ORAL HISTORY PROJECT OF THE FASHION INDUSTRIES

FASHION INSTITUTE OF TECHNOLOGY

ERICH KREISEL
PRESIDENT AND CO-FOUNDER
COLONY DESIGN, INC.

THE FASHION INDUSTRY LEADERS

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INTERVIEWED BY
Mildred Finger
Erich and Alice Kreisel, founders of Colony Design, Inc., represent a small but very significant segment of the accessories market. European trained, Erich Kreisel is the technical and creative member of the team, whose principal product is belts. Having started business as suppliers of belts for ready-to-wear manufacturers, they became producers of belts for retail stores. Their first venture into licensing was with Jacques Fath, whose belts were their entry into the retail world.

Today Colony Design manufactures, under license, belts for four major European designers as well as belts designed by Erich Kreisel under the Colony name. Their small, prestigious, high quality business will continue under their management. There are no plans for change of management now or at any time in the foreseeable future.
Born in Berlin in 1907. Berlin was the center of the apparel industry. Apprenticed to dress manufacture to learn the business; became piece goods buyer until 1930, then became a belt buyer. In 1932, started a belt business still in Berlin. For several years, made several trips to Paris to buy models at couture houses.

In 1938, left Berlin for Paris then went to U.S. in August 1938. Married Alice in January '39 and set up a small belt business in N.Y., working strictly as a supplier for the Seventh Avenue garment manufacturers.

Started own business manufacturing; licensing for the first time with Jacques Fath and later for St. Laurent. At same time made own collection for Sale a "Colonies Design." Description of development of belt collection.

Putting together a belt collection and attempting a jewelry collection for Yves St. Laurent.

Story of St. Laurent scarf collection made by Abraham of Zurich. Sublicense lasted until 1980.

Division of functions between Alice and Erich Kreisel. Role of union: ILGWU

No plans for succession

Advice to young people. Importance of creativity. Sources of materials for fabrications. Status of labor to supply better merchandise.
Q: Erich, could we start off with your own personal story—where you were born, when you were born?

A: I was born February 20, 1907 in Berlin, Germany. I went to what was called here Junior High School—High School; in Germany it's called Gymnasium, which is actually the end of High School and the beginning of the college. It's a combina...It's slightly differently arranged here. And from there...

Q: Excuse me...Before we get there...What did your father do?

A: My father and my mother had, in the beginning, a very small dress business which, if I remember correctly—I didn't know it at that time—was more or less a contracting business, but they then went into business for themselves and had a fairly substantial dress business, about which I might tell you later.

I went to University of Berlin with the goal of becoming a lawyer. It was...My mother wanted her oldest son to be a doctor, which at that time was very usual and...

Q: How many children were you?

A: Three. I studied at the University of Berlin for about I would say four semesters, at which time the financial situation of my parents became very, very critical, and one day, without the knowledge of my parents, I went to one of the biggest dress firms in Berlin and was hired as an apprentice.

Q: What did you do as an apprentice?

A: I was...It's a very peculiar story. I was put into the
department of the purchase of piece goods first. No...First I was in the bookkeeping department for about three or four months, and then I was put into the department for the purchasing of goods. And after I was there for three or four months, the piece goods buyer, for criminal reasons, was fired.

Q: For criminal reasons.
A: Uh huh. Whereupon my boss told me, "I'm going to do purchasing myself, and you're going to be my assistant, but still an apprentice." I then, for quite a while...

Q: About how old were you then?
A: Twenty-two...He then hired a new piece goods buyer, whom he fired after three or four months. My boss was a very volatile man. And this piece goods buyer offered me....He went into business for himself, in the dress business, and offered me a job, not as an apprentice, but as a piece goods buyer, which I took. That means my whole apprenticeship was less than a year. And I....Then, after....for a reason that I can't remember (It's too long ago; it's 60 years ago. I cannot remember all these things.), I got a piece goods buyer job in a very, very distinguished, very high priced women's clothing firm, and as an independent piece goods buyer. I'll tell you a little story that you can later erase. At Christmas time there arrived from this piece goods manufacturer a box the size of this thing there...

Q: And that means a very large box...
A: Little box...Twenty-five three meter cuts of piece goods of men's clothing, even though we were into women's, as a Christmas gift to me. Remembering the big uproar at previous firms, I went to my boss and
said, "Look, this what has happened. What do I do? Send it back or keep it?" He said, "Ah, you give me a few pieces, you keep a few pieces, and..." To make a long story short, I became...I was elevated to some sort of position, I don't know what it was, but I went there and I stayed there for quite a number of years, and in about 1930, I would say, they saw coming, what was on the horizon; closed up the business and went to England. And I had a friend who was selling rhinestone jewelry to the garment industry. Now, for you to understand that, I must tell you that at that time, until Hitler came to power, Berlin was, for the European ready-to-wear, what New York was here. There was no other ready-to-wear in Europe, including France. So the ready-to-wear industry in Berlin was a rather substantial enterprise. Now, this friend of mine sold only rhinestone buttons and pins and other metal things only to garment industry, and he gave me a job as a salesman.

