, Hong Kong Cotton Mills endured only outgoings; there was little or no input of cash. This of course led to a critical shortage of funds. Other differences between the business environments of Shanghai and Hong Kong began to emerge, such as the international Labour Law in effect in the colony that did not permit women to work night shifts, as was possible in Shanghai. However, T.Y. had already trained 800 workers from the cotton mills in Shanghai and Changshu (常熟)—many of whom were men—specifically to move south to take up new jobs at Hong Kong Cotton Mills.



*A junk plies the waters of Victoria Harbour, with Central Hong Kong in the background. Circa 1960s.*



Unfortunately, because of the difficulties inherent in starting up in a new place, within a very short space of time several of the new Shanghai cotton mills were near to bankruptcy. Even for Hong Kong Cotton Mills, things were touch and go for a while.

## **The Korean War (1950–1953)**

The Korean War, which officially began in earnest on 25 June 1950, was a turning point for the economy of Hong Kong. Communist North Korea was backed by Soviet and Chinese powers, while the anti-Communist Republic of Korea (South Korea) was supported by the United Nations and, notably, by America.

President Truman of the United States swiftly moved the Seventh Fleet to the Taiwan Strait to prevent further confrontation between Communist China and the Nationalist Republic of China (Taiwan), effectively blocking off the Chinese ports, a move which Chinese premier Zhou Enlai considered an act of armed aggression on Chinese territory. The Americans imposed a trade embargo on all goods in and out of China, while a few months later, in May 1951, the United Nations also decreed an embargo on the export of all strategic materials to the country.

One immediate and positive benefit for Hong Kong was that the Chinese government, now with far too much on its hands, rejected the idea of invading Hong Kong, something that had definitely been on the cards up until then. Britain also now committed itself more fully to the territory as a crucial regional naval base for itself and its allies.

Inevitably, war in the region affected people's thinking and behaviour. Everyone from Indonesia to the Philippines to South Korea suddenly needed commodities; a hoarding mentality quickly developed and everyone was desperate for goods of all descriptions, yarn and fabric being high on the list. Hong Kong, as a British colony and an open port, was perfectly poised to fill this need. It also quickly assumed the status of a useful listening post for the Chinese government, as well as a base for smuggling supplies in and out. Trade and industry in the colony flourished.

## **Designated National of China Status**

However, for Hong Kong Cotton Mills, as well as for other companies that had relocated to Hong Kong in similar circumstances, this was the beginning of a serious—and potentially catastrophic—problem.

Like a number of other businesses that still had some ties to their old enterprises in Shanghai, Hong Kong Spinners found that it had been classified by the United States government as a 'designated national of China' and was therefore subject to the American trade embargo. This categorisation disregarded the fact that the company was registered in Hong Kong—and was therefore under British jurisdiction—and that no dividends, nor any goods or machinery, had been exchanged between the Hong Kong company and China Cotton Mills.

What this status meant in practical terms was that Hong Kong Cotton Mills could not export to any U.S.-friendly countries, including South Korea. With the UN embargo also in place, as well as the Communist Chinese import restrictions, trade in and out of China was already prohibited, which made the situation even worse for China Cotton Mills in Shanghai.

T.Y. therefore made an application on 9 October 1953 to the United States Treasury Department for his company to trade freely and to be removed from the designated national status. He outlined the history of the company and the story of how and why it was established in Hong Kong, as well as the current situation in China. Hong Kong Cotton Mills also made a formal declaration guaranteeing not to re-export any imports or products from the U.S. to Mainland China or other 'unfriendly nations'.

After careful negotiation, a shareholding exchange agreement was reached between Hong Kong Cotton Mills and China Cotton Mills that resulted in a total severing of ties between the two companies—they were now entirely independent of each other, with no cross-holding of shares nor any directors in common.

Eventually, on 11 April 1955—one year after Hong Kong Spinners, Ltd., was founded—T.Y.'s application to rescind the designated national status was approved. The company was now free to trade without impediment.

## **Consolidation of Peninsula Spinners and Hong Kong Cotton Mills**

What T.Y. set out to create with his textile business in Hong Kong was a totally modern, fully equipped spinning plant. The harbour-facing site on Castle Peak Road (青山道) in Cheung Sha Wan (長沙灣) was huge, covering over 300,000 square feet, and encompassed not only the factory premises but an office building, warehouses, workshops, a welfare centre, dormitories for 1,500 single employees and married quarters for up to 80 families, a canteen and other facilities.

All this, from the initial purchase of the land to the provision of all the buildings, was a huge investment at the time, but was the essence of true entrepreneurship at the very cutting edge of the industry.

T.Y. had also made provisions for the merger of Peninsula Spinners with Hong Kong Cotton Mills. Peninsula Spinners was a relatively small factory with old equipment that was not likely to do very well as an independent entity; it made much more sense to unify the management and operations of these two businesses for greater production efficiency. As well as all its spindles and other equipment, Peninsula Spinners' renowned Red Rose trademark was to be transferred to Hong Kong Cotton Mills.

To lay the groundwork for this consolidation—as well as to prepare for a later, complete restructuring of the family business in Hong Kong—on 1 April 1954, Hong Kong Spinners, Ltd. (香港紡織有限公司, still commonly referred to as 香港紗廠), was established as a third company and plans were drawn up for it to assume all the land, buildings, machinery, equipment and staff of the two previous companies.

## **Squatter Camps and the Shek Kip Mei fire**

In 1949 the total population of Hong Kong was only about 500,000, when the territory was known mainly for its entrepôt status, although that was slowly fading. But by the mid-1950s—only six years later—the population had increased to 2.2 million, quickly reaching one of the highest densities in the world, in a rapidly changing economy where industry and manufacturing were starting to take precedence. This astounding growth was overwhelmingly due to the influx of refugees fleeing the turmoil in Mainland China, many of whom came from Shanghai and most of whom arrived with nothing more than they could carry.

These refugees were often in desperate straits, but they were determined to work hard to make a new life for themselves. Many of the textile industrialists, and later the plastic flower and other industries, simply put up notices outside their factory gates and long queues of people would materialise, wanting a job. One huge problem was accommodation—there just wasn't anywhere for these people to live, so a number of large squatter camps sprang up throughout the territory, seemingly overnight. These shanty towns were terribly overcrowded, without proper facilities, and posed dreadful fire, flooding and health hazards. There were several disasters, but probably the worst was the Shek Kip Mei (石硤尾) fire.

On 25 December 1953, Christmas Day, a fire broke out in the Shek Kip Mei squatter camp, which spread so fast and furiously that in no time at all, as many as 53,000 people were left homeless. Nine people burned to death and many were injured.



