ORAL HISTORY PROJECT OF THE FASHION INDUSTRIES

FASHION INSTITUTE OF TECHNOLOGY

ARTHUR RODBELL
PRESIDENT
PARADE DRESS COMPANY

THE FASHION INDUSTRY LEADERS

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INTERVIEWED BY
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Arthur Rodbell is of the third generation of a family which entered the garment industry many years ago. Parade Dress Company was founded after World War II. It has grown considerably over the years.

Parade Dress Company has developed over the years into a multi-million dollar privately held company. This Oral History explains the developmental process, and describes the evolution of the Company into a sophisticated enterprise run according to current management methods.
Brief history of grandfather's business of manufacturing pile fabrics

Early look in father's business of contracting

Start up of Parade Dress Co. Experience in WW II

Early history: grandfather's business. After WW II, became dress manufacturer. At age of 21

Opening of new divisions

And phasing out divisions when they are unsuccessful

Promotion of designer names and introduction of designer labels. Discussion of new methods of paying designers

Explanation of differences among jobbing, contracting, manufacturing

Building a line of designs with help from stores. Subsequent by hired designers

Story of Carolyn Schnurer's "Hook and twist" patent made into a dress by Parade

Changed status of reorders. Discussion of cutting tickets; production projections

Learning about importing from the Orient. Stores eliminating the manufacturer as "middle man"

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Q. Could we start going all the way back to your childhood, and your family. Were they in the business? Let's talk about you, knowing nothing about you.

A. Okay. I was a Depression baby. Well, even prior to me ...I go back to my grandfather, who was the largest pile manufacturer of ...I don't know if you know what that meant ...pile fabrics...It was, I guess, the equivalent of velours...velour type...plush fabrics, they were called. He made coats and was very successful. He was the biggest, I think.

Q. What was his name?

A. It was George Rodbell. I'm sorry. It was David Rodbell & Sons. And it was a very successful operation, perhaps the biggest in the country. He was so big...I think I'm going back to roughly World War I period, that he just dominated that market, both in jobbing of fabrics and making the coats as well. He was so big, in fact, when anybody tried to compete with him...There was one season...There's a story in our family that he worked for cost, just to prevent somebody else from cutting into the hold that he had on that particular market. At the end of the year, the fabrics the fall out, the scraps, were sold and reprocessed (it was 100% wool in those days). He made like $100,000 profit, so that will give you the idea of the size
of the company, and I'm talking about dollars of 1919, 1910, 1914... I forget the exact dates, but it was around the period of World War I. He eventually brought his sons in and changed the name to David Rodbell & Sons, at which time the Depression came along. He foresaw it, and he was capital wise... he took a great deal of his capital out, reinvested it in real estate surrounding what is now know as the Presbyterian Medical Center with apartment houses, etc., and he became a real estate entrepreneur. The business, in the meantime, as a result of the Depression, and possibly the change of styles and fashions, etc. didn't do well, and went under.

Q. Was your father in the business?

A. Yes. My father and his two brothers were the three sons that my grandfather had. That went under and my father had a few flings at the dress business in terms of contracting to manufacturing, etc.. Then, around World War II, just about the beginning of it, he went into contracting. We had all enlisted--myself and my two brothers. He passed away during the war, and we came out and we found ourselves with a factory.

Q. Excuse me. Could you go back a little bit?

A. Sure.

Q. I'd like to know when you were born, and where you were
born, and something about the way you grew up, I mean, were you involved in the business conversations, etc?

A. Yeah. Well, we were a very business oriented family. In fact, I said I was a Depression baby earlier on. That meant that during the years that my father had work -- in those days it was difficult to just get work as a contractor--he and my two older brothers would stay late at night working, assorting--you know what that means; lots to go into the machines--And I used to come down and bring them their dinner, which my mother would cook in those days, and walk up seven floors and give it to them.

Q. Where were they located?

A. Twenty-seventh street in those days. And we had a good sized factory. In fact I can show you something. One of the cutters was with me for over 50 years, including the time he spent with my father. He recently passed away, and his wife just sent me a photo of my father and my brother...This is, I think during the war. It has to be just prior to the war, I'm sorry. This has to be '38, '39. At any rate.....

Q. Was most of the...Was a lot of contracting in that area at that time?

A. Yeah. A good deal. Very good deal. In fact, my father
was responsible for founding the Contractors' Association.

Q. Because that was also a fur market. Or, did it become a fur market later?

A. It was both. It was fur and... well, furs were really on Seventh Avenue. This was a side street, that I was on....

Q. I see...

A. You wanted to know if I grew up in a family that was oriented... Yes. Very much so, in the garment area. And, as I said, I used to help my folks out. My father and my brothers, at night, after school, bringing them dinner, if they had work to do, etc.