Q: Did he import all of his rhinestones?
A: He imported from Czechoslovakia, what is today Gablonz. At that time Gablonz was the one resource in the world where you could buy rhinestones.

Q: Would you spell that?
A: At that time it was spelled G-a-b-l-o-n-z. The Czech name today doesn't really matter, because this whole thing has moved to Sorosky in Austria now. So...Anyhow, I became a salesman, and I didn't make enough money. And I went to the city employment agency and told them that I would like to have...

Q: This was in London.
A: No. This was still in Berlin.

Q: Oh, I'm sorry. Still in Berlin. Okay.

A: And I said, "I need another job as a salesman," and so forth. And while I was talking to the man, he took off the phone--answered the phone--and said to the man, "I don't have anybody right now who is an expert in belts, but as soon as I have somebody I'll let you know."

And I have the rather unimportant talent of reading backwards just as fast and good as I can read forwards, and I started to read, and I went there, without recommendation. To make a long story short, the man was a Hungarian. Refugee....

Q: Hungarian?

A: Yeah. To Berlin. And in the morning they took the furniture out of their bedroom and put it on the staircase and made belts in their bedroom. This was my introduction into the belt business. My biggest customer became, after a while, a firm that was owned by one of the biggest department store concerns in Germany then, which is different here. It's just as if Macy's would have its own dress factory. And my boss at that time, unfortunately, turned out to be paranoid and schizophrenic; a seriously ill man. And at one difference of price or so, went at me with a knife or something like that, and this man was put into the hospital. The widow...not widow...wife asked me if I wouldn't stay on while he was away in prison, which I did. But the designer of this department store-dress factory had a sister, and to make a long story short, when the man came back from the hospital, I left, of course, and I went into business with a lady who had done nothing else before but be a bookkeeper for butter and cheese
wholesaler. . . or whatever you want to call it.

Q: Having nothing to do with the industry.

A: No. Neither had I, with the exception that I had been for two years a salesman in the belt business. So I went into the belt business. Which....that was 1932.

Q: So you've been making belts for 50 years.

A: Yeah. But I made belts strictly for the garment industry, because that's where all my contacts were, and so forth. And then when Hitler came to power, my own foreman was a storm trooper and came to work in a brown uniform. But most of my customers had by then already emigrated to England and started their ready-to-wear industry in England, (England also didn't have the industry before.)....and...as long as in England there was no way of buying belts for their garments, they bought them from me. I exported them there, which made it possible for me to get from the German government an exit visa to go four times a year to Paris, and to have at the same time the same belts that they had. And Paris at that time had four couture collections a year. There was no ready-to-wear there; it was strictly couture. And I went to Paris four times a year, and in 19....

Q: What were some of the Houses?

A: Vionnet for instance....Martial et Armand, Marcel Rochas.

Q: I'm sorry. Who was the one before Marcel Rochas?

A: Martial et Armand

Q: Uh huh. M-a-r-t-i-a-l e-t A-r-m-a-n-d.

A: And there were...Schiaparelli....And so there was a large amount of these people who did strictly couture. And I did this
until 1938, when I got my usual exit visa to Paris and got to Paris and didn't come back. And from there, I got a visitor's visa to the United States. I had before one year gone to London and tried to start something there but without success.

Q: In London.

A: In London. Alice, by then, whom I met by 1934, I would say, had an immigration visa from a distant relative, so we couldn't get married because they would have cancelled her immigration visa. But I had no immigration visa. So I went here with a visitor's visa in August of 1938. Alice came in December, '38. And on January 9, '39 we got married. And also, with the help of a friend who had immigrated from Berlin, but with a lot of money, he lent us $3,500 and we went into the belt business. And we started the belt business with a contract which permitted us to draw $19 salary per month together. That's how we started.

Q: Was this working for the wholesale trade?

A: It was strictly for Seventh Avenue. I had no connections with the retail industry for a long time. I now have to tell you something that you may or may not want to use. My biggest customer became the House of Davidow, who at that time, in 1939-40, couldn't get any credit from anybody else. And I was too stupid...I hardly spoke any English...so I gave them credit. And I waited three or four months for my money. I thought "That's the way it has to be." And that, I think, was the best thing I ever did. Because Archie Davidow, when he...During the war, then, he became very rich and became one of the leading Houses in the industry, and had approximately a dozen other belt salesmen come up to them every week, and he told everyone
the same story: "Erich Kreisel gave me credit and you didn't. Where were you? So as long as he wants to make my belts, he will make them."