*Fire rages through the Shek Kip Mei shanty town on 25 December 1953.*

The unprecedented scale and disaster of the fire prompted the colonial government of Hong Kong to launch an emergency resettlement programme for the refugees, who, being a massive pool of labour, were clearly pivotal to the economy of Hong Kong. The governor at the time, Sir Alexander Grantham, immediately set about demolishing the squatter camps, instead building low-cost, high-rise housing for the immigrant community. Each family was allocated a small space—only about 300 square feet for five people—in blocks of flats that accommodated up to 2,500 people each. Some people have likened these to prison cells, but the truth is that, while basic, these flats were safe from floods and fire, offered at a very low cost, and provided all the basic sanitation and other amenities required for life. Each floor was designed with communal kitchens, toilets and bathroom facilities for the residents, while the ground floor was made available, again at a low rent, for commercial purposes.



*Left: Shek Kip Mei Estate, the first public housing estate built in Hong Kong, in 1954. Image credit: Hong Kong Housing Authority*

*Below: Kai Ching Estate, built in 2013, in the Kai Tak development area, Kowloon City District. Image credit: Roylai133*





This kicked off the age of the skyscraper in Hong Kong, for which it is now so famous, as well as the government's very active commitment to a public housing programme that continued for many decades to come.

## Hong Kong Spinners (1954–1962)

Hong Kong Spinners, Ltd. (香港紗廠), was officially established on 1 April 1954. Its premises, originally those of Hong Kong Cotton Mills, were on Castle Peak Road, Cheung Sha Wan, Kowloon. Its first chairman was C.Y. Wong, while his son T.Y. Wong was appointed managing director.

The elected directors of this newly established third company were C.Y. Wong, T.Y. Wong, T.Y.'s elder brother Kin Sun Wong (王芹孫; K.S.) and David Z.D. Woo (何瑞棠), who had taken the place of Cui Fuzhuang (崔福莊) after his death in December 1949.

In August 1955, when everything was firmly in place for a completely fresh start, the directors resolved to voluntarily liquidate both Hong Kong Cotton Mills and Peninsula Spinners—completed by the following autumn—with all assets being transferred to Hong Kong Spinners.

### T.Y.'s Management Style and Team

As a manager, T.Y. Wong was remarkably far-sighted, innovative, outward looking and highly principled. He was extremely diligent and believed wholeheartedly in the development and training of his staff. He was also determined to keep up with the latest technological innovations and market trends, investing substantially each year in research and the continual upgrading of equipment. T.Y. had a huge vision and he was not afraid to take risks—often heroic—in the pursuit of his goals.

He was also blessed with an excellent management team, who were similarly forward-looking. David Z.D. Woo (何瑞棠), who became T.Y.'s assistant manager, had studied at the Manchester College of Technology, so like T.Y. he had a textile engineering background; K.J. Leigh (雷克儉), who had come from Shanghai in 1949 at the age of only 23, became T.Y.'s engineering and research manager; Y.Y. Tseng (曾有鎔) was the company secretary and chief accountant; and Fred M.S. Vee (費明訓) became the mill manager. George Cheng (陳宗壽) was in charge of cotton purchasing.

T.Y.'s personal management approach led him to look at both macro and micro levels. He was also committed to timely expansion of the business. Thus, in 1959, he got involved in setting up a garment business, Leighton Textiles Company Ltd. (利登製衣廠), which became an associate company of Hong Kong Spinners, owned and managed by his son-in-law Henry Leung (梁焯鏗); Eternal Garments Ltd. (怡泰製衣廠), in 1963, a subsidiary company managed by his youngest brother F.Y.; and subsidiary Hong Kong Knitters Ltd. (香港織造廠), in 1965, managed by his daughter Eleanor Wong.

### The Quest for Quality

T.Y. was unambiguous about quality. One of his mottos was to 'constantly strive for excellence' in all he did and this included the quality of the raw cotton used for their yarn. His was the only Hong Kong company—at least in the early days—to station staff overseas as quality inspectors. Eventually, Hong Kong Spinners sourced from America, East Africa, Mexico, Pakistan, Nigeria, Brazil, Sudan and Egypt, thus ensuring they only bought cotton of the highest standard possible. Even when finances were tight, T.Y. refused to compromise on quality.

The Red Rose brand of high-quality yarn produced by Hong Kong Spinners—despite a four-percent-higher selling price than other brands—was much in demand, not just in

Hong Kong but also in the British weaving and hosiery trades, recognised for its superiority in terms of making the job easier, since it did not snap, as well as for the higher quality results obtained with this yarn. Even today, the Red Rose brand (now owned by Tyfountex Indonesia) is globally acknowledged for its unsurpassed quality.

The quality of raw cotton was not T.Y.'s only concern; he was also intent on safeguarding standards through to the final stages of production and beyond. He insisted on obtaining the best and most up-to-date equipment and machinery, replacing older equipment whenever necessary.

Hong Kong Spinners was one of the first factories to incorporate a quality control department into its processes, using ultra-modern statistical control methods. T.Y. had adopted an integrated management and production system while in Shanghai, based on specialist Japanese concepts he had studied and incorporated into his own business practices. He then introduced and further refined this same system at Hong Kong Spinners. K.J. Leigh recalls that the company developed extremely high quality control standards, far exceeding those in the United States and Europe.



*Hong Kong Spinners building, viewed from Castle Peak Road.*





Right from the start, T.Y. had planned to air-condition the entire plant to ensure consistent temperatures and humidity control, as well as making it pollution free, as a means of extending the useful life of all machinery and improving yarn quality. Of course, this also resulted in a more comfortable and far healthier working environment for his staff, all of whom appreciated this added benefit. Hong Kong Cotton Mills was the first mill in Hong Kong to install an air-conditioning plant, which was fully operational by July 1950.

### **Staff Training and Development**

Hong Kong Spinners was noted for the quality of its management staff. Other companies often tried to poach staff from the assistant-manager grade and, in fact, four senior assistant managers did leave the company, lured by promises of more money and a higher position.

However, the vast majority of staff and workers were extremely loyal; morale was high on the factory floor and people truly appreciated the opportunities offered by the company. T.Y. had initiated training programmes for local Hong Kong staff soon after arriving in the territory, both for technicians and for workers. Thus he successfully augmented the talent he had brought with him from Shanghai.

T.Y. believed in developing his staff and providing good working conditions. He invested in technical and other training programmes and also provided a number of worker welfare programmes, previously unheard of in Hong Kong. Apart from the dormitories and married quarters, he provided subsidised meals at the canteen, subsidised barber and laundry services and a clinic with a doctor and nurses providing free medical services, as well as free English and Cantonese language classes, for all workers and their dependents.

T.Y. Wong was also the first in Hong Kong to introduce the three-shift system in the factory, which had commenced in January 1952, and which later became part of the Hong Kong Labour Law. Because of the capital-intensive nature of the processes, spinning and weaving had to be kept operating on a 24-hour basis, thus necessitating the three shifts each of eight hours.