Q. How old were you, and were you the youngest?

A. Whew... Yeah. I was the youngest. I was, in those days, I must have been about 10, 12, so I used to bring them their dinner. Wait for them to finish. Help them a little bit for about an hour and then go home and do my homework. And it was a rough, odd period in those days.

Q. Where were you living in those days?

A. We lived at.... Well, it was a decent area in those days ... not today ... 99th Street on the West Side. Two-fifty west, if I'm not mistaken. In those days it was nice. Doorman service, etc. And although things
were difficult for my Dad in the business, as a result of the real estate that my grandfather had had the foresight to go into, we came through the Depression fairly good. The point that I make is that when we went into the service, my father passing away, we found ourselves with a factory, and we were not, by nature, in that period of time, geared to running around begging for work, etc., and this, of course, is funny. One night, when we had all three been ... after the war ... working late sorting some goods -- it was a sheer voile, bemberg sheer, not voile -- and they had forgotten to lay paper in between the shades, and because of the shading difference, we were there ... It was like a killer ... until about one in the morning, and we all took pieces ... threw them down on the tables and said "Let's go into business for ourselves." This was about six months after the war.

Q. You were making voiles? That means you were no longer...
A. We were contracting. At that point we were contracting.

Q. And you were then still in the coat business, I gather. I mean... You were no longer in the coat business?
A. That business had gone under.

Q. But when you contracted dresses. A. He had tried manufacturing, as I said earlier, and that didn't work too well, and he wound up contracting, and he was making a living doing it,
etc., but it was very difficult in those days. He worked for some giants...and you know...in those days, I'll never forget, talking about anecdotes...He told me a story where he had something like 5,000 dresses to sew in one size and in one color for a firm called The National Garment, which I'm sure precedes your day. It preceded International Dress Co....It went out of business just on the verge of World War II. But they were so enormous, they used to give each contractor a size and a color, and the P.S. to this, he had pink. And it was a fur trimmed garment for about $4 that it was selling for. The truckman came and took them in the middle of a slushy, snowy winter day. In those days they didn't have plastic bags. He rolled them out into the street and the whole thing fell over into black, muddy slush. They were all ruined. And of course, I didn't see this, but I was told it by my family. At any rate, we didn't like the idea of contracting, it was not for us, and we decided to go into manufacturing. So we started a firm called Parade Dress Company. It was related to the fact that all three of us were in the service. In fact, I was overseas. I had a brother who was overseas. My third brother, my oldest brother, was an instructor in Sioux Falls, South Dakota, in radio. I was overseas in the air force, and at that point in time I
enlisted-- I was not even 18--I lied about my age--
And every place I was transferred to was an easier
and easier job, and when you're seventeen and eighteen,
all I wanted to do was fight. Not like today, but due
to the circumstances and of course being Jewish, and
what was going on in Germany, and I kept being transferred
to administration school and I went to Mitchell Field,
and then from there I got transferred into the ASTP,
which a lot of people don't even know about--it's called
the Army Scholastic Training Program. The reason for that
was to avoid what happened in World War II. I don't know
if you know the story about Britain and France losing the
flower of their youth. This was simply never very well
publicized or documented. The object was to keep people
above X-intelligence level out of combat, to preserve
the next generation for the technical skills required
and the leadership of the nation, etc., so they took people
out of the combat area and put them into this ASTP program.
And that was frustrating. I found myself at City College,
in the army, after a year and a half, and I still just
wanted to go overseas and get into combat. So I finally
did, and I succeeded at it, and got shot down on my second
mission. None of which has anything to do with my career
in the dress business.

Q. But it's all very interesting.
A. However, it did indicate -- you mentioned charities -- being captured by the Germans and seeing, being exposed somewhat to what I saw overseas in terms of the camps and the genocide and the holocaust, motivated me personally, in my charitabilities for Israel, and that would bring you up to date on why I am so involved with Israel. Now, as far as the dress business is concerned, and that's the main question you'd like to know, and if you think I've omitted anything up to now that you might want to know, check with me...

Q. I think I would just like... You may or may not be familiar with some of this... If there is any information that you can give me about your grandfather, for example, in the days when he was in the plush business. Where was that business?

A. In New York.

Q. What part of New York? See, now, when you talk about your grandfather you're going back two generations and that's of great interest, because he was obviously in business early in the 20th century. Right.

