LETTER FROM MONGOLIA FEBRUARY 1, 1999 ISSUE

THE CRISIS IN CASHMERE

How a very soft wool reflects a revolution in the global economy.

By Rebecca Mead

January 24, 1999

A Mongolian nomad corrals his herd of cashmere goats, July 28, 2015. GFC Collection/Alamy

If you had taken a walk through SoHo around Christmastime in search of a cashmere sweater, your options would have been many. At Club Monaco, the mid-priced Canadian chain, you would have found a short-sleeved cashmere sweater in black for eighty-nine dollars. If you had dropped into the Marc Jacobs store, on Mercer Street, you would have found vibrant aquamarine waffle-weave cashmere thermals, looking like Midas's pajamas and selling for just shy of nine hundred dollars. Dipping south at Broadway, you could have checked out Banana Republic, where you'd have found a chunky ribbed pullover for two hundred and fifty dollars. You could have finished your search on Elizabeth Street, at the Lucien Pellat-Finet boutique, a specialty cashmere store favored by models and Vogue editors and even some wealthy customers who pay retail, where you could have bought a jewel-colored sweater for sixteen hundred dollars, only slightly less expensive than the jewels it imitated.

SoHo may offer an uncommon variety of cashmere, but a trip to any mall in America would yield similar findings. This winter, cashmere—a word that formerly brought to mind dull sweaters bought duty-free at Heathrow Airport and pastel twinsets incomplete without pearls—is widely available, and newly fashionable. About four and a half million cashmere sweaters were imported into the United States in 1998, up from a little more than two and a half million in 1997. Donna Karan has a fragrance called Cashmere Mist. Ellen DeGeneres made a cashmere joke while serving as hostess of the VH1 Fashion Awards, in November. Even the Gap started selling tiny cashmere cardigans, for newborns.

Cashmere was a luxury item at the time of the Roman Empire, and it has been periodically in vogue ever since: Beau Brummel popularized white cashmere waistcoats for men early in the nineteenth century, and Napoleon started a fad for cashmere shawls when he gave his second wife seventeen of them. If you ask members of the fashion community to explain the current popularity of cashmere, you'll be told that the fabric's understated luxury is well suited to a cultural

moment in which unshowy self-indulgence is the highest ideal—a moment when a perfectly tailored but unobtrusive Jil Sander suit is better than a gold-buttoned Chanel two-piece. "There's a reverse snobbery," says Marc Jacobs, who is currently experimenting with water-resistant cashmere and cashmere bonded with cotton for the line he designs for Louis Vuitton. "The real reason you wear it is for the comfort and the warmth, and not necessarily to have it seen. It is like cashmere-lined gloves: it's the way it feels, rather than the way it looks."

But the ubiquity of cashmere this season is more complicated than that. It is a consequence of much larger po-litical and economic issues that have nothing to do with fashion. There are cashmere sweaters in all of America's store windows today not just because of designers' whims but because halfway around the world, in Asia, the price of raw cashmere has dropped lower than ever. The creation of freer markets in China and Mongolia, which are the source of most of the world's cashmere, has encouraged a dramatic increase in production—in fact, to the point of oversupply. At the same time, the collapse of the Japanese economy has caused a fall in cashmere sales there, creating a worldwide glut. And although the plenitude of affordable cashmere has made it a favorite of designers and consumers, the cashmere industry is actually in crisis, with stockpiles of the raw fibre sitting unused in Chi-nese warehouses, and with cash-mere companies worrying about how to afford to keep their machinery running. The array of cashmere sweaters in SoHo, it turns out, is a knotty lesson in late-twentieth-century capitalism waiting to be unravelled.

Munkhzorig is a twenty-five-year-old herder of cashmere goats who lives with his wife and their two small daughters in a region of Mongolia called Zaamar, a four-hour drive from the capital city, Ulaanbaatar—a drive that begins on a paved road, which becomes a dirt road, which becomes no road at all across empty snow-dusted scrub.