Q: Erich, do you remember the name of your business. .
(no answer) . . So there you were working for Davidow. Was he your sole customer?

A: No, no, no. He was my main customer. And I had made a suggestion to him, which paid off very well for me. And for them, I think, too. If you remember their suits, they had Linton tweeds with completely unlined lapels. The lapel was just a piece of cloth which was seamed at the edge. Therefore, it was very, very difficult for some sizes to fit. And I suggested to them that regardless of whether the style demanded it or not, they should ship . . a belt, because it was easier for the sales girl in the store. It was my suggestion, and they did this tremendous business. Later, the bigger they got, the bigger my business got. Until...And now, I must tell you very frankly, I do not remember the time, but at one time--and I don't think I should mention the name--a very high priced garment manufacturer with whom I did quite a bit of business, I one day was called by the trimming buyer...

Q: By the what?

A: Trimming buyer. I had to order from...They at that time used to spend 75¢ a piece for a belt made out of their own material. And the trimming buyer said, "The production man said I can give you only 70¢ instead of 75¢." And I said, "I will not make that."

Q: You said what?

A: I will not make it. So she finally persuaded me to take the order. And this was shortly before New Year's. And I went to the assistant
designer and I said, "I need a dress for Alice," Because we went to a friend's New Year's Eve party for many, many years, and Alice needed a dress. And he said, "I just have a return here that came back because of a late delivery. You take it to Alice, let her try it on, and if she likes it, keep it, and I'll give it to you for a low price. If not, bring it back."

So I took the dress over to Alice, she loved the dress. She looked at the label, and it turned out it was $125, which at that time was an awful lot of money.

Q: What year was this? About?
A: I would say it was '50 about. '52.
Q: Yes, that was a lot of money.
A: An awful lot of money. We got it for $85 or something, I've forgot. But that was the wholesale price of the dress. Awfully expensive. And that was the one man who wanted to chisel me for a nickel on the belt. And I went back, and I went to Gene Lewin, whom I'm sure you remember...

Q: I do indeed. Very well.
A: We were very good friends. And I said, "Look, Gene. I have to tell you, you just did me a very great favor. This and this just happened." I said, "If you want me to I'll make you the 45 belts (or whatever it was, it was a small amount), but this is going to be the last order that I will take from the garment industry. I have had it up to here." Because I was known to have the best belts for the garment industry manufacturers, and I was slowly going broke. Because every sample I made, if they could get it for less, they would buy it someplace else. And I at that time gave up every order from Seventh Avenue customers--with the exception of Davidow's--and I started a show-
room half the size of this....

Q: Speaking of showrooms...Where was your showroom. Did you have a showroom?

A: I didn't have a showroom at all.

Q: Were you working out of...

A: Out of my factory. On 40th Street.

Q: On 40th Street.

A: 40th Street and 8th Avenue. Out of the entrance I made a little showroom, like this, and I started to show belts to the stores, and my first customer was a man by the name of Fuss, who today is the President of... I forgot where he is. . . . . Alice will tell you where he is. And that is what got me....

Q: Started in...

A: Now. I had, through my extensive business in the garment industry, made a lot of friends, one of whom was Joseph Halpert, if you remember...

Q: Yes, I do remember Joseph Halpert. Yes.

A: And Joseph Halpert came to me one day and said, "Erich, I have an idea. Let's go into business together. Come with me to Paris and I will introduce you to one of the big designers there. We'll get a licensing agreement... To make a long story short, it was 1951 or 1952, and I got my first license agreement from Jacques Fath who, unfortunately, a year or two later, died. And that's how I started my licensing business. However, I didn't do anything else about it again until through a friend of mine I got the St. Laurent belt license which was in 1965 I think.
Q: Well, he...If this helps you any...He opened his own House in February of 1962. Right.

A: Well, I will pinpoint it. It was the year of the "Mondrian" dress. It was in either '65 or '66, I don't remember.

Q: Yes, I think it was '65.

A: Because it's too long a story. I almost lost a license of my first collection except for the Mondrian dress and what I did with it, but it's too long a story, and not interesting enough.

Q: No, tell it. It sounds as if it might be interesting. Why don't you tell it?

A: My agreement was signed somewheres in June...May....for the fall season of that year, and I was supposed to send sketches of what I thought was right for the collection to Paris. Through my friend, who's dead now, who then was the man who did the license agreements for Yves St. Laurent; I sent them two dozen sketches, most of which were dressy. Never heard from them. So, when our season began--the end of July or something like that--I took them and sold them under the name of St. Laurent; I had a written agreement. In August I got a letter from my friend, which said, "I hereby return your sketches. Not one of them is acceptable for Mr. St. Laurent. They are not at all his style. He is very unhappy about the whole license agreement."