As well as training and professional development, T.Y. strongly believed in giving his workers a sense of community and a feeling of dignity as human beings, with the opportunity for sport and entertainment outside the working routine. He included a number of leisure facilities in the factory compound, including table tennis tables, basketball and volleyball courts, bowling, Chinese boxing classes and a gymnasium. He also organised drama and musical performances, social clubs, TV rooms and a reading room for the benefit of his





*A female worker makes adjustments at a bank of ring spinning machines.*

employees. Additionally, T.Y. instituted the practice of company outings to help managers, supervisors, technicians and workers get to know each other better. All this was way ahead of his time, but more than paid off in the loyalty, contentment and hard work that his staff gave in return.



*Dormitory buildings for male workers and the welfare centre*

### **Hong Kong Cotton Spinners Association**

In June 1955—as an extension of the previous, more informal Spinners Club group—the Hong Kong Cotton Spinners Association (香港棉紡業同業工會) was officially established by members of the industry with the aim of protecting common interests and working with government, where feasible, to prevent malpractice. Thirteen mills sponsored the association, of which Hong Kong Spinners was one of the spearheads. The first annual general meeting was held on 8 July 1955, when C.Y. Wong was elected first chairman, evidence of the high esteem in which he was held by his fellow textile industrialists. The total combined resources on the date of establishment were 280,540 spindles, 10,200 spinners, 2,456 looms and 2,407 weavers.

This organisation was to play a crucial role in the industry and in the development and direction of Hong Kong's economy for many years to come.



Above: A delegation from the Hong Kong Cotton Spinners Association visits Sir Alexander Grantham, 22nd governor of Hong Kong (1947–1957) at Government House, in December 1957, to bid him farewell. T.Y. Wong stands in the front row, third from the left. C.C. Lee, newly elected chairman of the association, stands just to the right of Sir Alexander.



Right: A delegation from the Cotton Spinners Association visits Sir Robert Black, 23rd governor of Hong Kong (1958–1964), at Government House, on the eve of his retirement in 1964. Front row, left to right: Jack C. Tang, H.C. Yung, T.K. Ann, Sir Robert Black, T.Y. Wong (chairman), C.S. Loh and D.H. Chen. Back row, left to right: C.T. Chu, C.S. Wan, H.C. Tang and T.N. Su.

## Expansion into Garments: Leighton Textiles

T.Y.'s vision was always one of evolution into a fully, vertically integrated business. From the beginning, he foresaw adding more branches to the family business, including expansion into garments. But he appreciated the concept of good timing, so he did not rush into anything before he felt sure it was appropriate.

It was not until 1959 that the right opportunity presented itself. On 15 April of that year, T.Y. and his son-in-law Henry Leung (梁焯鏗), who was married to T.Y.'s eldest daughter Sally, established Leighton Textiles Company Ltd. (利登製衣廠), as an associate of Hong Kong Spinners. Henry has previously worked in a textile business in the suburbs of New York, but had recently returned to Hong Kong with his family to seek new opportunities. He became the general manager of the new garment business, eventually taking on full responsibility for Leighton Textiles and becoming its independent owner.



*The grand opening of Leighton Textiles' first factory building at 888 Cheung Sha Wan Road, Kowloon, in 1968.*

Leighton Textiles went on to become one of the largest and highest-quality garment manufacturers in Hong Kong, producing trousers and outerwear, such as khaki pants, jackets and rainwear.

### **The Frustrations of the Quota System**

Meanwhile, the textile industry in the United Kingdom, centred on the Lancashire mills, had been struggling badly. During the years of the Second World War, their equipment—already somewhat dilapidated—had become increasingly run down and they had not since had the time, nor the resources, to update their facilities.

In 1958, Hong Kong's export of cotton cloth yardage to the UK was minor compared with the capacity of the Lancashire mills, equivalent to only about eight percent of UK production. Nevertheless, the UK Cotton Board sent a delegation that year to try to persuade the Hong Kong mills to agree to a voluntary export quota, while similar overtures were being made in India and Pakistan.

These negotiations, as one might expect, failed dismally. However, it soon became apparent that Lancashire would not take no for an answer. Another delegation was sent; this time Sir Frank Lee, the Permanent Secretary to the Board of Trade, arrived, followed some months later by another visit from Lord Rochdale. Talks were long and drawn out. Hong Kong was represented by Douglas Clague, as chairman of the Hong Kong General Chamber of Commerce, and representatives of the Hong Kong Cotton Spinners Association, namely C.C. Lee (李震之) of Textile Alliance Limited (TAL) and P.Y. Tang (唐炳源) of South Sea Textile Manufacturing Co., Ltd., alongside members of the cotton weavers and garment manufacturers, including Vincent Woo (吳文正), S.L. Chu (朱石麟) and K.S. Lam (林根成). T.Y. Wong did not participate in these initial discussions simply because yarn was not then included in the quota proposals.

Eventually, the two sides came to a mutually acceptable voluntary agreement, whereby a ceiling was set for cotton cloth exports to the UK. At this point, cotton yarn, various knitwear, gloves and made-up goods were not subject to restraints. This agreement—a measure of goodwill on the part of the Hong Kong textile industry—came into effect on 1 February 1959 and was, at first, intended to last only for three years, until January 1962, thus giving the Lancashire mills a breathing space to reorganise and modernise under Britain's Cotton Industry Act of 1959, with substantial subsidies from the British government. Under the terms of the agreement, the government of Hong Kong was given power of administration.



Some of the more astute textile entrepreneurs now realised there was no guarantee the British would not extend the restrictions, perhaps indefinitely. What happened, of course, was exactly that. Even before the end of the first three-year undertaking, the British government began to make noises about extending the voluntary quota agreement for a further three years, resulting in a total deadlock.

Negotiations were now totally wrested from industry and placed firmly into the hands of government—and the pressure put upon the Hong Kong government by the British was formidable. In the end, industry had no choice but to accept further quota terms. The arrangement was therefore extended—initially just for a further 11 months, to the end of 1962—in which made-up goods now also played a part. Then, a further formal three-year undertaking was made, to commence at the beginning of 1963, in which cotton yarn was included for the first time, which obviously had a direct impact on Hong Kong Spinners.

In the meantime, other challenges were surfacing. Under the auspices of the General Agreement on Tariffs and Trade (GATT)—a multilateral international trade agreement first signed in 1947—in 1961, the United States sponsored a conference in Geneva of 18 countries in an attempt to control imports of textiles from low-wage countries, amongst which Japan and Hong Kong were included. On 21 July of that year, a Short-Term Arrangement was reached to restrict the imports of cotton made-up goods and garments, effective immediately. The following year, in February 1962, a Long-Term Arrangement was also announced, to come into force on 1 October 1962 and to last for five years, as part of which yarn and cloth were also included.

