ORAL HISTORY COLLECTION, F.I.T.

THE FASHION INDUSTRY LEADERS

ABE COHEN

Founder of Craftex (Gilligan & D'Malley)
Intimate Apparel Manufacturer

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Interviewed by:
Mildred Finger
Craftex, or Gilligan & O'Malley, was started by Abe Cohen, who worked with his father in about 1920 in a small business on the Lower East Side. In 1927, at age 21, Abe Cohen started on his own with little money, little knowledge but much desire to create and run a small business. It went through many changes, particularly during the Depression and in WWII. Sons Jack and Bob entered the business in 1960.

Today the firm specializes in misses' sleepwear with a volume estimated to be in the neighborhood of $30,000,000. It continues to be family run.
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**ORAL HISTORY**

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Q. Mr. Cohen, would you start by telling us about how you grew up, where you grew up, and what your father's business was.

A. Well, my father came from the other side, from Greece....

Q. From Greece!

A. That's right. With three children.

Q. What year about?

A. About 1914. And he got a job on the railroads. I think at the time he was making something like $5 a week.

Q. Was this on the railroads, did you say?

A. The BMT or the IRT at the time. And in the... he wanted to get into something to start making a living, and he started to contract, I think at the time it was slips and panties and things like that.

Q. How did he know how to make slips and panties?

A. He didn't.

Q. He didn't.

A. No.

Q. He just went into the business.

A. He just went into the business and started...

Q. With somebody? Or...I mean, what gave him the...?

A. Well...I mean...A lot of our people were in the business. And he felt he could give it a try. At first he started with two machines...

Q. In what part of New York was that?
A. On the East Side.
Q. On the lower East Side.
A. On the lower East Side. And he started with two machines at home. And then he expanded to five machines and he rented a little store. And as we grew up, we grew up around this atmosphere. And when I was about, oh, thirteen, fourteen....
Q. Excuse me. Where were you born?
A. In Greece.
Q. You were born in Greece. About 1910?
A. 19...1910.
Q. And...I'm sorry. I didn't mean to interrupt.
A. That's quite all right. And at that particular time I was going to school, and doing odd jobs, and finally my father needed somebody to make deliveries and help out, and he gave me a shipment to take to one of the people we worked for, and told me not to fail to get the money, because we needed it to pay our bills and...I mean, we were working from hand to mouth.
Q. In effect, you were contractors, weren't you?
A. Uh huh. So...When I went to this gentleman when I delivered the goods, I told him that my father had insisted I wait for a check, and he got highly insulted and he threw me out of the place. And I had a quarrel with him. When I came back....
Q. Excuse me. About what part of town was this, because one of the interesting things is the location of the industry...
A. On the East Side.

Q. This is still on the East Side, and he was a jobber or a manufacturer.

A. He was a manufacturer that cut up the goods and sent it out to contractors. So, he decided that...When I got back...I got back without the check. But also got an argument from my father, because I came back without the check and I had fought with the contractor, and he felt that he would lose him.

Q. I'm sorry...you mean with the manufacturer...

A. Oh, with the manufacturer. Since I had the fight with the manufacturer, he was afraid that he would lose him, and he hurriedly got up to apologize. Well, this upset me no end, because I felt I wasn't paid, and I felt I was abused. So from that point on, I made it my business to see that, what do you call it? To try to get into business for ourselves, where I wouldn't have to take abuse of that sort. So...

Q. Now, are you talking about the abuse from your father, or from...

A. Well, from both. From both. I was given instructions and I tried to follow the instructions, and I got abuse from people that were supposed to pay me, and I got abuse at home. So... whatever I did was wrong.

Q. And you were 13 years old?

A. That's right.
Q. In, like 1923.
A. So, at that particular time, I made up my mind, that whatever came, I would try to work for myself. So I went to my mother and I asked her if she had any money. And she said what did I need it for? And I told her. And she says, "Do you know what you're doing?" And I said, "No." And she decided...Well, she decided...Well, she had $200, and she'd take a chance.
I went down...Also on the East Side...And at that time there was a jobber named "Gindoff..."
Q. Do you know how to spell it?
A. G-i-n-d-o-f-f...who had a basement store, and he dealt in rags. So for....
Q. You mean clothes.
A. No.
Q. You mean, literally, rags....
A. Literally rags. In other words, what you call...what the mills call "wipers." Where the mill runs a selection of goods; let's say they run, say 100,000 yards of goods, there's pieces that are damaged and all kinds of junk that they throw off. And they pack that in bales and sell it as wipers...to wipe down cars, or whatever. Or wipe down machinery. So, for $200 I got something like three bales of goods. And we had...At that time we had a store on Eldridge Street on the lower East Side. It had a back room. And during that summer I took these three bales--maybe four, I don't know--and I cut each piece individually into panties.
It took me the whole summer, and I practically tore my fingers to the bone, because each one had to be cut, in order to save whatever was...and cut out the bad parts...we had to be cut, in order to save whatever was...and cut out the bad parts...we had to see that we used everything that there was. And as I cut all this stuff up, my father made it in his factory, into bloomers. And we piled them up for the whole summer, and as the season started, we had a couple of jobbers from Allen Street that used to come in every once in a while. One of them took a look in the back room and saw...all these bloomers, and he struck a deal with me. He gave me $5,000 for the lot.