Now, we had in the meantime sold quite a bit of these belts.

Q: Were you just doing the one collection in the house?
A: This was the first collection I made.

Q: I mean, you didn't make anything on your own?
A: Oh, yes. Of course. Yes. I always kept my own business. So I had no choice. I called my friend up in Paris who had his office at the Meurice, and I said, "Today is Tuesday. I'm taking a Thursday night plane to Paris, and I want an interview with Mr. St. Laurent on Friday." And I got a phone call back, and he said, "Fine. You have a date for Friday afternoon at 3:00."

In the meantime, I had stolen (or whatever you want to call it) Mr. St. Laurent's Mondrian idea and made a group of maybe a dozen belts for my own collection, imitating Mondrian paintings, which was... Everybody else was doing... All the industry had Mondrian dresses by now. And at the very last minute on Thursday I decided I would take these belts along. So I arrived in Paris on Friday morning and before, somebody had come to me and said they had troubles with their scarves, (they had ordered them there) and said, "Please tell Mr. St. Laurent the problems I have with the scarves." So I also said to my friend, "I also have to tell him about the problems you have with somebody on the West Coast, Bulloch's" "Oh," he said, "That's not Mr. St. Laurent. You have to speak to Armand." That's a different story...

Q: But that's also an interesting story, which you'll talk about. Yes.

A: To make a long story short... We went to Rue Spontini where it was then... St. Laurent had his House before the Avenue Marceau, so it was at Rue Spontini.

Q: Oh, Spontini. Yes. Right.

A: And my friend and I are sitting in Mr. St. Laurent's office. The door opens, in comes Mr. St. Laurent, and the temperature—even though it
was dry, was 10 below 0°... And I told him, I said, "I can understand you don't like these belts. But, you should have told me before...I can make any kind of belt." "Well," he says, "I don't think you're the right man for us, and I would prefer it if you would cancel our licensing agreement." And I said, "If that's the way you feel about it. If you don't want them, then that's not going to do me any good. But I want to show you something?"

And I opened my briefcase and I took out these 10 or 12 belts, and I said, "You see, I did something else. I stole an idea from you," and I think he almost hit the ceiling. He jumped up from the chair and said, "That's exactly what I wanted!" He says, "Why didn't you tell me you could do that?"

And we've been best friends ever since.

Q: Well, now, in the years since 196-- whatever, since I have known your role with St. Laurent licensing, you always went to Paris with a collection.

A: Yeah.

Q: But I assume...

A: But not in the beginning. Of course not. Because nobody knew... When I signed the minimum guarantee of $5,000 for the first year, my lawyer told me, "You're crazy. Where are you going to take the $5,000 from?"

And this sort of thing. So, anyhow, from then on there was no more problem. Everything went....

Q: And from then on you also went to the collections twice a year...

A: Yes. I then begin to go to collections for the first few years alone, and then I took Alice with me because meeting customers was be-
coming more and more important. And if you want to hear about...

Q: Yes.
A: ...the scarf story...
Q: I do. I do indeed. However, I think I would also like to go back to the earlier time. When did you actually start Colony Design, and when did you do your own collection?
A: I did my own collection when I stopped doing business with Seventh Avenue.
Q: So somewhere around 1945-50? Early fifties?
Q: And is that when the name of the firm became Colony Design?
A: Yes. There was some short interlude there, but it was always Colony Design. Not Designs with an "s."
Q: Colony Design.
A: Yeah. But it was a corporation, and for a while we tried a combination between us and David Crystal, which since it was only a few months, I do not think it should be used...
Q: Well...
A: And I could not later...use the Colony Design, Inc. because it belonged to David Crystal at that time, until a year later they gave it back to me and so forth and so on.
Q: Now, where was your showroom when you started Colony? As a firm which sold...
A: My showroom is here now for...
Q: At 385 Fifth Avenue...
A: ...for almost 18 years.

Q: Eighteen years...

A: Since I started St. Laurent...

Q: Yeah. So it was approximately 1964-65.

A: Approximately. Yeah.

Q: And before that you had still been on West 40th Street?


Q: Yeah. And store buyers began to come to you there on 40th Street.

A: Uh huh.

Q: And what were you designing at that time?

A: That's a question that I don't understand.

Q: Were you doing a belt line and a jewelry line?

A: No, no. Only belts.

Q: And would you talk about that?

A: Strictly belts. You see, this is something that I cannot talk about, because that alone. I have a very, very strict opinion about the belt business...