I visited Zaamar in early December, when temperatures in the Mongolian countryside drop as low as thirty degrees below zero at night and rise only to

fifteen below during the day. At this time of year, Munkhzorig's goats, a hundred in all, spend their days grazing the sparse land and growing a fine, downy undercoat as a defense against the bitter cold. In April, before the animals have a chance to shed, Munkhzorig will corral them and comb out their cashmere (which, contrary to a popular misconception, grows all over their bodies, not just on the underbelly). "Combing" is too gentle a word for the actual process, unless you imagine combing the tangled hair of a screaming five-year-old who has just discovered chewing gum: the goats are wrestled down, and the cashmere is tugged off them with a large, wide-toothed metal comb that looks like something left over from the Iron Age. The comb becomes ensnarled with "greasy cashmere": a mixture of long hairs, dirt, bits of vegetation, and a small amount of fine down—three to four ounces of down per goat per year, or enough for a third of a sweater.

Along with an interpreter, a guide, and a representative from a cashmere company, I joined Munkhzorig and his family in their felt-lined yurt—or ger, as such nomadic tents are called in Mongolia. In it I felt as if I might be in a Gypsy caravan, if such a caravan could be perfectly circular. The ger's walls were hung with rugs, and there were two or three brightly painted chests, in which the family's clothes and valuables were stored. By one chest stood an ornate silver-and-leather saddle—a family heirloom, Munkhzorig explained, which is used at Naadam, the national summer festival. A thick fug of heat was provided by a central stove, on which an elaborate Mongolian lunch was being prepared: buttery, salty milk tea to be drunk alongside jaw-breaking lumps of goat cheese and creamy crusts of goat-milk curds; boiled dumplings filled with meat and flavored with onions; and boiled beef chops, which were passed around in a large communal bowl with a single sharp knife to slice the flesh—and the highly prized fat—from the bone.

Munkhzorig, who, like most Mongolians, uses only one name, sat on a rug on the floor, reclining against one of three narrow beds that were set against the curved walls of the ger; he kept refilling a single cup, shared by all of us, either with

vodka or with Mongolian homebrew—a fizzy, colorless liquid made from cheese curd. He wore a fur hat, a padded blue del, or traditional Mongolian wrap coat, which was lined with embroidered satin and edged with gold trim, belted low on his waist. He also wore a pair of heavy-duty sweatpants, which had the letters "USA" printed down one leg.

Over lunch, he told me that last spring he had received a good price for the ten kilograms of cashmere his goats produced: around thirteen thousand Mongolian tugriks, or sixteen dollars, per kilo. Like almost every herder, Munkhzorig has a battery-operated radio in his ger, on which cashmere prices are regularly broadcast. The market price was now down to seven and a half thousand tugriks for ten kilograms, and I asked Munkhzorig how that would affect him. "I'll comb the goats, but I might store the cashmere for a year if the price doesn't go up," he said, and he explained that he could keep his cashmere crop in the wooden shack next to his ger—an open-air refrigerator in which his meat and milk are stored. "If the price is below seven thousand, I'm not interested," he said.

Munkhzorig's dwindling income is the result of a worldwide drop in the price of cashmere. This has been caused by two factors, a decline in demand globally and an increase in aggregate production among the four cashmere-producing countries: China, which accounts for sixty per cent of the international cashmere crop; Mongolia, the next-biggest producer; and Iran and Afghanistan, each of which supplies much smaller amounts. (So-called Scottish or Italian cashmere is merely spun and knitted or woven in those two countries.)

For most of this century, Mongolia—a vast, underdeveloped country with fewer than two and a half million people, nearly half of whom are nomadic herders—was part of the Soviet-bloc economy. Its role in that continent-wide shell game was to supply cashmere for sweaters to be sold in Eastern Europe and meat to feed the Soviet Army. Since 1990, when a nonviolent democratic movement forced the Communist government to resign, Mongolia has undergone a dramatic shift to a market economy, and foremost among the reforms has been the breakup

of the collectivized farms that had been established in the nineteen-fifties, under Stalin. The current social-democratic government was elected in 1996 after offering voters a "Contract with Mongolia," which was directly inspired by Newt Gingrich. The platform promised even more aggressive deregulation of the remaining state-owned industries, including Gobi, which was for a long time the only cashmere company in Mongolia; since 1990, eighteen rival cashmere startups have come into being.