Q. That was a lot of money in those days.
A. Well, it was a lot of money. I mean, everything was labor, everything that was put into it was all labor. And it was the fact that I was able to salvage everything...See, the piece goods I bought for practically nothing because it was useless. Wipers; people had no use for them. Consequently, I salvaged everything that I had there. So, that put us into the...

Q. Now, that $5,000...Did you give most of it to your father?
A. Well, it was used in the business. It became part of the capital of the business.

Q. Because you were not yet a part owner of the business, were you?
Q. Were you going to school?
A. No, I wasn’t part owner of the business. I was going to school, and I became a part owner much later. I mean, that was the furthest thing from my mind at the time. Well, from then on we started manufacturing...contracting and manufacturing.

Q. Now, did you still stay down on the lower East Side?
A. We were still on the lower East Side. But we moved from where we were into a loft.

Q. So instead of a store, you had a loft.
A. Instead of a store we moved into a loft. We were robbed several times in the store, and we felt that it was too dangerous to stay in the store. We went to the loft...

Q. Do you remember what street the loft was on?
A. Orchard Street. 18 Orchard Street. And we kept moving. In the contracting business. And we weren’t doing too badly. At that particular time, I had gotten a call from a dress manufacturer...

Q. About when was this?
A. About... I was about 16 or 17...

Q. That would be about 1927...
A. I was...I got a call from a dress manufacturer who was interested in buying some slips, and I thought nothing of it, and I said,
"Let me try. Let me see what they want." And when I went up there, he told me he had a lot of trouble making slips and dresses, because the slip went under the dress, and it was a lot of trouble for him to make the slips and the dresses. So to coordinate everything together they thought it might be a good idea, if they got a slip manufacturer to make the slips for them. And I said... I took a look at the slip, and I said, "It's a simple thing. I can make whatever you want." Well, at the time, we were selling the jobbers 10 dozen at one time, with one style slip, and it was a simple thing. So he asked me when I could have them, say, within the week. He says, "Fine." I delivered them and he was very pleased, and now he wanted to know if I could make him 500 dozen. I says, "500 dozen? No problem."

Q. He provided you with the fabric, I assume.
A. No.

Q. No? He did not?
A. I had my own fabric. I mean, I took a look at the fabric that he wanted and I had no problem with it So...

Q. So the price he paid you was based on the fabric plus...
A. Plus the labor. I said, "Fine." So I made the 500 dozen for him. And I started to think... If these people could use 500 dozen, there must be other people in the building. So, I
went up to the...It was 520 Eighth Avenue then...

Q. 520 Eighth Avenue?
A. ...Which was the children's wear...the building that manufactured most of the...It was the main building at the time. And I started from the top floor, which I believe...was 28 floors...I started there and worked my way down. At about the 16th floor, I hit one concern that had the entire floor. And I went into them and told someone what I wanted to do, and he laughed. He said, "What do I need you for? I make my own slips; I do my own thing." I said, "Maybe you could make twice as many dresses if I made all of your slips." I says, "I do work for this guy, and I do work for that guy." And he started to think, and he says, "Well, I'll take a shot." So he gave me something like a hundred dozen at the time. The next day I delivered them to him. He looked at them and he was very pleased because he got a professional job, where what he was doing was a botch job, because...I mean, it was a slip to a dress, which to them, was nothing. They just had to give it away, because the dress was sheer, and they had to have a slip for a sheer dress.

Well, he started to give me thousands of dozens.

Q. Explain one thing to me, though. You were able to deliver that quickly...Is it still that you were providing the fabric, and how did you find the fabric that fast?
A. It was a common fabric. I mean, it was a ... Celanese made it at the time. It was...

Q. And you could get delivery that quickly.

A. You could get delivery quickly, and... Well, you see, the reason that I was able to make them to satisfy them was because I was buying the fabric from the mill, and these people at 520 Eighth Avenue--any place around here--the rentals on the space were very expensive. I mean, comparatively speaking, the rental on the space was very expensive, and they needed that space for manufacturing, or cutting, or whatever it is, and they couldn't order cases and cases of goods. So, if they needed 10 dozen of a color, they would call up the jobber, and he would deliver enough goods for 10 dozen, or whatever they needed in that particular color. And they would pay a premium, for piece goods. Well, if I made that premium alone, I would make a terrific profit. And it wound up, I made the premium I made the profit on the goods, and it was a good setup all around. It was a good setup for them and a good setup for me. In fact, at that particular time, I wound up selling them the piece goods that they needed for things that they couldn't manufacture. You understand? In other words they needed, for different parts of their garment, they needed some of this piece goods, and I was able to supply it to them. Of course, I used to buy it in caseload lots, and they bought it in... What you call
it? When they bought it, they bought it as they needed. In other words, if they needed enough goods for 10 dozen, they bought goods for 10 dozen so that they wouldn't have anything left over. To store. They didn't have storage space. There was no...That was the one thing that they were very adamant about. They didn't have space for anything. In other words, they needed every inch of space for manufacturing, and getting the goods out as fast as possible. So, I was really...good for them.