Q: Oh, but I'd like to hear it...

A: The styling of the belt business would take up three tapes.

Q: That's all right. Take it.

A: You see, I'm of the opinion there are two different kinds of...

On Seventh Avenue there are two different kinds of so-called designers. Designers who deserve the name, sometimes created a dress around a belt, where the vast majority of so-called designers considered a belt strictly something to put
around the waist in order to hide the waistline; a waist band or some-
thing like that. Which made it necessary then--and it still is--the over
abundance of people who work strictly with the garment industry, belts
made out of the dress material.

Now I with the exception of Davidow's tried to make as many
leather belts as possible because, number one, it was not so easy to be
knocked off. I lost about...Or, number two, you could get more money for
a leather belt. And number three, you didn't have that terrible price com-
petition which in '38 when I began, or '39, some people used to make soft
material belts for 7-8¢ a piece. They were nothing else but contractors for
the garment industry, and I am of the opinion that while there are seasons,
where there are justifications for waistlines which don't require a belt. And
there are other seasons where almost every garment requires a belt. Seventh
Avenue at no time paid any attention to the well being of the belt industry.

Q: Now, you're talking about the belt industry that made belts....
A: That made belts strictly for Seventh Avenue. I had no con-
nection at all, and no knowledge whatsoever, about the other part of the belt
industry.

Q: When did you start to have that knowledge and connection?
A: When I started myself in the beginning of the fifties.
Q: Right. Okay. So could we talk about that? There were firms
who were making leather belts.
A: Oh, yes. There were firms that still exist today that were
making leather belts. The best one in existence was Ben King.
Q: Right. Who made belts for Norell.
A: Yes. But he also made belts for stores. The best. I do not think I have ever seen, in my whole life, better made belts than Ben King's. I hope that at some time I have made belts just as well and that are just as original as his, but under no circumstances better. I mean, they are so far tops. They always were. There was no better than this. But he had very few customers, and had a comparatively small business. His small business was at first a little bit hurt, unintentionally, by me. Because he had customers like Philip Mangone for instance, who bought exclusively from him, but then bought from us. And we had 3-4-5 others to come in like Kraus.

Q: Morris Kraus...

A: I forgot all these names...And we always cut into to a certain extent, his business. But, the connection with the high priced garment industry which used leather belts to a much larger percentage than the low priced industry did, made it possible for me to use my designs also for stores. And they weren't much different than the designs that I made for the high priced garment industry. And we started off very small and we didn't make much money...

Q: In the early fifties.

A: Yeah.

Q: Where were the belts produced? You designed them, I assume, here.

A: They were all produced in our own factory. I never yet had a belt produced anyplace else. With the exception of chain belts, which at some times are big fashion. So I had some other people make them for me. Otherwise I....

Q: The factory was in New York.
A: Yes, yes. Always at the same place. With the exception...

Since we moved in here....

Q: At 385 Fifth Avenue.

A: Yeah...I had made up my mind and promised Alice that we would never have a factory again.

Q: So you use a contractor.

A: And I was trying to use contractors, and after a year or so it was impossible, because the quality I needed I couldn't get, so I again opened a factory. Which I still have. You can look out this window and see it.

Q: Uh huh. On a side street.

A: On 36th Street. So that I could go back and forth three, four times a day. But by that time I was already beginning to get a little bit older, and didn't want any long transportation problems or anything.

Q: Erich, talk a little bit if you will about how you do your designs. This is before and apart from St. Laurent. How do you do a collection?

A: I do a collection, I would say...I was present the other day when a very famous couturier was asked the same question. You cannot define it.

Q: Well...But let me say, for example, do you show two collections a year, or three or four?

A: I used to show four collections a year. But today, unfortunately, this business has changed to such an extent that you have to make a collections continuously. First, a buyer comes in November for a spring collection; comes back the second week of January and has another so-called market he works on--just six weeks after. Which, in my opinion, is completely unrealistic. But there's
nothing I can do about it. It reminds me of the line for line copies which were very much in vogue for a few years. Which killed the dress business. And which, at that time, I predicted would kill the dress business because the dress people were showing a fall collection, say, in June...April-June, a fall collection. And in July they went to Paris for couture, and copied everything exactly the way it was, and instead of getting reorders for it—which is the only thing any manufacturer can ever make money on, is reorders--It was almost completely killed, because by that time the line for line copies came out and nobody wanted to reorder anything. And it's the same thing for dresses as it was for belts.

Q: You mean it's the same thing with belts....
A: Yeah...So now I am practically...Whenever something strikes me, I prepare for the next season. I make designs. I am going to stores a lot, strictly in order to see what not to do. I have never had the reputation...for knocking off other people. The only thing I ever knocked off in my life was two years ago. Indian belts, or whatever you call them....with silver ornaments.