Munkhzorig became a herder after graduating from community college in 1992; since then, the number of goats in Mongolia has more than doubled, from five and a half million to eleven million, as the direct result of a nationwide post-Soviet political overhaul. The reforms throughout the nineties mean that Munkhzorig, who had been raised in a herder family before going away to school at the age of eight, is able to do what his parents never could: own his herd."It's totally different now. Everything is different," he told me, stroking his chin as he pondered the country's enormous change. "My parents had a paid job, and gave their cashmere to the local agent, and there was a more sophisticated kind of system."

"System," however, is not the right word to describe the tangled, ad-hoc business that the production of cashmere has become in post-Communist Mongolia. A new breed of trader has sprung up, offering cash or bartered staples such as rice and flour in exchange for raw cashmere. The herders, who formerly received a fixed salary from the state, can now shop their cashmere around, looking for the best price paid by travelling buyers from the city or from China, or they can make the trip to Ulaanbaatar and sell their wares directly, eliminating the middleman. Last year, Munkhzorig rode the twice-weekly bus into Ulaanbaatar with his ten-kilo sack of cashmere, and he expects to do the same this year. "I'm interested in the cash," he said. "The traders, when they barter, double or triple the price of the goods."

Having been liberated from state quotas on the number of goats they can own, the herders are free to expand the size of their herds as their profitabil-ity allows, and a new class of wealthy herders has emerged, people who are rich enough to afford their own vehicles and electrical generators, and even to put satellite television dishes on their gers. Less successful herders also have an incentive to acquire more animals—not only goats but sheep, cattle, yaks, camels, and horses as well. For one thing, livestock is insurance against impoverishment, since the land on which the animals graze is commonly held, and in bad times they can always be eaten. "It can be very profitable, raising animals," Munkhzorig told me when he asked if I wanted to see the pride of his herd: two bucks that had won prizes for the fineness of their cashmere and which he was using for breeding. He mounted his horse and sped off across the scrub for half a mile or so; my party followed in our four-wheel drive. When we caught up with him, he was grappling with two russet-colored goats that were the size of large golden retrievers and had enormous, prehistoric-looking horns. Munkhzorig parted the long, wiry hair on the flank of one goat to show me what was underneath—a thickening growth of fine, wispy, grayish fluff.

Nevertheless, large numbers of goats are no guarantee of wealth. In the northern region of China known as Inner Mongolia, half of the processing facilities of the nation's largest cashmere company, Erdos, have been lying idle this year, and herders have been eating their goats, which have become less valuable as cashmere generators than they are as dinner.

In China, as in Mongolia, the loosening of Communist economic controls has contributed to a serious oversupply: cashmere production has increased from about nine thousand tons in 1990 to twelve thousand tons in 1998, but prices for raw cashmere have fallen to less than a third of what they were in the early nineties, and as the glut has grown, worldwide demand has fallen. China claims that it has the capacity to produce twenty million cashmere pieces annually, but actual sales in 1998 were six million. Clara Li Fang, a manager at a company

called Edenweiss Cashmere, in Shanghai, told me, “Three or four years ago, we could take orders for a hundred thousand pieces from Japan, but last year it was down to ten thousand.” Because China produces so much of the world’s cashmere, the state of the industry there determines the state of the industry everywhere else. In recent weeks, the Chinese government has stepped in to prevent a further price decline, by issuing loans at favorable rates to the major cashmere companies so they can buy up excess raw product, which herders have been hoarding. That move will, at least, ease the Chinese herders’ hardship; but the glut of raw cashmere is likely to remain in warehouses until the global demand for sweaters picks up again.

“The Chinese market just boomed out of all proportion, the way it did in Mongolia,” I was told by Ronnie Lamb, who is the executive director of Mongol Amicale, a nine-year-old American-Mongolian joint cashmere venture. I visited Lamb at the Amicale factory in Ulaanbaatar, and joined him for lunch in the factory’s dining room, which was bright and sparsely furnished; the only decoration, hanging from one wall like a hunting trophy, was the head of a large wild goat, its curling horns brushing against the low, tiled ceiling.