Well, we continued that way for quite some time, and then I expanded into making the same items for ladies. In other words, ladies were wearing sheer dresses at the time, and I was making the slips for the sheer dresses. The, all of that...sheers went out, and all of that petered out, and we went back to making slips for the trade.

Q. For the retail trade?
A. For the retail...for the jobbing trade. The jobbing trade or the retail trade.

Q. The jobbing trade means...Manufacturers who would ultimately sell to stores. which you never did, up until that point.
A. No, I didn't...Well, I didn't well...I didn't sell any of the large stores. I sold just to the retailers that would come in, or the jobbers that were on the East Side at the time. Then the boys started coming into the business...
Q. I'm sorry. Let's get back a little bit in time here. You continued to work with your father, all through this period. Is that right?
A. Yes. I continued...All through this period I was working for my father. And he owned the business at the time. I mean, he had the...
Q. And it was called?
A. It was called B. Cohen, see. Then we started...
Q. Were you the only son in the business?
A. At that particular time I was the only son. I was the only son in the business. Then my brother came...was doing nothing and he wanted to come in, but it was not for the...He wasn't interested in the business. So about 1940...
Q. You would have been 30 years old...
A. Yeah. I...My father died and my mother didn't want to continue in the business unless my brother was a partner. So I said under no circumstances would I...He was not interested in the business, and just to take a partner who wasn't interested, wouldn't help me at all. So I would have the burden of a brother and a business. So I said, "No."
Q. Now, let's take stock...In 1940...This is before the second World War. And you were running a business which was located...?
A. At that time it was located at 18 Orchard Street.
Q. Still on Orchard Street?
A. That's right.

Q. And the name of the business was B. Cohen; you were working mostly as a contractor?

A. No. We were working as manufacturers at that time.

Q. At that point you were working as manufacturers.

A. That's right.

Q. Selling to jobbers.

A. We were selling to jobbers.

Q. Yes. Right. In terms of the size of the business... About how much volume did you do?

A. Very little. I mean, maybe a couple of hundred thousand.

Q. Uh huh. And how many people were employed there?

A. Well, we had about, maybe, 20-25 people.

Q. Which included all who did the sewing and the cutting and the shipping and the selling and everything.

A. Everything. Right.

Q. So it was still a small...

A. It was a small business.

Q. A totally family owned business. Yeah. And you had not yet... At that point you were still not selling big stores.

A. No.

Q. Or stores outside the area.

A. No.

Q. I just wanted to get a picture of what it is, because, obviously,
after that time, I assume that you began to grow.

A. That's right.

Q. Up until then, had you had any relationship with the union? Were you at all involved with the ILGWU? Or...

A. No. At that point we were not involved with any union.
   And we were too small a place first of all for them to even bother with.

Q. Right.

A. Well, I would imagine that around '33, '34, '35, that they were active in the area, and everybody started to become unionized.
   But we were, what do you call it? We were too small for them to bother with.

Q. Right. Right. And as far as products were concerned, you were still making full slips? Panties?

A. We were making full slips, panties, slips and panties.

Q. Were they wearing half slips yet?

A. No, not half slips...

Q. Half slips hadn't come...Okay. And. So. Selling you did yourself...

A. I practically did almost everything myself. The bad times had taught me to be very careful of...

Q. You're talking about the Depression years...?

A. Yeah. I'm talking about the Depression years; it was difficult to exist. So most of the jobs I did myself. In fact, we took
two floors at 18 Orchard Street, and it was very, very difficult operating two floors, and with one person operating two floors it was almost impossible. So at the particular point my mother said she wanted her...whatever...it couldn't be a family business; she didn't want to stay in it.

Q. What had she been doing in the business?
A. Well, she had been working in the business...

Q. Sewing?
A. Sewing...She had been working, she had been sewing...Well, I shouldn't say that. By 1940, she had been out already. I mean, she'd become a housewife. But prior to that, she... in her earlier years, she had been working there. But at that time I think the business was worth something like $30-40,000, and she wanted her money...

Q. When you say worth...you mean capital?
A. The net worth. The capital worth.

Q. And she wanted her money, and since my brother wasn't going to be in the business, and it wasn't going to be a family business, she wanted out. So I agreed to pay her out.

Q. You mentioned Celanese earlier, so I assumed you were buying from Celanese...And they were making what? Rayon?
A. We were buying fabric that Celanese made...I've forgotten the name of the concern that we...rayons we were making.