Q: Oh, yes. Right.
A: That is the only time in my life that I consciously knocked something off. But these are belts that sell for $1,500-$2,000. We made them beginning at $200-$300-$400 retail and made a big success for a very short while; maybe five months or so.

Making a collection is something I cannot describe to you. How it's done....

Q: Well, I know that you've got the ideas in your head. But do you work...Do you sketch...Or do you work directly...
A: I sketch. And sometimes I'll make my own pattern and give it to my sample maker. I do not make the actual belt myself.

Q: In leather or metal....

A: Most of the time, I would say 50% of the time, I give them a sketch; complicated things I make my own pattern because I know I have to do it later anyhow....

Q: Where did you learn to do patterns?
A: I have no idea. For a long time, I've made my own patterns.

Q: Did you.
A: Sure.

Q: So you really learned it at a very young age.
A: Well it's not much to learn, you know. It's not like a dress. After all, a belt is a belt is a belt.

Q: What about jewelry? Have you always done jewelry?
A: No. I have done jewelry....Ah....In St. Laurent, it began with his Rive Gauche collections and I offered to take a jewelry license and I did. And it turned out that, I was good enough for that. I could supply his Rive Gauche boutiques; I could supply a number of people. But I always refused to build a second factory. I cut off part of my factory to do it. And the turnover (volume) we did was not what Berge wanted. Yeah, he left it to me. He said, "Look, I want a new license, and I want so and so and so and so and so," and I said, "I'm sorry, Pierre, I cannot do that. I can't promise it to you."

Q: You were not doing jewelry on your own.
A: Never. Huh uh. In between I did on and off...mine are very insignificant. Then Berge gave the license to Hattie Carnegie, and I don't think I
have to tell you what resulted. So then suddenly they were again without
a jewelry licensee, I made another suggestion. I said, "I am willing to make
the jewelry to help you out for you Rive Gauche boutiques." And that's what
I did. And it turned out to be...I lost a lot of money because he... At
that time there were not that many boutiques. The orders together were never
big enough to justify the cost of model makers and so forth and so on. And I
then went to them and said, "I have to have permission to choose about a
dozen or so outside of Rive Gauche customers in order to justify my expense."
And which I got. We had a very pleasant relationship, until Mr. Levy found
a connection at...whatever their name is...

Q: Monet.
A: Monet. And...I don't know how big, but a very big licensing
agreement and I gave it up. Much to my pleasure, I would say. Because money
I never made on that.

Q: What about the belts? Do you still have the belt license?
You still have the belt license. So that involves, again, going to Paris
twice a year, seeing...

A: Four times a year.
Q: Four times...Four time a year!
A: Two couture collections and two pret-a-porter.
Q: Yeah, right. Now, some...
A: It does not require it, but let me put it to you this way.
If my business today cannot afford for me to go four times--two of which may
be more pleasure than business; I like to see all the couture collections which
are not important for my license agreement--I may go out of business, if my bus-
iness isn't big enough...So Alice goes with me now, all four times. And next week I'm leaving on Sunday, the first time Alice is not going with me, in quite a number of years, because we have decided together that couture is not important enough anymore, to make the trip for both of us. Besides which we have a little personnel problem here. One of our showroom girls has left and her replacement is not completely broken in, and I had to fire my foreman for certain irregularities....Anyhow, it is not advisable for both of us to be away. We were just away for two weeks on vacation so....I'm going alone on Sunday night and coming back on Friday.

So now, I think, before we do anything else with the belts, I have to tell you the scarf story.

Q: Oh, yes. I want to hear the scarf story very much.

A: This is very, very important for the whole relationship in the House of St. Laurent.

Q: Now, before you do the scarf story--just until this tape runs out--When you have your own collection...And you now sell your own belt collection to the stores, and you sell the St. Laurent collection to the Rive Gauche...

A: And to stores. I have no restrictions as far as the St. Laurent belt collection is concerned. That's the one condition I made from the beginning on. And as long as they are convinced of the fact that I am not selling any corner drug stores and so forth and so on, we've never had a problem. Once we had a problem with a man in Chicago, and we stopped selling him.
Q: ...the business that you did with St. Laurent.

A: The morning I arrived in Paris, where the breakup of my first belt collection was imminent, to see Mr. St. Laurent, my friend informed me that the non-delivery of scarves had nothing to do with Yves himself. It had to do with Abraham Co.

Q: What do you mean by "non-delivery"?

A: The buyer of Bulloch's claimed she had ordered 66 scarves and never gotten them.

Q: Did you already have the license with St. Laurent?