Lamb is a big-boned Scotsman with a fuzz of graying hair, a ruddy complexion, and an uncompromising tongue. In his view, the foreign economists advising the Mongolian government about opening its markets were “a bunch of bloody idealists,” and the Mongolians themselves were like a crowd of unruly but well-meaning children. “The thing that was missing when we first came here was a management class,” he said. “The problem was getting people to make a decision—any decision—and getting them to realize that even if it turned out to be a wrong decision they weren’t going to have to spend years in Siberia for it.”

Amicale supplies woven cashmere fabric to private-label designers such as Ralph Lauren, and is one of a handful of companies that have facilities for processing raw cashmere in Mongolia. Lamb showed me around his plant, taking me first to a chilly warehouse, in which three-hundred-kilo bales were stacked up—about

one and three-quarters of a million dollars' worth of raw fibre. "We put it in big bales to eliminate the possibility that someone might walk out with it," he explained. We went on into the factory's sorting room, where bales had been opened and the contents dumped into large bins, and I watched a group of a dozen or so young women wearing head scarves pick over the greasy cashmere—handfuls of dirty-looking grayish fluff with dirt and coarse goat hair mixed in it. They separated it by color: brown, which is the most common cashmere in Mongolia; red, which is rarer; light gray; and white, which is the most highly prized, because it can be dyed in the widest variety of colors.

Next, Lamb led me into what he called the dehairing room, a hangar-size space that felt like a sauna and was staffed by workers wearing shorts and sandals. Here a row of clanking machines—big green metal containers—removes the unwanted coarse hair and the dirt: Lamb bent down under one machine to draw out a handful of the discarded matter, and it looked like the residue in a shower drain after a Superbowl team has cleaned off. At the end of each machine was a tub, into which wispy white clouds of pure cashmere tumbled in billows like cotton candy being whisked into existence at a fairground.

Because Amicale does not yet have facilities for spinning and dyeing and weaving its cashmere in Mongolia, this fluff was to be baled up and sent to the firm's factories in England and North Carolina. There it will be spun into thread or yarn and then woven into bolts of fabric to be turned into jackets or coats or knitted into shawls and scarves—all to be sold in stores like Saks Fifth Avenue and Neiman Marcus.

The part of the factory that Lamb seemed most interested in, though, was a tiny, darkened room off the warehouse, in which a young woman was peering through a microscope at a slide smeared with a few fibres. She was measuring sample strands from a consignment of raw cashmere that had just been received at the factory to see if it would pass muster. The best cashmere is made of fibres that are fine and long, but, because there is no world standard, garments labelled a

hundred-per-cent pure can be of widely varying quality. It is generally accepted by reputable manufacturers that the length of good cashmere fibre is somewhere between thirty-two and thirty-eight millimetres; when the length drops to twenty-five millimetres, the fabric will pill more easily. The fineness of cashmere is what gives it its warmth and softness and loft, Lamb explained, and the width of a Mongolian-cashmere fibre should be no more than sixteen and a half microns, a fraction of the width of a human hair. (Fibre width is largely a matter of genetics, except that young and female goats have finer fibres than old and male goats.) The width of the cashmere under the microscope in Amicale's laboratory measured an encouraging 15.2 microns, and so would be allowed to enter the production cycle.

Quality is a big issue in Mongolia: as the number of goats has grown since the introduction of the market economy, their quality has declined. Much of the stock was corrupted in Communist times by crossbreeding with coarser-haired Angora goats in an effort to boost production. Moreover, now that Mongolia is no longer required to help feed Russian troops, herders are keeping their older male goats instead of slaughtering them. As a result, more coarse fibre is coming onto the market. "The herdsman looks at the male goat as a cash cow, because it produces more fibre," explained Lamb, whose com-pany is currently helping to fund a gov-ernment drive to improve the stock of Mongolian goats by breeding them with fine-fibred bucks. But it is not easy to encourage Mongolian herders to focus on quality instead of quantity, he added, since they get paid for their cashmere by volume.