We were making....
Q. All rayons. Okay.
A. We were making...I've forgot the name of the concern that
we were buying the fabric from, but it was a Celanese product.
And...I've forgotten the name, it was so long ago.
Q. Yes, I know.
A. Yeah. But, I know that we were buying from them for a good
many years, and we enjoyed a good relationship with them.
Q. And it was still rayon.
A. That's right.
Q. And...Now, we've reached 1940.
A. Yeah. In 1940, just about when the war broke out, we were
unable to get materials, and the only way we could get it
is through the black market. And that was frightening because
we couldn't deal that way. And my father said to me at one
time—I think you'll find this very interesting—I had bought
some thread from one of the people we sold goods to—and the
thread was selling for something like 40¢ a ....
Q. A what?
A. A cone. It was selling at 40¢ a cone and this guy offered it
to me at 10¢ a cone. He was a jobber manufacturer on the East
Side, and it was something like 100 cone for $10...And I tried
it on the machine; it worked perfectly; everything was fine.
So I brought this over to my father, and I said, "Look how much
money I saved." He said, "How'd you save it?" I says. "Well,
instead of buying these goods from the thread people for 40¢ a cone, here's a guy who's selling it to me for 10¢." He says to me. "You know what you're doing? Do you need more?" I said, "Do I need more?" He says, "Do you know what you're doing? Go back to this fellow and ask him how he can sell it to me for 10¢ when it costs 40¢." So I said, All "right." So I went back and I asked the question, and he says, "Don't you know? It's swag."

Q. It's what?
A. Swag.

Q. Swag. Meaning stolen?
A. So I went back and I told my father. He says, "Where have you got the hundred cones? Whatever's left of it?" And I showed him. He says to me, "You take it and you throw it in the garbage." I said, "What do you mean?" He says, "Do what I tell you." I says, "Why?" He says, "That's to teach you a lesson. You don't buy stolen goods. Somebody worked very hard to make that, and here you are buying stolen goods." Now, I want to tell you, we needed that money to put bread on the table. But in order to teach me a lesson... Now, this happened over 50 years ago. In order to teach me a lesson, he was willing to throw away $30. And that lesson stuck to this day.

Q. So when the black market arrived.
A. When the black market arrived, I was at a loss. What do I do? I struggled. And struggled. And I couldn't make ends meet.
I couldn't buy on the black market, because it already went against my grain. And I couldn't function. There was no way that I could function. But then, I had learned something when I went to... When I had made those slips. That perseverance pays. So I started to make the rounds of Worth Street. I went into every converter, every mill on the street at least once a week. Every one of them. Cone Mills, Winston Fabrics... There isn't a one that I missed.

Q. And they were all on the lower East Side.

A. Yes. All on the lower East Side. There wasn't a one that I missed. And I went in... You know what it feels like trudging all day long from one man to another to another, and being told "No, we have nothing for you, and nothing for you and stop bothering us." Finally I stopped over at "Cone Mills,"....

Q. C-o-n-e Mills?

A. Yes. I stopped over at Cone Mills... The man felt sorry for me. He says, "I don't know how to get rid of you." I said, "Give me some goods." And he says, "Yeah, but you'll be back next week." And I said, "What do you want me to do?" And he said, "Let me see what I can do." And he said, "Let me see what I can do." He goes upstairs to his boss, and he wangled a case of seconds, which was striped... flannel stripes... if you know, the old fashioned... You're too young to know...
Q. I'm not so sure. You're talking about a striped cotton flannel.
A. A striped cotton flannel, but not a striped-stripe--This was the ugliest thing...That's what they used to sell at the time. A striped cotton flannel. It was the ugliest thing that you ever saw. I mean, you wouldn't use it for any ... I can't imagine a use for it. But, at that time, that's what they made. Flannel gowns, in stripes, that were obnoxious! He got me one case. Well. I took the case and made garments out of it.

Q. About how many yards did a case represent?
A. Oh, about 3,000 Yards I believe.
Q. Well, that's a lot. Were the pieces 60 or 50 yards per piece?
A. Yeah. Well, regular...He got me one case of seconds or whatever it was. I mean...
Q. About 3,000 yards.
A. Yeah. And I made up about 80-90 dozen gowns out of it. At that time, a store from Boston....It was either Filene's or...There were two stores, two large stores in Boston.
Q. Jordan Marsh?
A. It might have been...Either Filene's or Jordan Marsh...And one of them had like a satellite store across the street. And this fellow from the main store came in and wanted to buy them... And I said, "I'll tell you what you do. I'll give you this 80 dozen that I have if you'll put a full page ad in the paper...If you'll give me

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a full page ad in the paper, I'll give you the 80 dozen,"
and....the price was very reasonable.

Q. 80 dozen is 96 pieces, and how much did you sell each piece for?
A. It's 960 pieces.

Q. I'm sorry. Right 960 pieces. And how much did you...?
A. I don't remember the price of it at the time, but it was...
I would say, if the garmest sold for $2, you couldn't buy it
for $10 at the time because of the scarcity. So....

Q. And you wanted him to put the ad in with you name, I assume.
A. With my name, and with Cone's name. And he says, "No. I
can't do it." And I said, "Why not?" He says, "Well, the ad
costs so much, and 80 dozen, at that price, would walk out of
the stores, and we'd have to disappoint a lot of customers. And
there's no point in advertising something that you can't repeat
on anyway. So what the hell's the..." So I said, "Fine."
He walks out, and this other store walks in. so he says to me,
"You got anything for me?" I gave him the same story. He said,
"I'd be glad to do it for you." Fine. I shipped him the goods.
True to his word, he comes back with the ad, a full page ad in one
of the main papers in Boston.