While all this was going on, within Hong Kong itself a major difficulty arose with respect to the allocation of quota on cloth, which was the sole responsibility of government. Quota had hitherto been allocated on the basis of past performance in exporting to the UK, but factions now arose within the textile industry itself—specifically between the spinners and exporters, on the one hand, and the weavers, on the other. A strong push was being made for the quotas on cloth to be allocated on a loomage basis, rather than on past performance. The spinners and exporters were unhappy with this proposal, since many hundreds of looms could be imported cheaply by weavers with no history of supplying the market in Britain. The atmosphere quickly turned sour and the issue of quota allocation became highly politicised.

At the forefront of the pro-loomage lobby were the weavers from Shanghai, who eventually received the support of the textile and garment sector of the Chinese Manufacturers' Association of Hong Kong (香港中華廠商聯合會). Together, their number exceeded that of the spinning and exporting community and the government therefore made the irrevocable decision to allocate the cloth quota from the territory on a loomage basis.

But the Hong Kong government soon realised that alienating any sector of the textile industry—which was Hong Kong's single largest exporter at the time, accounting for 23 percent of total exports in 1961—was not a good idea. They therefore initiated the Cotton Advisory Board that year and hand-picked individuals to act as advisors to the government. T.Y. Wong was amongst the first to be appointed to this new advisory group, in July 1961.

In the early 1960s Hong Kong's textile manufacturing industry became the most successful in Asia. Figures from the Hong Kong Census and Statistics Department (Hong Kong Trade Statistics) show that, by 1964, textiles and garments together made up nearly 53 percent of Hong Kong's exports, while in 1974, these two industries accounted for approximately 50 percent of exports from the territory. Thereafter, however, textiles began a gradual decline as a major Hong Kong export group, but garments remained high—in 1982, garments still accounted for 35 percent of the total exports from Hong Kong.

Despite the internal dissension in Hong Kong related to the particular issue of quota allocation, the colonial government can be applauded for the way it collaborated with

industry for the benefit of Hong Kong as a whole, notably by establishing a number of very effective advisory boards and appointing suitable members. Hong Kong's excellent negotiating skills, coupled with the very meaningful role played by the Cotton Advisory Board—as well as its later incarnation, the Textiles Advisory Board, which underwent the change of name in 1969 to accommodate the increased use of synthetic fibres in the textile industry—meant that the territory received the maximum possible quotas per volume of exports, making the territory the envy of many textile-producing nations in the region, including Taiwan, Japan and Korea, none of whom managed to secure as beneficial a deal as did Hong Kong.

In fact, the quota system unexpectedly ended up working in Hong Kong's favour. Quota became an independent stream of income—it was in effect the right to trade and was worth a lot of money. When properly managed, quota could be retained and sold at profit. Kenneth Fang (方鏗), an honorary chairman of the Textile Council of Hong Kong, recently recounted that 'it was very ironic—the garment industry did not really make money until the quotas came in. The quota system actually created a lot of wealth for Hong Kong.'

### **Sweatshop Labour Myth Debunked**

In the early 1960s, many people overseas had a particular impression of Hong Kong as a centre for sweatshop labour, under-age exploitation and horrendous working conditions. They were wrong.

There were of a number of visits to Hong Kong by both British MPs and American VIPs, who were hoping to find collateral evidence of this misapprehension—and likely in part to bolster their separate claims that imports to their countries should be limited to protect their own domestic industries. One newspaper article, dated 2 December 1961, makes it clear that these visitors, wanting to find evidence of sweatshop labour in Hong Kong, 'came away with their hopes dashed'.

Hong Kong Spinners was one of the companies invited by the colonial government to offer tours to these foreign inspectors. As the newspaper article reports, 'The moment they entered the Hong Kong Spinners' plant, the vision of the clean, sweeping, air-conditioned interior turned them round 180 degrees to approve of Hong Kong's labour conditions.' In fact, as they had to agree, conditions here were often superior to those in the West.



*Sir Robert Brown Black, 23rd governor of Hong Kong (1958–1964), visits Hong Kong Spinners. Sir Robert and T.Y. Wong inspect the rows of ring spinning machines, all of which are equipped with a vacuum cleaning function.*

## **A Change in Fortunes (1962–1970)**

Despite the ongoing challenges inherent in the agreements with the UK and the USA—whereby a ceiling was fixed on the amount of Hong Kong’s exports—and the fact that a further three years of quota from 1963 to 1965 had just been set by the UK, the second half of 1963 was a turning point for the Hong Kong cotton spinning industry. Local knitters were doing exceptionally well, thus ensuring domestic demand for high-quality yarn was constant. Local weavers, meanwhile, were also upping the demand for fine-count and combed yarn. Indonesia had just resumed purchases from Hong Kong, ordering a huge amount of quality cotton yarn and piece goods on a cash basis. Demand was so high that Hong Kong Spinners could not produce enough to satisfy the market. Things were certainly starting to look up after the vicissitudes of the past few years.

### **Peter Graham and the Chartered Bank**

One event that was of particular significance to Hong Kong Spinners was the arrival of a new chief manager of the Chartered Bank, Peter Graham, at the end of 1962. He and T.Y. Wong enjoyed a very good working relationship and, on a personal level, also became firm friends.

Like the vast majority of businesses in those days, the main bank used by Hong Kong Spinners had been the Hong Kong Bank, initially thanks to William Gomersall and his good connections there. Gomersall had first helped his friend C.Y. Wong negotiate a substantial loan with the Hong Kong Bank way back in 1951, to the tune of HK\$5 million. This credit, albeit at a very stiff interest rate, enabled the company to keep going during a very difficult time, plus there was the added benefit that some of these funds could be used to repay China Engineers, who, like several others, were suffering from the designated national status imposed by the American government after the outbreak of the Korean War. Thereafter, Hong Kong Spinners had continued with the Hong Kong Bank for lines of credit. However, the bank’s focus was really on the British trading houses; it was not so comfortable working with the manufacturers, nor was it comfortable in those days with being outside the scope of its own Western clique.

The Chartered Bank, on the other hand, was a different kettle of fish. This British operation had begun back in 1853 in Bombay, with offices in Calcutta and branches in Shanghai and later Hong Kong and Singapore. This bank played a major role in developing trade with the East and was at home in the world of cotton, tea, indigo and other commodities. Hong Kong Spinners had already developed a good relationship with the Chartered Bank through its previous manager Dickie Bird, who had also been in Shanghai. But once Peter Graham arrived in Hong Kong, things really evolved.

Peter was a very far-sighted individual, who appreciated he was here during an opportune time and quickly recognised that textiles represented the economic future of Hong Kong. He also firmly believed in extending credit based not only on a company’s financial potential, but also on the personal integrity of the people involved.