In Zaamar, I met a herder named Bazarzagd, who had grown up in a herding family but moved to the city, where he'd worked as a driver. After the economic crisis of the early nineteen-nineties, however, his work had slowed down, and his wife had been laid off from her job as a librarian, so, like many Mongolians, they decided to return to the land. "In terms of welfare, we herders had an easier life under Communism than we have today," he said. "Now, I may call for an

ambulance, and the hospital will say, "If you pay for the gas, we'll come quicker.' " Bazarzagd, who is fifty years old, looks twenty years older, and he is as far removed from the final result of his labors as diamond miners are from Harry Winston. When I asked whether he had any cashmere clothes, he told me that he had some scarves and sweaters, and he started pulling at a purple scarf he was wearing. Outside his ger, one of my Mongolian escorts, a young woman from a cashmere company, whispered to me, "He doesn't know what cashmere is. None of the herders do. They can't distinguish it from wool."

In Mongolia, finished cashmere products aren't the status items they have become in the West, even among the residents of the capital city. A few Mongolian companies, such as Buyan and Mana, have made an effort to introduce mildly fashionable colors and styles, but their market has been largely in Japan. Buyan is owned by a man named Jargalsaikhan, a self-made millionaire, who started out as a trader in the late eighties and is one of Mongolia's richest men. He is almost certainly its most flamboyant. When I went to see him, he kept me waiting in his office as he excitedly unpacked and played with a digital video recorder and a laptop computer that a friend had just flown in from Moscow; he owns a Hummer, a Dodge pickup, a Mercedes, and a Land Cruiser, unspeakable riches in a country where the average cashmere factory worker takes home about sixty dollars a month.

Shortly before I left Mongolia, I met a woman named Soyolma, who teaches fashion design at the Mongolian Institute of Culture, in Ulaanbaatar, and is the head of a nongovernmental organization formed to promote Mongolian design. I asked her what she made of the current Western vogue for cashmere. Soyolma was the closest thing I had seen to a Seventh Avenue type in Mongolia: a woman who looked to be in her forties, she was wearing heavy-framed yellow-tinted glasses, had a purplish rinse in her hair, wore a big woollen sweater, kept copies of foreign fashion magazines on her desk, and travelled with her own jar of instant Brazilian coffee.

“I think cashmere is more suitable for someone over forty,” she told me. “Young people can wear scarves or gloves or hats of cashmere, but if someone wears a cashmere sweater it will make him look older.” Her prohibition against cashmere for the young, though, was not primarily aesthetic; it was practical. “Cashmere is a very warm fabric, so if you wear it at a young age, you get used to it,” she explained. “This is a cultural thing. You’d better not wear cashmere young, because when you get older you’ll need even warmer things.”

Warmth is hardly the prime mo-tivation for shoppers in TSE on Madison Avenue, where sleek cardigans and pullovers in colors with names like “Fennel” and “Lynx” can be bought for about three hundred dollars apiece. Rather, TSE has had a lot to do with cashmere’s relinquishing of its fuddy-duddy image. Right now, TSE is exploring cashmere for summer, a new idea.

“We have to get our buyers to understand that women will wear this in the summer, so they shouldn’t be afraid,” Rebecca Shafer, the company’s creative director, told me when I visited the company’s Fifth Avenue showroom. Shafer, who is kinetic and ectomor-phic, was wearing an extra-small gray TSE V neck and black flannel pants. “If you work in an office, you have air-conditioning,” she went on, “so you should let go of your old, stupid mentality and think about what women really need.”

What women need this summer, according to TSE, is a stumpy tube of a garment knitted in very fine black cashmere. “This is, like, the new summer cardigan,” Shafer said, pulling the thing over her head, then down over her shoulders and folded arms, and snuggling herself in it. The garment looked like a cross between an Italian grandmother’s shawl and a mini-straitjacket. “You can just kind of wrap up in it, but if you need to hold a glass in your hand, you can,” Shafer went on, poking one hand out suddenly through an unseen opening.