A: No, no. She heard I was going for belts, and as a personal favor to her, she asked me to find out why. So we called up Mr. Arditi, who is the French manager of Abraham of Zurich, who at that time was in Lyon in the factory. And my friend called the factory in Lyon and said, "I have Mr. Kreisel here from New York, and some customers are complaining about your deliveries," and so forth and so on, "And he'd like to talk to you." And he said, "Oh, I'd like to talk to him too. But I'm in Lyon, and I'm not coming back until tomorrow. Why don't you tell him to come to my office on Monday morning." So my friend said, "That would be impossible. Mr. Kreisel is going back to New York tomorrow." So Mr. Arditi said, "Okay. Then I'm coming back to Paris tonight. I'd like to talk to him. I'll call him as soon as I arrive at my house. It's not very far away from where he is staying. So I'll come to the Meurice to discuss it." That was it. And shortly after 10:00, the phone rang as expected, and in my at that time fairly broken French, I discussed with Mr. Arditi, that he had just arrived but gone home because it was so late and would I please, as a personal favor, take a taxi and come to his house, which
was near Trocadero, ... not far away from me. So I took a taxi and I went there. And he sat in his living room and I told him what I was supposed to tell him. Whereupon...And we were talking...And I said, "You know, I'm a licensee, and licensees never get rich on a license. Only a manufacturer gets rich. I make a living, and Mr. St. Laurent, with justification, makes the money," and so forth...We were just talking about it. So he says, "I'll tell you something. I'll make you rich."

Q: He said.
A: He said. And I said, "How're you going to make me rich?"

"Would you like to sell St. Laurent scarves in the United States?" And I said, "Of course I would." What else would I say? To make a long story short, I called Alice as soon as I came back to the hotel, and I said, "Forget about the belts. We've got the belts. I made up with St. Laurent. We now also have the scarf license." Then Mr. Rhonheimer came to New York about a month later and we had a discussion, and I told him the only way I would do it is I would keep the stock here, and so forth. So to make a long story short, I didn't deserve any $16,000 credit at the time, but he gave me $66,000 credit. On his own, Hans Rhonheimer. Mr. Abraham was still in the business. Hans was Mr. Abraham's nephew. And I paid my debts to Abraham after six months. I ordered three collections. I in the first two weeks sold more scarves...we here, not I, Alice on the phone, than they had sold the whole previous year in the United States. And that was the beginning of our scarf license. Now, the scarf license lasted until about three or four years ago, and the relationship has remained...Hans Rhonheimer, when he arrives in New York, which is six times a year, before he goes to work, he comes to us for dinner. In the afternoon.
So we are still very friendly . . . But my relationship with Mr. Arditi began to sour, and they were always saying, "You're not selling enough here." Even though we sold more St. Laurent scarves on the streets of the United States than all the other designer scarves put together, including Europe.

To make a long story short, my contract ran out. I only had a sub-license, you know. St. Laurent gave the worldwide license to Abraham because that's the way they wanted it. I had a sub-license and it ran out.... And I was of the opinion that they didn't give me enough time, and so I said, "I want it for another year," and he gave it to me for another year. And then we gave it up.

Q: Three or four years ago.
A: Yeah.

Q: Erich, could you talk a little bit about how you and Alice divide your function?
A: That's very easy: Alice does sales and promotion; I do the designing and production. Plain and simple.

Q: Okay, fine. But the one thing we didn't discuss in production ... You still produce all of your merchandise in your own factory, which is very nearby. What have your relations been with the union? Is there a union in this...?

A: My factory is unionized. Yes.

Q: What union has the....
A: It is a local of the ILGWU.

Q: And you've always had it?
A: Always. Since 1939.

Q: Right. Okay. Next question. How do you see the succession in this business? What...

A: I don't see any. I will never retire. I hope to die sitting on my desk, working. I am convinced retirement would be the end of me, so I have no intentions of any kind of ever retiring, and neither does Alice.

Q: So you are really the true entrepreneurs. You don't plan to sell your business. You plan to stay right here as long as you can. Okay. Last question. Have you got any advice for either young people, or for people of any age, who want to go into the accessories business? Can they do it? How much does it cost to do it?

A: They can do it. I don't know how much it costs. But I have to give them one principal advice, which is, in my opinion, more important than anything else. Never go into business with your own wife. Now, this is not funny, Mildred. There is a reason for it. There is nothing worse than for a married couple to be together 24 hours a day, 364 days a year.

Q: Well, I don't think it's hurt your marriage, I must say.

A: It hasn't hurt ours, but there were some minor rough spots which are better avoided, and there are some other rough spots which have always been the case. You sit at home and you talk about the business. And that's bad.

Q: All right. Now let's say that...