For these and other reasons—not least being that the bank offered far more favourable terms, which was absolutely vital in such a capital-intensive industry as cotton spinning, where borrowings were necessarily high and the repayments considered simply a part of the inevitable costs—Hong Kong Spinners now opted to work with the Chartered Bank for its main source of credit. Thanks in large part to this precedent set by T.Y. Wong, as well as men like C.C. Lee and P.Y. Tang, the Chartered Bank went on to finance most of the textile businesses in Hong Kong, notably those of the Shanghai textile families.

Peter stayed on as manager until 1970, after which he was recalled to London to help with the merger of Chartered Bank and Standard Bank, initiated in 1969. His successor in



Hong Kong was David Millar, who similarly looked to the individual qualities of the clients, rather than basing a decision solely on the balance sheet. During the 1970s, chairman of the bank George Pullen often visited Hong Kong from his London base and also became a staunch supporter of T.Y. Wong and other members of Hong Kong's textile industry.

This freedom from relying on the Hong Kong Bank and the more open approach of the Chartered Bank had myriad benefits for Hong Kong Spinners. The bank certainly played a pivotal role in helping the company expand through loans for new, more modern spindles and other essential equipment. But they also had faith in some of T.Y.'s other business decisions. On 20 February 1964, the directors of Hong Kong Spinners passed a resolution to build an 11-storey factory building on the grounds, to be called Hong Kong Spinners Industrial Building, with funds provided by the Chartered Bank. Despite some teething problems in getting this going, this proved to be an extremely shrewd investment.



*A magazine article about Hong Kong's prime movers appeared in The Asia Magazine on 12 July 1964. T.Y. Wong is far right in the centre row.*

### **F.Y. Wong and Eternal Garments**

Hong Kong Spinners was already involved in the garment trade through Leighton Textiles. Now, in May 1963, T.Y. Wong and his company invested in a second garment firm, May Bell Garments.

Three-and-a-half-years prior to that, at the end of October 1959, T.Y.'s youngest brother Foo Yuen (王福元, F.Y.)—the only one of C.Y.'s sons who had elected to stay in Shanghai when the rest of the family left the city in 1949—finally arrived in Hong Kong with his wife. However, they had been obliged to leave their three young daughters behind, at least for the time being. As soon as he got to Hong Kong, F.Y. immediately embarked on a new career in the shipping business, something he felt would satisfy the Chinese government's stipulation that he 'do something good for the country'. By taking this course, F.Y.'s hope was that he would be allowed to stay in Hong Kong and—more pertinently—that it would help with obtaining the necessary permits for his daughters to join him.

Thus, in early 1960, F.Y. established Liberty Shipping Company Ltd. (立達船運公司), with three ships, *Liberty*, *Fraternity* and *Sorority*, each insured separately and under the British flag. This was particularly important to the Chinese government at that time—the British flag and Hong Kong registration meant F.Y.'s ships could sail through the Taiwan Strait, something no Chinese ships were then allowed to do, a fact that obviously impeded the Chinese from getting vital supplies in and out of the country.

The many months of negotiations, networking and lobbying done by F.Y. and his father C.Y. paid off. F.Y.'s three daughters were at last granted exit visas from China and flew to Hong Kong in June 1961.

F.Y. now wanted to return to the textile business. He gradually wound his shipping business down over the next few years, eventually selling it, along with one of his ships, to Hong Kong shipping magnate Y.K. Pao (包玉剛), soon after 1963.

Meanwhile he was working with his brother T.Y. on the initial restructuring of May Bell and, at the end of 1964, after he had tied up some loose ends in his own life, F.Y. took over as managing director, renaming the company Eternal Garments Ltd. (怡泰製衣廠).

Eternal Garments, a subsidiary of Hong Kong Spinners, produced ski jackets and trousers and it was not long before F.Y. successfully turned it around. By the end of its second year of operations, F.Y. was able to repay all the outstanding bank loans that had been inherited when the company was purchased, after which he put his energies into continual improvement, research and expansion.

With his unique business flair, F.Y. was the first in Hong Kong to claim a company was a 'specialist' in anything. He took out an enormous rooftop advert: 'Eternal Garments: Specialists in Ski Jackets', with its own logo of a head wearing ski goggles. This became a well-known sight in Hong Kong. The company quickly developed an excellent reputation for quality and reliability, attracting many international brand clients.

In 1969, Eternal Garments had the opportunity to buy another garment business, Foochy Garments Ltd. (福基製衣廠). In 1972, encouraged by her earlier success in running a small sweater retail business, F.Y.'s wife Joanna took on the management of this company on his behalf. She proved a shrewd businesswoman and an excellent manager. Joanna continued to run Foochy Garments successfully until her retirement in 1988.

## Hong Kong Knitters

The year 1965 was not a good year for the textile industry in Hong Kong. This was largely due to a local bank crisis early in the year, coupled with falling prices for cotton yarn and piece goods in the domestic market, as well as severe local competition. A new five-year quota agreement had also just been finalised between the UK and Hong Kong governments.

On top of all this, Hong Kong wages were now the highest in the Far East, which negatively affected overseas demand, while new laws were introduced—compelled by pressure from overseas—to curtail working hours for females to a maximum of 48 hours per week, from the previous 66. The hourly rate was thus increased, an issue that affected wages in the spinning and weaving trades in particular.

Despite all this, T.Y. took a long-term view and decided to invest in a knitting factory. An opportunity arose to invest in Hong Kong Knitters Ltd. (香港織造廠), then a subsidiary of China Engineers, which had been sold by William Gomersall some years previously to new owners. The Hong Kong Knitters' factory, located in Kwun Tong, was dilapidated and outdated; however, T.Y. realised this company could be a useful outlet for some of the yarn produced by Hong Kong Spinners—plus, he was interested in getting a foot in the door of the knitting trade, which he foresaw as being a growth area.



*Eleanor Wong (centre) with her team at Hong Kong Knitters, late 1970s*

So in 1965, T.Y. purchased 50 percent of Hong Kong Knitters, with full management rights. T.Y.'s daughter Eleanor Wong was appointed general manager. Five years later, in December 1970, Hong Kong Spinners bought out the remaining 50 percent of the business, turning it into a wholly owned subsidiary. This enabled Eleanor Wong to make radical changes and innovations, expanding and revolutionising the business. Hong Kong Knitters became highly successful and attracted a number of world-class buyers for its products.

In 1990, after 25 years at the helm, Eleanor Wong sold Hong Kong Knitters to S.K. Chan (陳瑞球), whose company was then called YangtzeKiang Garment Manufacturing Co., Ltd., now known as the YGM Group (長江製衣集團) and a huge multinational concern.

