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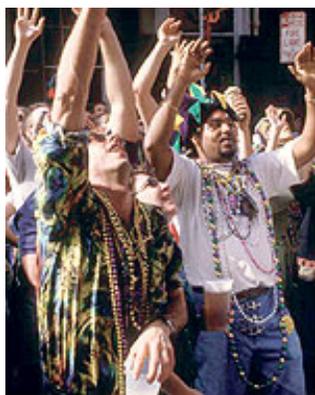
Mardi Gras Bead Mania Bewilders Many Chinese

By **AUDREY WARREN** and **GEOFFREY A. FOWLER**
Staff Reporters of THE WALL STREET JOURNAL

Sitting atop her husband's shoulders, Holly Lecompte waves her arms wildly and screams to catch the attention of the costumed characters riding by in an elaborately decorated three-story float. Thousands of other revelers crowding St. Charles Avenue near the French Quarter are doing the same, some of them hanging from ladders or lampposts.

It's Mardi Gras time, Fat Tuesday in New Orleans, where the debauchery defining the pre-Lenten celebration culminating Tuesday is surpassed only by the thrill of catching the shiny swag thrown from passing floats. Competition is so intense that even grown men beg for plastic jewels, especially the more elaborate strands studded with medallions and molded trinkets and with beads as big as baseballs.

"If you're a guy and you don't have beads, no girl is going to pay attention," says 26-year-old Jonathan Moeller, in town with friends from Philadelphia and wearing at least 20 necklaces with rubber ducks, lobsters and lights woven in with the beads. "There's definitely a sort of bead envy, everybody looks around to see what everybody else has."



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Mardi Gras revelers in New Orleans clamor for elaborate beads.

Mrs. Lecompte's efforts pay off, as a 72-inch set of shiny plastic pearls with beads the size of quarters comes flying her way. Her husband, Rhett, clenches her knees tighter as she lunges for them.

Half a world away in Hong Kong, where the beads are made, manufacturers can only laugh and reap

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the rewards of this peculiar Western tradition.

Even though the beads are tossed out free, Americans "don't want things cheap, cheap, cheap anymore," say Tony Wong, general manager of the world's largest maker of Mardi Gras beads, Reform Plastic & Metal Factory Ltd. The facility, in the southern China city of Dongguan, sold \$10 million in beads last year. "Now we have over 1,000 different varieties."

Only a handful of factories throughout China make most of the Mardi Gras beads imported to the U.S. and many have had to hire more tech-savvy employees to incorporate lights and voice chips that scream "Happy Mardi Gras" among other phrases. It's a laborious task, and China has proven the perfect arena for the job as workers will sew beads all day for \$4.25, or about \$85 a month, depending on how fast they sew. (That's about average for the region, which also includes many toy factories.)

There are no official statistics for the Mardi Gras bead industry. Those involved estimate that perhaps \$500 million worth are sold each year world-wide. The majority go to New Orleans, but other cities such as Galveston, Texas, and St. Louis also host parades, as does Rio de Janeiro. And demand is spreading year-round as manufacturers find themselves getting orders for pumpkin beads for Halloween and clovers for St. Patrick's Day and even beads for bar and bat mitzvah favors.

China has been the chief source of Mardi Gras beads since the 1970s, when the plain glass beads made in Czechoslovakia fell out of favor. Chinese factories are able to make them much cheaper and still satisfy the growing desire for ever flashier spoils.



Geoffrey Fowler

Tony Wong at his office in Hong Kong.

"The workers can't imagine why anybody would want beads like this. It's a strange taste -- they'd never want to wear it themselves," he says. "They just know it's for crazy Americans."

Indeed, the amount of time, work and money put into coming up with new designs for plastic jewels that are thrown away for free is perplexing to some. "It's a very strange system where there's not a whole lot of economic logic," says Timothy Ryan, an economist and chancellor at the University of New Orleans. As a New Orleans native, however, he does understand the appeal. "There is an excitement, a real emotional high seeing people clamor for the throws," he says. "People fight like mad for the beads, there's power in that."

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To the Mardi Gras "krewes" -- the fraternity-like organizations that put on parades in the weeks leading up to Mardi Gras -- tossing out beads is a matter of pride. More than 30 krewes paraded this year. Each wants to be known for having the best "throws" and yet they refuse to accept outside sponsorship for parades and resist beads with logos or advertisements that would commercialize the event. Instead, the krewes contract with U.S. distributors to order customized beads, and then sell them to individual members to toss from the floats.



Audrey Warren

A krewe loads piles of Mardi Gras beads onto a float in New Orleans last weekend.

This year, the Krewe of Zulu, for example, ordered 400 dozen specialty strands featuring black beads with resin figurines and the krewe's name for \$25 a dozen. Zulu krewe member Straughter Prophet estimates each individual rider in this year's parade spent an average \$700 for beads.

"This is what it's all about. There are a million people looking up at you, you don't want to look down with nothing good to give them," Mr. Prophet says.

"Each year we're spending more and more," says Staci Rosenberg, a real estate attorney and captain of the Krewe of Muses, an all-female krewe known for throwing ornate beads. Each Muse member this year spent an average of \$600 on beads, she says. One of the more popular styles are

gold bracelets with 18 dangling red high-heeled shoes.

The demand for ever flashier Mardi Gras spoils is putting increasing pressure on bead distributors to come up with fresh ideas every year. At Beads by the Dozen, one of the largest distributors and importers, blinking beads, with a battery-charged light-emitting diode, have become a popular specialty. Last year, the company ordered 250,000 strands of blinking beads from Mr. Wong's factory, part of the nine million pounds of plastic beads the distributor sold last year for \$11 million.

"Every year more and more people try to get into the business, but you see many fall by the wayside," says Dan Kelly, owner of Beads by the Dozen. "There's really not a lot of money in this business, you're lucky if you can mark beads up much at all."

On both sides of the world, beads are a year-round business. Shortly after each year's celebration, U.S. distributors start to discuss new designs, e-mail drawings and plan trips to the factories. From June to January at Mr. Wong's factory, 80% of his 500 employees are busy making Mardi Gras beads while the rest work on arts-and-crafts sets and Christmas decorations.

Mr. Wong has twice visited Mardi Gras in New Orleans himself and enjoyed the festivities. He even caught one of his own strings tossed from a float.

But he still sees all that excess as mainly a business opportunity, so he isn't sad to watch all of his work tossed away. "I want them throw even more!" he says.

Write to Audrey Warren at audrey.warren@wsj.com and Geoffrey A. Fowler at geoffrey.fowler@wsj.com

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