Q. Boston?
A. Boston. And with that, I don't go to Cone Mills empty-handed;
I go with something in my hand. I go there and I show it to him.
He shows it to his boss, and this that and the other.....
Q. Very exciting.
A. With that, he gives me ten cases, and I was in business. But meanwhile, I still kept on my rounds, throughout the, what do you call it, throughout the....
Q. The mills?
A. The mills. In the area.
Q. Incidentally, how long had you been selling to department stores at that point?
A. At that point I had just about started. I had just about started, but at that point there was no effort to sell to department stores, because they were all coming in to see you. And they were doing the same thing that I was doing. They were scrounging around, finding anything that they could pick up, understand? So, at that point... Now I had a resource that was giving me goods. So, as I manufactured the goods, I wouldn't sell anybody unless they advertised. And the more I advertised, the more goods I got. And the more goods I got, the more I advertised. Now, with that, I started getting crepes from Windsor - Windsor Mills...I don't know if you...
Q. W-i-n-d-s-o-r...Yes, I do.
A. Well, I started getting big allotments from them. And before you know it, this thing started to snowball.
Q. So now you are really in business...
A. Now it was really...I was really doing a land office business...
Just....I was giving allotments to every store that would advertise
goods on top of goods, and I just...I was getting enough goods, all the goods that I could manufacture.

Q. At this point, the name of the company was still B. Cohen?
A. No. At this point...We had started to change it to Craftex.

Q. In this period. In the early forties.
A. That's right. We had stared to...We had changed it to "Craftex," and we started doing business as Craftex. Now, when the boys came in....

Q. Well, but the boys came in much later, because you were still pretty young at the time...
A. Yeah....

Q. So let's talk a little bit more about this period when you were growing. You were still making just slips and panties?
A. No. Then we started making nightgowns and pajamas.

Q. And this was all during the war period, and maybe post-war.
A. That's right war and post-war.

Q. Right. Right. And you were still located on the lower East Side?
A. We were located...But we had moved from 18 Orchard to 54 Canal Street. We took a loft at 54 Canal Street.

Q. And the stores came down to you, down there. Stores like...
A. No. We had...At that time we had opened up an office in the Empire State building....

Q. Ah!

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A. See.

Q. So that's where the buyers were coming....

A. The buyers were coming to the Empire State building.

Q. So that you had something of a staff, even a small staff....

A. Well, at the time you didn't need a staff. We had a sales girl in the office, and she was instructed to take the buyers out to lunch, and sell them whatever we had in...What do you call it? Whatever allotment we had, to give it to them. And that was it. We had a list of stores, and the production that we had, and we had no....There was no effort to sell.....

Q. Because people just...

A. People just came to buy; all they would say was, "What are you going to give me this month?"

Q. And there was no such thought as having a designer. You didn't need a designer.

A. We didn't need anything at that particular time.

Q. You just needed goods that you could cut up and sell.

A. Right. So, from that point on, the boys had started to come in. Jack...You know my son, Jack...

Q. No. I haven't met him. No. I hope to meet them sometime. What year, now. Because you were still pretty young at that time.

A. Yeah...Well, Jack came in, let's see...Jack must've come in about 23 years ago. Let's see. He's 48 now. He must've come in in his middle twenties.
Q. So you had gotten married pretty young.
A. I got married when I was 20.

Q. And you were married young, and you had your family young, too.
And they...Did they begin to come into the business they way
you had done, on weekends and vacations and...

A. Yeah. Well, Jack came in the business at one time, and he....
I'll never forget this. When I paid him at the end of the week,
it was...I think I had given him $10 a day at that time, and he
says to me, "You know, (And this is in front of all the help,
and now I had, maybe 60-70 in help)...." He came in to me, and
he says to me, "Dad, you pay coolie wages."

Q. This is about 1959.
A. Yeah. I said to him, "Look. That's what I pay, for what I think
you've done. I think I've paid you well for what you've done."
He says, "I can get a better job." "Go out and get a better job."
It worked out," he comes in (and we were living in Great Neck at the
time). He comes in and he got a job for a drugstore--in Great
Neck--and I think he made for the first week, tips and all,
something like $50. And I said, "See."

Q. How much had you paid him?
A. At that time I gave him $10 a day.

Q. Oh. That's right. Maybe it was $20. I don't know. But whatever
it was, it was insufficient for his needs. And he went out and
got a job for $50. I says, "Fine. If that's what you want to
do all your life; if you want to work for somebody. They'll probably give you another $5. If you're very good, maybe $10. But when you work for yourself, the sky is the limit. You can make as much as you can reach for." At the time he couldn't understand it. He wanted to feel the dollar in his hand. I said, "Well, it's time you learned." So he stayed at that job for a number of ... Maybe a year or so. And finally he comes back and he says, "I want to work for you, Dad." I said...

"Whatever you earn, that's what you're going to get. I don't ... I'm not mincing any words. You put your back to it, you'll make money. And if you don't put your back to it, you're not going to make it." And that's how the boys came in. Bob came in after Jack.

Q. You have two sons.
A. Yeah.

Q. And what were they doing when they first came, and....
A. Well, they were going to college. And, I had hoped that they would become accountants, doctors, lawyers--whatever. But Jack loved the business. He loved selling. Nothing to him that could beat selling. Mingling with people and entertaining them...