## **Synthetic Fibres and a Visit to Japan**

During the 1960s, the textile industry as a whole was in the process of change, with synthetic fibres coming to the fore. T.Y. always insisted on staying ahead of the times by investing in cutting-edge research in the latest technologies.

The UK giant Imperial Chemical Industries, more commonly known as ICI, had first developed a polyester fibre in the early 1940s, giving it the trade name Terylene.

In the late 1950s and early 1960s, ICI sent people to Hong Kong in an attempt to promote this fibre to various textile mills. Hong Kong Spinners was one of the first to experiment with Terylene in the spinning, weaving, dyeing and finishing processes. ICI's Hong Kong director, Y.T. Tsoong (鍾玉亭) formed a group called the Terylene Club, to which he invited representatives of Hong Kong Spinners, South Sea Textile, Winner Co. (Hong Kong) Ltd. and Nanyang Cotton Mill.

T.Y. had been in serious negotiations with ICI to establish a joint venture dyeing and finishing factory using their synthetic fibre. Equipment, including weaving looms and other machinery to produce top-class synthetic fabrics, were ordered. However, by May 1964, talks ended inconclusively and no further progress was made.

Meanwhile, the Japanese had also been working to develop a polyester fibre. Two major textile companies—Teijin Ltd. and Toyo Rayon Co., Ltd.—had jointly secured a technology licensing agreement from ICI and began production of their own polyester fibre, called Tetoron, launched in 1958. They too came to Hong Kong, through the offices of the Japanese trading company Marubeni, and invited Hong Kong Spinners to visit their facilities in Japan.

Because Terylene was now no longer competitive in price, and to investigate what the Japanese textile industries had to offer, in 1963 T.Y. sent K.J. Leigh, his engineering, research and quality control manager, to Japan for six months to study the spinning and weaving of synthetic fibres first-hand.



In a relatively short time, the quality of Tetoron had indeed been enhanced to the point that it was now comparable to Terylene, but at a much cheaper cost. Hong Kong Spinners now switched its allegiance to the Japanese fibre, which it then began using for its cotton-polyester blend yarn and fabrics.

## Hong Kong Spinners Industrial Building

Phase One of the Hong Kong Spinners Industrial Building was completed in October 1965. Many new industries were being established in Hong Kong during the 1960s, so it made sense to use the vacant land on the Hong Kong Spinners site to construct a flatted factory. By taking advantage of the mounting shortage of buildings and rising land prices, the company was at the vanguard. The ground and first floors were used by Hong Kong Spinners as office space, a godown (warehouse) and spinning and twisting rooms. Five floors were rented to other businesses.

More phases of this ambitious plan were built over the years, with a grand opening held in October 1970, when a total of four multistorey industrial buildings had been completed, with a total floor space of 850,000 square feet, and more in the pipeline.

## Hong Kong Leftist Riots

Meanwhile, on the larger socio-political stage, the Cultural Revolution in China, which kicked off in 1966, was fuelling the flames of disaffection in Hong Kong. In May 1967, large-scale leftist riots broke out, instigated by pro-Communist workers who turned a local labour dispute into massive demonstrations against British colonial rule.

The run-up to this very frightening time began around March, with labour disputes and strikes in the shipping, taxi, textile, cement and plastic flowers industries, spurred on by a number of Communist-affiliated unions. Riots had also broken out the previous December in Macau, leading to a general strike there in January 1967. The impetus towards violence in Hong Kong began at an artificial flower factory in San Po Kong in Kowloon, with many of the demonstrators chanting slogans from Chairman Mao's Little Red Book.

Events quickly escalated and clashes erupted between the leftists and the Hong Kong police. A curfew was imposed and many arrests made; however, things did not calm down, quite the contrary. By July, the height of the ferocity, five policemen had been killed and the government imposed a series of emergency measures. There was worrying talk that China would become involved, sending troops across the border—it later transpired that this had indeed been on the cards, until Premier Zhou Enlai vetoed it. Now, the leftists began resorting to terror tactics, planting thousands of real and decoy bombs across the city, some of which killed innocent children. The Hong Kong police worked valiantly to quell the uprising, raiding leftist strongholds and fighting back. British military bomb disposal experts were called in, defusing as many as 8,000 home-made bombs across the territory.

Many members of the media reported—and supported—the public outcry against such mindless violence. One popular anti-leftist radio commentator, Lam Bun (林彬), was murdered with his cousin by being burnt alive in his car on his way to work; many others were threatened, including Louis Cha (查良鏞), then chairman of the Ming Pao News (明報), who left Hong Kong for nearly a year in response. These tactics further spurred the Hong Kong government to crush the leftist forces as rapidly as possible, but the wave of bombings and violence did not start to subside until the end of October, leaving Hong Kong reeling from six months of lawlessness.

In December, Zhou Enlai ordered the leftists in Hong Kong to cease their activities, finally bringing this tumultuous period of Hong Kong's history to a close, with a total of 51 people killed and many hundreds injured. Small labour disputes continued for almost another year.



*Confrontation between the leftists and the Hong Kong police during the May 1967 Leftist Riots. Photos from the 2 June 1967 issue of LIFE Magazine.*



The residents of Hong Kong were, understandably, deeply shocked and disturbed by what had taken place. Many people fled Hong Kong at this time in fear of their lives, some never to return; many moved funds out of the territory in preparation. Support for the pro-Communists in Hong Kong sank to an all-time low, while the Hong Kong police force was widely credited for its bravery and swift action in the face of such terror, being granted the prerogative to use the word 'Royal' in its name by the Queen of England, a title it retained until the handover of 1997. The repercussions on the economy, apart from the social and emotional toll, cannot be overstated. And, in the end, both leftist and rightist groups suffered.

Although the Hong Kong Spinners factory itself was not damaged, the company lost nearly 400 workers who walked out during the General Strike of 24 June 1967, resulting in an inevitable cut in production. Plus, the company sustained a deficit from lost profits and extraordinary expenses. Because there were simply no replacement workers available, the factory could not resume full capacity operations until September. At that point, however, attempts to recruit and train new workers met with some success.

In relative terms, the textile industry was not too badly affected overall; however tourism, the restaurant trade and many retail businesses did suffer terribly. As one might expect, the business atmosphere remained hesitant for some time to come.

Also during 1967, the world witnessed the Suez Canal crisis after the Six Day War between Israel and the Arab States, resulting in 15 large cargo ships being trapped for the next eight years, during which time the canal was closed because of the ongoing blockade. This meant Hong Kong faced some serious transportation problems since some of those cargo vessels had been bound to or from the territory.

There was also a long and violent dockers' strike in the United Kingdom, centred on the Liverpool docks, in 1967, when over 9,000 workers joined the picket lines. This also had a ripple effect on Hong Kong's shipping and trade. Also in this year, the pound sterling was devalued by 16.7 percent, causing a similar devaluation in the Hong Kong dollar.