Shafer and her business partner, Lisa Cervantes, formed TSE, in 1988, because, she says, they both loved cashmere but didn’t like any of the things that were

being made from it. The company is now a sixty-million-dollar business in the United States, and has its own factories in Inner Mongolia. TSE sweaters are sold for between three hundred and a thousand dollars, and TSE's parent company also makes private-label sweaters for other companies, which it declines to name. Last year, TSE hired the innovative Cypriot designer Hussein Chalayan to develop a line of sportswear (the weblike shrug was one of his designs), and it is now planning to launch a more affordable label, using a less-fine raw cashmere to start with. "It will be like TSE but younger in its proportions and less expensive," Shafer said. "It will be, like, a hundred and eighty dollars for a sweater; if it is a bit chunky, it might go to two hundred and fifty dollars."

Those are precisely the price parameters of the sweaters being sold in Banana Republic, and Shafer is frank about her anxiety on seeing cashmere being mass-marketed. "It dilutes us, because there are a lot more places for people to buy cashmere from," she said.

The success of TSE in positioning cashmere as a fashion item means that other, less exclusive, stores are pushing it as well. The off-price chain T. J. Maxx has long stocked cashmere sweaters, and they are now selling for between eighty and two hundred dollars. Laura Cervone, a spokeswoman for the company, told me, "With the price of cashmere declining, our quality is going to go up, so we are going to be able to offer an even better product."

In any event, the most emphatic promotion of cashmere as a mass-market commodity has been done by Banana Republic: its winter ad campaign put posters bearing the single word "Cashmere" in every store window, and also on the sides of bus shelters and phone booths. (The sweaters are manufactured for the company by a well-respected, pricier cashmere label.) The company's press release for its winter cashmere campaign claims that its collection "redefines cashmere as the new Amer-ican casual of the 90s." Cindy Capobianco, a spokeswoman for Banana Republic, explained, "Our customers can enjoy cashmere every day. It doesn't have to be a special occasion for them to feel a

luxurious fabric against the skin, and it is not a single-investment piece, as designer cashmere has been in the past."

This attitude, which is also the attitude of J. Crew and Laundry and any number of other fashion labels that are pushing cashmere, is the kind of thing that the established cashmere companies hate. "Cashmere cannot afford to be a commodity," Ronnie Lamb had told me in Ulaanbaatar. "I think it should be available only to a restricted clientele. I wasn't overjoyed at the fact that the herd had increased in China, because it will make cashmere lose that exoticism—that aura. In my mind, either you can buy it or you can't: there is no middle ground. To me, it is an investment, not a purchase. And once that changes, everything about cashmere changes."

Indeed, the abundance of cashmere in the mass market is of such concern to the cashmere establishment that a trade organization, the Cashmere & Camel Hair Manufacturers Institute, regularly polices the American marketplace, trying to spot low-quality merchandise. I recently visited Karl Spilhaus, the organization's president, in Boston, and he took me along on one of his scouting missions.

We started in Filene's Basement, one of several stores that the C.C.M.I. has sued for alleged labelling violations. (Spilhaus says that a jury trial is expected this year.) Spilhaus walked along a rack of men's coats, plunging his hand inside the collar of each coat to grab its hang tag with the deftness of a Chinatown fishmonger pulling a live eel from a bucket. "That's an illegal mark," he said, squinting through his glasses at a large label reading "Cashmere Blend" that was stapled to the arm of a black coat. "If it's a blend, you are required to state the constituents. I bet that's wool and nylon and a tiny bit of cashmere. Ten per cent doesn't add any significant performance value to the garment," he said. "Less than twenty per cent and you are just trading on the name." Inside was a tiny tag: ten-per-cent cashmere. We passed a bin of tangled cashmere sweaters, and watched a middle-aged man in a windbreaker and a baseball cap sorting through them. I asked Spilhaus what a customer should look for in quality cashmere. "You look for

the lustre, the heft, the loft," he said, plucking a sweater from the pile. It was clear that these particular garments were not all they might be in the lustre, heft, and loft departments.

The C.C.M.I. was formed fifteen years ago so that the cashmere industry could act collectively in maintaining cashmere's reputation as a luxury item of dependable and enduring quality, and the organization's aim is both to raise consumer awareness and to keep retailers on guard against selling flawed supplies. When I visited Spilhaus's office, he hung my coat in a closet that contained a stash of jackets and overcoats with large swatches cut out of them. Some of these, he told me, had been sent to a lab in Leeds, England, for DNA analysis—a service that C.C.M.I. offers to retailers and garment manufacturers to determine whether what is being passed off as a cashmere blend is really made from yak hair.