He just loved selling. So, he just wanted...that part of the business. And from that point on, he started selling all of the department stores. Bob came in a couple of years later, and he worked on the inside, and Jack worked on the outside, and they were
struggling, trying to make a place for themselves. And they did.

Q. Now, is Bob in production or administration?
A. ...Well, Bob was of the same opinion. I mean, he felt that he wanted to come into the business...

Q. And he handles administration and...

A. He handles administration. And both boys have put this business on its proper track.

Q. Now, in this period between, say, 1959 and the early '60s-- which is when both boys came in -- The business had its showroom at the Empire State building?

A. The building had its showroom at the Empire State building and when the boys came in, they felt we should be Madison Avenue, and...Well, they felt...No. At the time we were making children's sleepwear, and we moved to 130 W. 34th Street.

Q. You were making children's sleepwear. Were your slips also for children?

A. At the time, no. We were making baby dolls (short nightgown) and panties and things like that. So, at the time we...Yeah. That's what it was. We were making children's sleepwear, panties and...

Q. And that was the showroom. What about production?

A. Production was down...We had moved the factory from 54 Canal Street to Lafayette Street. I don't recall...400 Lafayette, I believe that it was. We moved to a large loft down there,
and we started manufacturing on Canal Street. Well, as went along...

Q. About how much volume was the firm doing at that point?
A. Well, I would say a couple of million.
Q. A couple of million.
A. Yeah. We were doing pretty well at the time. And finally we decided that we wanted to move down South, and I called the boys in and I told them, "Look. I have to put in a tremendous investment into this business, if we do move down South"

Q. Excuse me. At this point, had you ever been unionized?
A. We had a union.
Q. You did.
A. But, you couldn't compete in New York. I mean, it was almost impossible to compete with the out of town manufacturers, and the only way to compete with them is to emulate them. And that's what we did. Yes. It was 1960, and I decided to go down South, and...

Q. And Bob was in the business by then.
A. By the, Bob was in the business. I mean, he had indicated...I mean, both of them had indicated that that's what they wanted to do. They didn't want to become doctors; they didn't want to become accountants. They wanted this business. And looking back at it, they've been very doing what they wanted to do. They like what they do. See. So, it worked out very well.
Well, we went down South and we built a plant of over 50,000 sq. ft.

Q. In what town?
A. Latta. South Carolina.

Q. Latta. How do you spell that?
A. L-a-t-t-a. And I spent a year and half down there...

Q. Did you.
A. Yeah.

Q. Setting it up.
A. At the plant. Setting it up. And then Bob came down, and he says, "Dad, I want you to go back. I want you to let me run the plant. Because if I don't run it, and I don't make my own mistakes, I'll never know, I'll never be able to run this plant. I'll never be able to feel myself." I said, "Fine. You run the plant and I go back." And that's exactly what happened. He was down there for a year and a half, and finally pulled together a team of people that were able to run the plant. And he came back here, and he organized everything that you see here.

Q. Now, at what point did you begin to expand the number of styles that you make? Because now you make, in addition to all the day wear, you make robes and....

A. No.

Q. No?
A. We kept changing. Now, during the sixties, we had...When
I took the plant down South, our...We had a fire at the
Broome Street location. We actually didn't have a fire. We
had water damage. In other words, someone else had the fire,
and water damage came down. And at the time, we made a settlement
that was very...That didn't cover our losses. I was very
unhappy with our insurance agent. So, on top of not covering
our losses, he came in and he wanted a 10% commission, for
getting us the settlement. Which I understand...I later learned
that that's a practice that some insurance agents...I mean, it's
permissible. But, at the same time, in order to keep your business,
most insurance agencies don't take that. I mean, they don't
press for it. So, I was very unhappy with him. And my son had
a school chum whose father died, who was in the insurance business.
He asked me if I would consider....

Q. Consider switching?
A. Switching. So I said; "Well, maybe I should get a younger man."
So I interviewed him. He went over my policies. And he said,
"I see there's one thing you haven't got here, and I want you to
take it." I said, "What is it?" He says, "Liability insurance,"
I says, "What the hell...? What do I need liability insurance
for? Who's gonna get hurt in a nightgown? I've been making them
for 50 years. Who's gonna get hurt?" He says, "Well, before I
take the account I insist on it." I said, "How much does it cost?" It was $250 for a half million or three quarters of a million dollars worth of insurance. "But at least you're covered." So I said, "Well, you're the insurance agent. You tell me I need it. $250...I'll take it." Three months had past, some kid out in...Where's Meier & Frank?

Q. Oregon. Portland, Oregon.

A. Some kid in Portland, Oregon was near a stove, and burns up in the nightgown. Now, the nightgown was totally destroyed. Well...

How'd they get our name? A neighbor walks into the house, and she says, "Do you remember what the nightgown looks like?" So ... They go to the department store, and they pick out a nightgown with our name on it. Now, there's no guarantee that it was ours, and there's no guarantee that it wasn't ours. But there was a nightgown, and there was our name on it. And whether the lawyer told them to pick out a nightgown, or whatever it was... Whatever the thing was, we became involved. Before you know it, a suit was brought against us. I think the suit was $350,000. I'm not sure. It might have been half a million.

