

Chinatown: Boss is Out, Workers are In

by Jim Young

Workers at the Silver Palace restaurant in New York City's Chinatown have given the term "lock out" a whole new meaning.

The Silver Palace workers had, themselves, been locked out for seven months in 1993-94 in a dispute with restaurant owner Richard Chan. But when the members of Restaurant Workers Union Local 318 showed up for work December 11, they brought along a locksmith who changed the locks as workers waved goodbye to Chan.

Earlier, Chan had made the mistake of filing for bankruptcy in an effort to shield himself from claims for back wages. But the bankruptcy judge placed the restaurant in trusteeship and barred Chan from the premises after learning that he had destroyed crucial business records.

Then in February, the National Labor Relations Board dealt Chan another blow, ruling that he must pay more than \$1 million in back wages and tips to workers. That made workers the restaurant's main creditors, and they are spearheading the reorganization of the business.

To see what a tremendous victory this was, one need only look at the other eating establishments in the neighborhood, where workers endure blistering kitchens, blatant exploitation, and bleak rewards. In fact, Chan's contract demand that most antagonized the Silver Palace workers during negotiations two years ago was a clear but commonplace viola-

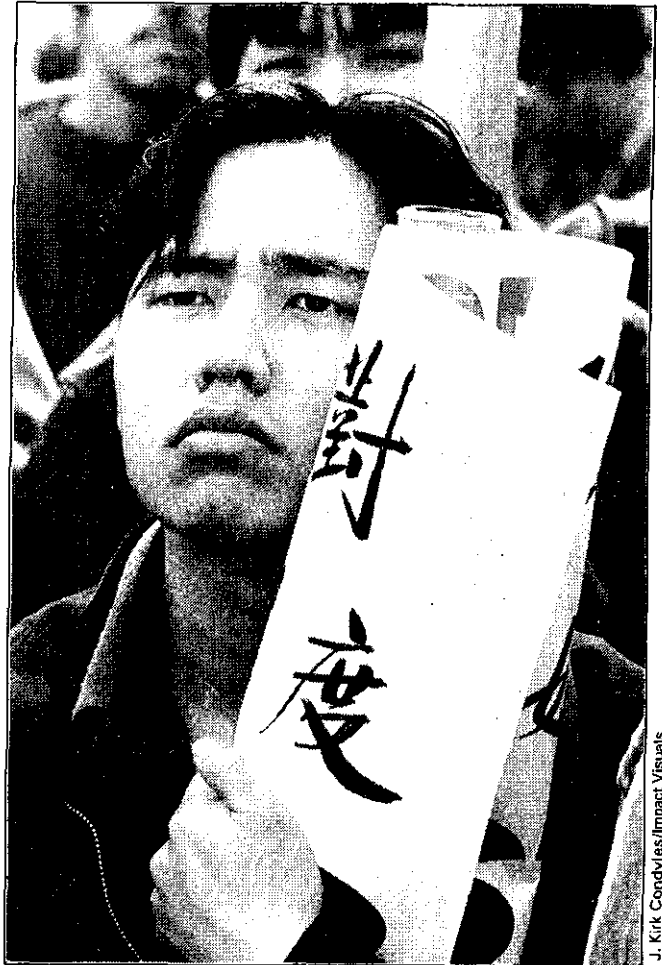
tion of federal labor law—Chan wanted a large cut of the staff's tips for himself and other bosses.

The members of Local 318 won that fight by extending their struggle beyond the walls of the restaurant into the Chinatown community, where illegal sweatshop conditions exist not just in restaurants, but in garment shops, retail stores, and many other small businesses.

CHAN BETS WRONG

Coffins emblazoned with the slogan "Bury Slave Labor" were carried by protestors that included not only union members, but local activists and students as well.

The community's ire against Chan swelled last year when he announced plans to transform the cavernous, 800-seat Silver Palace into an upscale Off-Track Betting center. He planned that daytime wagers would be placed on horse races in the U.S. and evening bets would be made on Hong Kong races.



J. Kirk Cordyles/Impact Visuals

Silver Palace workers were locked out for seven months in 1993-94, as they resisted owner Richard Chan's demand for some of their tip money. Now a bankruptcy judge has barred Chan from the premises, and workers are running the restaurant.

Neighborhood groups like the Chinese Staff and Workers Association, which provided invaluable support to the union when it was locked out, successfully opposed this plan on the grounds that it would exploit working families in the community.

Today members of Local 318 are upbeat. Although Chan has appealed the bankruptcy judge's ruling, it seems unlikely a judgement will go his way. Court documents chronicle his history of contradictory statements and questionable business practices, including the destruction of the restaurant's "Banquet Book," an annual reservations log requested at the trial.

"The restaurant is doing better than ever, demonstrating that the problem was not the workers, but the greed and incompetence of the owners," said a recent article in the newsletter of the Chinese Staff and Workers Association. "It shows that the bosses in Chinatown cannot threaten workers with phony bankruptcy. It proves that the workers are the ones who create the wealth." □



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