Spilhaus, who is fifty-two, couldn't have looked less like a fashion type. When we met, he was wearing an Aquascutum raincoat and a plain gray suit. But cashmere, good and bad, aroused in him quiet passions. When we were in Filene's Basement, he was visibly offended by some of the goods on display. "The fabric feels dead—it feels dry, and boardy," he said, rubbing a coat sleeve distastefully. But, toward the end of our shopping trip, when we went into a branch of Ermenegildo Zegna, the high-end menswear store, he was captivated. There were some long, unlined duster coats of cashmere, the kind of thing a sharp-dressing Milanese might wear. Spilhaus slipped one on, and the coat swirled around him; he bent an elbow to examine the sleeve more closely, and in the crook of his arm the fabric folded richly, like a beaver's pelt.

If cashmere is not what it was in terms of iconography, it is also not always what it was in terms of quality: its mass availability has had the effect of driving down the quality of the cheapest sweaters further still.

Dick Forté, who is the president of Dawson Forté Cashmere, the largest importer of cashmere sweaters to the United States, explained this seeming paradox: "Short

cashmere, which is twenty millimetres long, can trade for as little as twenty-five dollars a kilo, while long cashmere is now trading at fifty-five dollars a kilo. You cannot make a good sweater out of short fibre." The problem, he said, is going to be especially significant in 1999, as the low-priced raw cashmere that has been sold this year makes its way into stores. "What you are going to find is that newcomers, who are totally cost-conscious, are just going to make a terrible sweater," Forté warned. "It will be a hundred per cent cashmere, but it will be terrible."

The ready availability of cashmere means that the fashion élite has quickly moved on to other, more exclusive fibres. One is pashmina, an Indian cashmere made from the down of high-desert goats and woven primarily into shawls, and another is shatoosh, an even rarer fibre, made from the down of the Himalayan antelope. It is illegal to import shatoosh into this country, because in the harvesting of the crop the antelope is hunted and killed, not herded and combed; not surprisingly, shatoosh is an even more coveted fashion item than pashmina.

But the democratization of the cashmere industry means only what the democratization of any controlled system always means—that the responsibility for making choices falls to the people, which is to say the consumers. Just as the cashmere business has become something of a free-for-all in Asia, where both fortunes and mistakes can be made, so the American marketplace, with its boundless options, is a place in which the consumer must be both wise and wary.

This was made clear to me in Mongolia one afternoon when a young man who moonlighted as a cashmere trader joined me for tea at my hotel, just off Ulaanbaatar's central Suhkbaatar Square. At twenty-one, he was a member of the first post-Communist generation, and he had the lankiness and the complexion of an adolescent combined with the knowing air of a street hustler. He worked at a magazine, but during the cashmere season, he said, he and his friends turned to a little freelance scam artistry. They would place newspaper ads offering top prices for raw cashmere to herders, he told me, and then, after buying good-quality

cashmere from the herders, they would mix poor-quality cashmere in with it, the way drug dealers dilute cocaine with soap powder. They would sell the mixture to a factory, and there sorters would pick it over and send back any cashmere found to be inadequate. Then they would simply take the poor-quality cashmere that had been rejected, remix it with more high-quality cashmere, and again try to palm it off on the same factory. Eventually, enough of the bad stuff would slip through for them to make a profit. "Sometimes we mix dirt in with the raw cashmere, too, to make it heavier," he added. "And there are lots of other tricks we use that I can't tell you about."

The young man's con was an eruption of free-market exuberance, of economic imagination—albeit of a crooked sort—where there had previously been stultifying order and regulation. You had to admire the ingenuity of the gimmick. But you also had to recognize its lesson, which applies in SoHo as much as it does on Suhkbaatar Square: that the price of a free market is eternal vigilance, and so is the price of a really good cashmere sweater. ♦ ♦

Published in the print edition of the February 1, 1999, issue.

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