A: Isn't that true?

Q: Well, you have a strong feeling about it, and that's what's important. What would you say, apart from that piece of advice, do you feel
that a young person can go into the business? And if so, how?

A: Well, in my opinion, the only way a young person can go into this business is by first collecting an awful lot of experience in working for somebody else and seeing the good things somebody else does, and their mistakes. The mistakes somebody else makes. The second—and I can talk only about my part of the...my end of the business, which is the high priced and high fashion end—The only way is that if you yourself feel that you are good enough to be creative in doing things most other people don't do. Or if you can go into business with somebody whom you feel is creative enough to do that. You cannot forever exist in just doing what everybody else does. You will, when you are in business, have to make things, like staple items. Because that's the bread and butter of this business. But you cannot get orders for the staple items unless you can give the customer something that they cannot get anywhere else. And a very, very, very important example for all this is the recent development, for instance, of the belt business. In the last two or three years, there have been an unbelievable amount of new belt firms sprung, especially in New York. But these new belt firms have at the same time created a completely new direction in the belt business—namely, the overabundance of richly decorated passementerie belts which neither I nor... As a matter of fact, with the exception of a few perennials by St. Laurent made or ever will make. Now, I think these people deserve all the success that they have and for justification I cannot name you the firms, but there are at least a dozen of them. And the development of this completely new direction of belts has not hurt us a little bit, not a little bit, because we can still book more business than we can produce because of the type of business... We make elegant, super quality, super matching to the present fashion; it has very little to do with this new direction. But this new direction of
belts is so new that practically every woman wants to have one. They're so successful with justification, I take my hat off to them. I never wear one, but I would if I did.

Q: You're saying that creativity is still...
A: Creativity, in the better price range is not only very important, but absolutely mandatory.

Q: What you're saying raises two questions in my mind. First, where do most of the materials--the ingredients--of belts come from these days? This country, or still Europe, or the Orient?
A: Oh, it depends. In my business, I can give you...First I tell you my business. As far as leather is concerned, it is to a large extent domestic, with the exception of suedes which I buy in France because the quality still has not been reached in the United States. In other materials, I would say that snakeskins, for instance, are not finished in this country. Mostly they are some of them made here, some of them made in India. Most of them are finished to the extent that they are really first class either in Germany or France or another European....Even though they are not German or French skins. The skins themselves do not come from Germany or France. So...But some other leathers are good and I'm very happy to buy them here. As far as buckles and stuff is concerned, I have very recently, as recently as 3 or 4 years ago, when we gave up the jewelry license, decided to make most of my buckles in our own factory, in order not to have the same buckles that everybody else uses, which excludes staple buckles. Unnecessary as I told you but even in staple buckles, we have recently done a lot in our own factories to make them look a little bit different than everybody else's, because our quality and
labor and so forth demands a higher price, and there must be a difference between my belt and others. In the better price—what the industry calls "better price"—business, mass produced buckles, we cannot use.

Q: Final question: What about supply of labor? Can you still get labor?

A: Supply of labor is one of the most critical parts of our industry. The belt business is a business that if I get born again would never go into again. Because a belt is not an article that is a year in and year out article. It has curves, depending on fashion. And most young people today do not want to go into a business, or learn a business, become a worker in a business where they can count only on eight or nine months of employment a year, which, even in my place, most people have.... I have some other ways to make up for it, but still they are 8 or 9 months of the year where they are fully busy. The other three months they are not. The fact that they always come back to me when I need them again probably proves that I'm treating them right or paying them right. I don't know. But the supply of workers in high quality merchandise is practically nil in this country. The older ones are dying out and the young ones... You have to teach them...

Q: Do you teach them yourself?

A: I've got no choice. But that means that the first year I pay them without getting my money's worth. But I have no other choice.

Q: How many workers do you use altogether?

A: When we are busy, like right now, about 30. My factory cannot hold more. And I have, at my age, no intentions of enlarging my factory.

Q: Well, is that a typical size?
A: I have no idea. I have no idea.

Q: And the...Is that labor force, plus what you have in this building of salespeople and showmen and yourselves, is that capable of producing a business of, say, a half million to three quarters of a million dollars? Is that....?

A: I can produce much more than that.

Q: You can. Because I would like to have a ball park figure about the size of this kind of a business.

A: Well, the size of this kind of business is anywheres between $1 million and a quarter and $2 million.

Q: Depending on fashion and...

A: For instance, in the year that the Indian belt...

Q: Right...

A: Sales suddenly jumped up to over $2 million, because that's a very expensive belt, which requires very little labor. But normally it's between $1 million and a quarter and $1 million and three quarters. On belts only.

Q: Erich, thank you very much. I appreciate it.
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