Q. Do you remember the year?

A. It was around '62, '63. And now, I've got three quarters of a million dollar suit. And not only do they sue me, but they sue the people that supplied the lace; the people that supplied the material; the people who supplied everything. So they had

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a conglomeration of defendants. So...Now this policy came in very handy. Not that we were liable, but the fact that...If you saw those briefs...They were this big. And every month we'd get another pile of them that big. Well, who the hell can read through them? Who can understand them? Who could know what the hell was transpiring? Meanwhile, they're bothering the hell out of you. So, what we did was take the depositions over to the lawyer and send them to the insurance agent, and he would forward them wherever...And meanwhile, we were covered. Now, this went on for about two or three years, and before you know it, we get a rash of lawsuits. We had at one time almost eight of them.

Q. Always on children's wear? You were making, still, children's wear.

A. Always on...We were making children's wear. So, now, the government came along with, what do you call it?

Q. The laws on flammability?

A. On flammability. So I said to Bob, "Look, Bob, there's no way that this concern can keep up with the paper work on what we're doing. There's no way that we can do this." "Oh," he says, "Everybody's...Other people don't go out of business. They don't give up everything. They're going to do what the government says." I said, "Bob, you can't keep up with it. What they're asking is almost impossible." I mean, not almost impossible;
I would say impossible. And I said, "You're going to be struck with a lawsuit where you're going to be liable, because you can't...

First of all, you don't have enough room to keep the records that they want. In other words, from every cut, everything that you do, they want a sample. And I don't know how the hell you're going to keep all those records. First of all, we don't have the people. We don't have the where withal. We don't know how." No, he insisted that we stay in the business.

And we did, for another year. And then he began to realize that this was an impossible situation. And the proof of the pudding was that, I believe, in the early seventies, the government approved Tris and since the manufacturers were hungry to have a material that's approved, they all went out and bought Tris, and made garments of Tris. Now, it's government approved. All the stores bought it. And everything was fine. Until they found out that Tris was....

Q. Carcinogenic.

A. Carcinogenic. Now. The government didn't stand behind it. The manufacturer had to eat it. The mills wouldn't take back the goods. And the government wouldn't force the mills to take back the goods. So, all those manufacturers were hung, and many of them went out of business. Many of them ate what they had to eat... In fact, I know of one party that sold... had Tris garments under the table, and when somebody came up for a closeout, he
sold them. Months later, they went back looking for the party that they sold them to, to try to buy those garments back. Because somehow or other... They were investigated or something. I don't know. But I know they tried to recover the garments that they had sold, illegally. So, that's how we gave up... I believe at the time we gave up... I believe at the time we gave up, we were doing about $4-5 million in children's wear. And we gave up that entire section of the business. And went strictly into ladies' wear.

Q. That's very interesting. Really very interesting So, you were able to make the transition. Dealing with different buyers...

A. It meant giving up a good portion of our business. About 60% of our business...

Q. Because, you were already doing some business with...

A. We were doing some business...

Q. in Misses departments?

A. That's right. That's when we introduced the Mr. Jack Line...

Q. Miss...?

A. Mr. Jack. That was... At that particular time we were foremost in the... what do you call it? In the junior wear. We started making junior robes, and specializing only in junior robes and junior nightwear. And from there we expanded into the...

Q. That was in the early seventies or mid-seventies?
A. That was in the late sixties and early seventies. And then, about six or seven years ago, we introduced the Gilligan & O'Malley line.

Q. Which, today, I gather represents....

A. Well, it really represents all of the business. Today. We make two lines. We make an R. Michael Allen line and we make...

Q. I'm sorry. That's...?

A. R. Michael Allen....

Q. I see. Juniors?

A. It's....Which is a junior line. And we make the Gilligan & O'Malley line.

Q. Which is Misses.

A. That's right. But now we combine them both.

Q. But it did mean that where you had been selling to children's departments in stores.

A. We discontinued that entirely.

Q. You discontinued that entirely. So you really rebuilt to get to the point where you are today.

A. That's right.

Q. You're entirely in the Misses area.

A. We couldn't help ourselves. It meant that the government had destroyed the children's wear manufacturing. I don't believe
...Well, you can see from the price of what children's wear is today. I mean, they had to charge all kinds of money to offset what the government had done.

Q. Now, Gilligan...Approximately...I know you're a private company, and I'm not asking you your volume, exactly, but give me a ball park figure of where your volume is today.
A. Oh, between $24 and $30 million.

Q. Okay. Now, when you started this business...Or, when you went into business with your father, all those years ago, going into business meant, in today's terms, a very small investment. Right? A couple of hundred dollars. And then over the years, how did you finance the business?
A. Well, at the time...At the time I had gone to many firms to try to make loans...

Q. Those were the days when you had co-signers for bank loans?
A. Well, I never used a co-signer. What I'm saying is, I tried to raise money... In fact, at the time I paid my mother off, I couldn't...