## Weaving Plant

Finally, in the autumn of 1968, the long-planned weaving plant at Hong Kong Spinners was ready to begin production, with 200 state-of-the-art looms from Switzerland, a number that was increased to 300 by 1970. This had been delayed for various reasons, the last time in 1965 when the overall finishing business in Hong Kong was so flat.

T.Y.'s vision of a vertically integrated business took a further giant leap—the company now offered spinning, knitting, weaving, dyeing, finishing and making-up, thanks to the operations of Hong Kong Spinners, as well as associate Leighton Textiles and subsidiaries Eternal Garments and Hong Kong Knitters. This was a far more peaceful year in Hong Kong and one that was good for the spinning industry.

## Transition Years (1970–1980)

The next decade was a roller coaster of deep economic uncertainty juxtaposed with spectacular success. A textile recession in both the UK and the USA in 1970 affected Hong Kong, while the United Kingdom backpedalled on a promise made early in the year to abolish the quota system, this time coupled with an import tariff, thus making it a double-protectionist system that could only harm Hong Kong textile manufacturers.

Dockers in the UK once again went on strike over conditions and wages—this time 47,000 dockers were involved nationally, seriously hindering imports and exports and costing the British economy millions of pounds during 1970. In the United States, too, dockers, or longshoremen as they are known there, similarly went on strike, beginning in July 1971, when 12,000 members downed tools at all 24 West Coast ports.

Also, after protracted negotiations over several years and now under great political pressure, the textile industry in Japan, Taiwan, Korea and Hong Kong signed an agreement for the voluntary control of synthetic textile exports to the United States. On top of all this, the labour situation in Hong Kong was now increasingly problematic, with competition from Korea and Taiwan—where wages were significantly lower—becoming more intense.

But by 1972, Hong Kong Spinners had truly evolved into a modern, dynamic and vertically integrated enterprise, encompassing spinning, weaving, garments, knitting, dyeing and finishing, texturizing and garment make-up. This year was a peak for Hong Kong Spinners, with a record-high number of spindles, at 70,720.

Up to now, T.Y.—who had been voted in as chairman of the company in December 1965, following the death of his father C.Y.—had continually replaced and upgraded all machinery and equipment, while his ongoing research and development kept him at the cutting edge of his industry.

## The Worldwide Craze for Denim

By 1973, when the Hong Kong cotton spinning business was just 25 years old, textiles were the major source of industrial exports from Hong Kong and contributed significantly to the prosperity of the territory. The management of the textile sector was, for the most part, far-sighted, outward looking and enterprising, willing to invest even in lean times in its workers and machinery. T.Y. was amongst the handful of true trailblazers in the field.

Despite the difficulties of this decade, in the early 1970s denim took hold of the world's imagination. Although blue jeans had been around since 1873 and had first become popular with the youth of the 1960s—when Hong Kong Spinners first started producing denim fabric—the real craze for jeans skyrocketed in the 1970s. Those holding quota on trousers and jeans now made a fortune. Demand for denim suddenly shot up in 1973, but not only for jeans. People also wanted denim jackets and skirts, while even denim evening wear



became trendy, popularised by brand names such as Jordach, Gloria Vanderbilt and Calvin Klein. However, spinning and weaving denim, as opposed to cotton or synthetic fibres, involves a different set of spindles and looms, denim being made from a much coarser yarn. To cash in most effectively on this sudden boom, therefore, required a rethink.

## Thinking Ahead

As far back as 1970, T.Y. Wong had already been considering the possibility of relocating his businesses overseas. He saw the writing on the wall for Hong Kong's textile industry at a time when others were still keen to invest or expand. The textile industry here, however, was truly on its way to becoming a sunset industry.

In early 1971, T.Y. took a trip to investigate opportunities in Indonesia, Singapore, Malaysia and other areas of Southeast Asia. Indonesia was where he set his heart. He was impressed with what he saw and fully believed he could make things work there. He then instigated a comprehensive review, looking at such wide-ranging and disparate factors as the local business environment and overall situation, the population demographics, the domestic market, the social and political conditions, an estimate of all projected costs for installing a plant, as well as shipping costs to overseas markets, and everything else that could possibly pertain to his clear goals. He was encouraged by the fact that the domestic textile industry and market were both in their infancy, making it a propitious situation for development.

As a non-national, the only way to open a business in Indonesia was to establish what was known as a 'joint venture foreign-capital investment enterprise', in partnership with somebody local. The perfect opportunity presented itself when T.Y. was introduced to a Chinese Indonesian textile mill owner and an agreement was quickly reached.

The next thing T.Y. gave careful consideration to was who could best manage the new factory. After first ascertaining his suitability, as well as obtaining all the necessary references and input from diverse sources, T.Y. offered the job to his youngest son James St. Wong (王聲達), who had graduated with a BSc in Industrial Engineering from Bradley University, Peoria, Illinois, and who was then working as an engineer for Xerox in Rochester, New York.

T.Y. returned to Indonesia in 1972 with his then right-hand man K.J. Leigh to look for land. Most of what they saw was open farmland and rice paddies, but a suitable plot came up in Surakarta (more familiarly known as Solo), Central Java, which T.Y. purchased in 1973. Standard Chartered Bank backed the investment, with the enthusiastic support of T.Y.'s friend Peter Graham. Straight away, T.Y. began taking concrete steps. He could now begin setting things in motion to obtain all the necessary government business and building permits, as well as making preparations for the construction of a large factory premises.

Back in Hong Kong, the directors of Hong Kong Spinners were now making active plans for the move to Indonesia, leaving only the rented industrial buildings as a working concern. But nothing could be announced publicly at this stage—much more had to be done first. Most pertinently, T.Y. wanted to make proper provision for all his workers prior to making any announcement about the proposed relocation.

## Challenging Times

According to Cotton Spinners Association records, of their members in 1973, Hong Kong Spinners was the third biggest textile mill in Hong Kong in terms of cotton yarn and the second biggest in terms of blended yarn. At its height, the company employed an average of 3,500 people.

But world cotton prices had reached a ceiling, while labour shortages in Hong Kong—coupled with increasingly high wages—were causing greater concern. For Hong Kong Spinners, it was time to upgrade the equipment, much of which was now old or inappropriate for the new direction T.Y. wanted to take. He had obtained a licence to import 50,000 used

spindles and 1,000 looms into Indonesia and also arranged to sell a further 23,000 old spindles to a mill in the Philippines. Plans were also set in motion to redevelop some of the industrial buildings and part of the factory premises to rent to other companies—property prices in Hong Kong were rising so fast that the rental business was thriving.

T.Y. was even more convinced that maintaining high quality was the only way forward. New spindles were ordered from overseas and installed, replacing the older equipment and paving the way for less labour-intensive and more space-saving operations. Open-end spinning machines were particularly suitable for the coarser yarn needed for denim production, while ring spinning machines were good for casual cotton wear, which was back in fashion.

The rest of this decade was not an easy time for the textile industry in Hong Kong. A textile recession in 1974 necessitated production cuts at many factories, while cotton prices slumped. Wage demands and overheads continued to increase, while competition from Korea and Taiwan in particular became more pronounced—they had the edge because wages and costs there were lower.

### **The Closure of Hong Kong Spinners**

Back at Hong Kong Spinners, production was continuing, but at a slower pace. Natural attrition had, by 1975, reduced the workforce to some extent and T.Y. was now pressing ahead with measures to decelerate things even further, albeit with great tact and delicacy. During that year, from February, work stopped in the weaving department on Sundays and, from October, also on Saturdays. The spinning department ceased production on Sundays from July. A percentage of the spindles and some of the machinery had already been shipped down to the new plant in Indonesia. Now, a number of technical staff and management opted to relocate to work on the start-up.

Next, the government had to be informed—as one of the biggest mills in Hong Kong with such a large workforce, the closure would naturally have an impact on the economy of the territory. However, they were very co-operative and understanding of the situation. The relevant department was careful to outline T.Y.'s requirements in terms of his labour force and other issues, provision for which he had already set in motion above and beyond the legal stipulations. T.Y. then told the media and obtained their support to keep the news quiet until the last minute to help keep the transition as smooth as possible. Finally, T.Y. notified the police in advance of the planned closure, just as a contingency.

At the end of 1979, Hong Kong Spinners was officially closed after more than 30 years in business. Thanks to all the careful preparations, everything went without a hitch—there were no protests, no damage to the machinery or property of any kind, nor any untoward incidents. The closure was very orderly, very co-operative and very neatly handled.

### **Expansion into Indonesia: Tyfountex**

The closure of Hong Kong Spinners was the end of one era, but it was also the beginning of something totally new. P.T. Tyfountex Indonesia, the Wong family's new factory in Solo, Central Java, Indonesia had been incorporated on 16 August 1973, one of the very first of the Hong Kong factories in the area.

T.Y.'s innovative vision and foresight was bearing fruit. A vast and impressive ultra-modern factory was being constructed on 200,000 square feet of land with its own power-generating plant, several deep wells providing its own water supply and the latest in wastewater treatment facilities. The company was also recruiting and training a large number of Indonesian workers from scratch.

With the help of management and technical engineers from Hong Kong, spinning commenced in 1975 and weaving in 1976.

## The Heritage (1980 onwards)

Within 10 years of Hong Kong Spinners shutting its doors for the last time at the end of 1979, the great majority of other spinning mills in Hong Kong had also closed or relocated. At the end of the 1970s and during the early 1980s, Deng Xiaoping's economic reforms and the gradual opening up of China to foreign investment and private business began to attract a small number of factories back to their place of origin.

In Hong Kong, statistics from the Cotton Spinners Association show the decline in textile mills in the territory: At its peak, in 1978, membership of the association had reached 33 mills; by 1988, only 17 mills were registered.



*Meeting of the Textiles Advisory Board, circa 1980. T.Y. Wong was one of the first members of the original Cotton Advisory Board, from July 1961 to March 1962, and later of the Textiles Advisory Board, from 1973 to 1976. This was one of the most important governmental boards in Hong Kong, sitting weekly to set policy on various economic matters related to textile and garment manufacturing, with about a dozen advisors representing commerce, industry and government. Eleanor Wong (third from the right at the top of the photo) was also a member, from April 1977 to March 1989. Bill Doward, Director of Trade and Industry, sits at the head of the table.*

*T.Y. Wong visits former business connections at the Standard Chartered Bank's headquarters in London in 1986. From left: David Millar, Peter Graham, Tony Barber, George Pullen, T.Y. Wong, Bill Brown, Michael McWilliam and Colin Endicott.*





## The Evolution of Tyfountex

P.T. Tyfountex Indonesia is today a vast, extremely efficient factory, with superb standards of management, based on the same concepts used by T.Y. Wong at Hong Kong Spinners. The company is also renowned for its quality and has an enviable output, employing over 10,000 people and contributing in no small way to the overall development of Solo.

From the beginning, true to T.Y.'s early concept for this new plant, environmental standards across all processes and operations, including dyeing, were maintained at a very high level. As the factory developed, more lines were added so that it was soon fully integrated, offering far more than the initial spinning and weaving, to encompass dyeing and finishing, embroidery, sewing, garment making and the production of household textiles.

As it had been for Hong Kong Spinners, denim played a central role in the operations—so much so that Tyfountex is even today one of the acknowledged leaders in the worldwide denim market. The factory also became known for its high-quality stretch fabrics, corduroy and other speciality weaves.

In 1987, Tyfountex was the first factory in Southeast Asia to invest in the massive 140-inch Sulzer weaving machines for cotton bedsheets. These have now been modified to weave denim as well, an extremely popular item for the company. In 1995, Tyfountex was approached by DuPont Singapore to jointly produce spandex yarn. DuPont provided

### Tyfountex in 2013

#### CURRENT MONTHLY PRODUCTION CAPACITY

Yarn	10,000 bales
Grey cloth	1,500,000 yards
Denim	2,000,000 yards
Dyeing and finishing (coloured fabric)	1,500,000 yards
Home linen (sewing)	1,500,000 pieces
Garments	500,000 pieces

#### CURRENT STAFF NUMBERS

Number of management staff	500
Number of workers	10,000

#### LAND AREA

2,200,000 square feet of land in Surakarta (Solo), Central Java, Indonesia



technicians to assist, while Tyfountex invested in a number of Zinser spinning machines from Germany for this purpose. By the middle of 1996, Tyfountex had successfully developed its now highly popular spandex yarn production line, the first factory in Asia to do so.

Tyfountex is one of the last remaining fully operational textile businesses that relocated to Indonesia from Hong Kong during the period in and just after the 1980s, as well as being amongst the most successful. That success is, of course, testament to James Wong's extreme dedication and diligence over so many years, but in other ways, this is the textile legacy that T.Y. Wong left behind, a successful vertically integrated state-of-the-art establishment that is still at the top of its field, 40 years after T.Y. first founded it.



### **Hong Kong Spinners' 60th Anniversary Reunion**

In 2009, the former employees of Hong Kong Spinners held a 60th Anniversary celebration of the founding of the business. Pretty much everyone who was still alive and able to attend did so—and this was 30 years after the factory closed its doors. For staff to gather together so long after their work had ended speaks volumes for the loyalty and dedication they must all have felt for T.Y. and the company. This event was an extraordinary tribute to the life and memory of T.Y. Wong.



*Former management and employees celebrate the 60th anniversary of the founding of Hong Kong Spinners in 2009.*