Q. When the net worth of the business was about $35,000....
A. Yeah. Most of the money was tied up in inventory, so...they were afraid I couldn't meet the payments. And what I actually did...I couldn't borrow anything privately, and with the kind of collateral that I had, I couldn't imagine the bank loaning
me money. But, I took a chance and went to the bank and they said they'd be glad to lend me...

Q. Now, this was about 1940?
A. Yeah.

Q. Which bank was it?
A. It was Public Nation Bank...I think Banker's Trust...one of the big banks took them over. But Public National Bank...
I'll never forget that because I was desperate for money at the time, and everybody turned me down. But when I went into the bank, they said, "You've been with us so many years, we'll lend it..." And the same is true today...

Q. The only people who work with factors are fabric firms. Is that right?
A. No. They get people like us also, who work with factors. But we never did. We always financed our own accounts receivable.

Q. Right. So, even today, you still work with banks and...
A. Oh, yeah.

Q. ....and bank credit where you need it. Let me just see...
Today, how many people do you employ, today. Approximately?
A. I would say about 300.

Q. And does that include...
A. That just includes the plant. Contractors are separate.

Q. Now you work with contractors. Do you still have the plant in
Carolina? So... The 300 includes the ones who work in the plant ... sales help; the people who work in bookkeeping, and so forth.

A. Yeah.

Q. Do you have design rooms today?

A. I have design rooms.

Q. In the early days, remember, you said you didn't have any design rooms. When did you start having a designer?

A. Well, it was about... in the late fifties, early sixties. When the boys came into the business. See, prior to that, I didn't intend to expand. I had no incentive to move ahead. The boys are different. At that particular time, I had done all my struggling, and I felt I didn't want to gamble anymore. I had just had it. But the boys are different.

Q. They wanted to expand...

A. They want the whole world. And no matter how big you get, they want more. And it's their world. Let them have it.

Q. Do you expect grandchildren in this business?

A. I don't think so. I don't know.

Q. Because the question always comes up about what happens to a firm; what the succession will be. And in your case, you have two sons to take over for you. So the business has remained in private hands. And the question will then be, again, what happens to the next generation. You don't know?
A. At this point, I just don't know. I mean, I have grandchildren. They're going to school now. One is 16, one is 14, another is 13.

Q. And it's no longer the way it was when you were so young and married so young and had children so young.

A. Well, you see, at the time that we were that young, going out to search for a piece of bread was the main item. Today, these kids have already had...They're almost through with high school. They're looking forward to going to college. They're not looking for a piece of bread; they have the piece of bread. I mean, they have everything that their heart desires. So, if they'll want a business like this--who knows?

Q. How would you feel about...If young people came to you--not relatives--but let's say, students, came to you and wanted to know what you thought of this kind of business for the future what would your advice be? How do you get into this sort of business?

A. To tell you the truth: I wouldn't know. I wouldn't know.

Q. Well, how did you get your designer, for example?

A. How...? I think we got him through F.I.T. We...I think we used F.I.T. several times. In the last 20 years, I think we've used them several times.
Q. And...Now, there are some other questions that I really want to know about. But maybe I should be discussing them with one or the other of your sons. Like today's store relationships, as contrasted with store relationships of 25 years ago. Now, you must know about the early store relationships.

A. Well, we had no...We didn't sell stores at the...

Q. Until when? When did that really start?

A. In the forties.

Q. And did you yourself get to know those people?

A. Yes. I can't remember but...I had some contract with them, but really, I was running a small business, and I was more or less inside the factory, and the sales office was run by strangers. So...

Q. When you say "strangers,..."

A. Outside people. I mean, by people I hired.

Q. Right. So that you did not really have much time...

A. I didn't have much time...contact with the stores. But today, it's a different story. The boys have close contact, with every major store in the country. There isn't a major store in the country that they don't have a very, very close relationship with.

Q. Yes. Because the name of the firm is in Women's Wear Daily and so on, all the time, so, obviously there has been a lot
of recognition.

A. Oh, well....There's recognition through the major suppliers. Which is very, very important. Almost important, I would say, as the stores.

Q. When you say major suppliers, whom do you mean?

A. Well, I would say Celanese. I would say...

Q. Burlington, DuPont...

A. Burlington, DuPont...Everybody. I mean, they respect what this concern has done. The respect the relationship that the stores have with this concern. The stores respect what we're doing; otherwise they wouldn't commit the way they do to us. I mean...In other words, the stores could come in, on our say so, and buy more or less blindfolded.

Q. Tell me...Many of the lingerie firms show 3-5 times a year. Do you know what your pattern is of showings? Is that something that you've been involved with, or shall I talk to Bob and Jack about that?

A. They're more knowledgeable. I mean, they know the changes; they know exactly...I don't get involved in.

Q. Well, this has been enormously interesting. Because you have really such a sense of the history of the business, and it's really that which, you know, we don't want to fade out without it being recorded. So I thank you very much...

Tell me something just as our final subject: Have you ever been
interested in being acquired by another company? Or merging with another company?

A. Not at all.

Q. As far as you're concerned, this is... an entrepreneurial business, and that's how you like it?

A. That's right.

Q. And that's how you want to stay.

A. Now, I can't speak for the boys. I can only speak for myself.

Q. Okay. Right.

.....The End.....