A. He hit his peak during World War I.

Q. Yeah. Okay. Now do you happen to know where that business was?

A. It was in Manhattan, so I can tell you exactly where...
Q. You don't know how far downtown?
A. I don't know why, I have the feeling that it was probably in the twenties, but I'd be guessing at that.
I could check it out and get back to you.
Q. No, that's all right. Because I'm just sort of trying to develop a pattern of places and...
A. Well, that was called "David Rodbell," and then when the boys came in he changed it to "David Rodbell & Sons."
Q. Right. And that was your father and his two brothers.
A. Correct.
Q. And then when you came out of service, you and your brother started in the dress business.
A. Well, we inherited this factory that my Dad had called "Emerson Frocks," and, of course, with that we then went into manufacturing. As I said, we were unhappy with the contracting aspect of it. We did very well, and as you know one of my best accounts in those days was yourself--Ohrbachs. The name was changed, as I said, to Parade, and we grew. We had...I was about 21 in those days...Just as soon as we came out of the army, having spent 3½, four years in the service. We did our first year what was a nice figure in those days--a million dollars--and we grew to the point of about three to five--I think we did about six at our peak, in 1958, when we decided to stop operating in the city of New York because some of the
things that we wanted to do were technically unavailable in terms of machinery and equipment, and New York was what we used to call a non-section work situation in terms of sewing. One girl would sew an entire dress, which we found, in the area of shirtdresses and the sport and street dresses, to be a cumbersome affair. They couldn't produce enough quickly enough and as well as they could if we could work on what we considered section work. So, as a result of that, we just ceased functioning for about in about nine months approximately. And then, as a matter of fact, we took a job with a firm called "Carol Craig," which was a division of Loma, and in that nine month period their volume doubled from $4 million to $8 million, and my mother thought that was really an exhilarating experience. They didn't want us to leave. When I say "Us," my brother and I.

Q. One brother. Irving.
A. No. "Wilfred."

Q. Oh. I'm sorry, excuse me. Yes. Wilfred.
A. I started with three -- and I guess I should have said that earlier in the tape -- But one brother left after getting married. He went into the automobile business within about months after he started. So it is really my brother Wilfred who is in this picture, and myself. So after the
nine months that we were with Carol Craig, we decided we really wanted to be back in business for ourselves, although the corporation just lay dormant. It was never closed; all bills, everything was honored. There was money in the corporation, and bank accounts and so forth, and we just reactivated it ourselves, working out of Pennsylvania, (Union Shop), where we had the machinery and equipment to better make the garments we wanted to make and could certainly be more competitive. It did work very well, and we went from ... to our peak I would say of about $21, $22 million a year, which is not publicized...We don't release these things...

Q. Yes, because you're a private corporation.
A. Correct.
Q. I understand that.
A. But our volume did...In other words, it worked very well. The entire plan that we had, and it's been pretty good to us over the years, actually. We've had ups and downs and so forth. Basically, it's the.....

Q. When did you begin to open new divisions? Because now we're still on a chronology and I wanted to get back to a lot of other things, But....
A. Well, we had one....That's interesting. Any division opened by Parade generally used to start as a part of
Parade's line. For example, at one point we had a cocktail division called "Gail Mitchell." That was a result of a holiday line we made one year with extremely dressy dresses, ranging from chiffons and in those days sequins and sequined long dresses, etc. I'll never forget, because we had a gold sequined tank top dress that would sell for $19. I don't know how we did it. And that dress was reordered like a $10 shirt dress. We decided something was happening in the dressy area, so we opened this whole line of dressy goods all year 'round called "Gail Mitchell." It had its run, and then we phased that down about four or five years later.

Q. About what year was that?
A. I'm just guessing at five years... Ah.. It was good, but then we decided it was a diversion; we didn't really need it.

Q. Somewhere in the sixties?
A. I guess so. Late sixties. Actually if you want, I could check it.

Q. Yes, I think that would be interesting to know. I'd like to know that.
A. ....this dressy firm called "Gail Mitchell," in '63, and phased it out in '73... And when did I say we started?
Q. Sixty-three. So actually it was in business 10 years.

A. Yeah. (mumbling to himself) All right. It was actually phased out about January or February of '73, which was 10 years. At which time we started another division overlapping with it called "Junior Aim" making junior dresses, which we started about 1965, and that had a run, and then the junior dress business suffered, as you well may remember, with the popularity of jeans and so forth. We phased that out...

Q. Is that a dress division?

A. Yes. That's junior dresses. And in 1974....

Q. Well, then, in each case you did stay with it a reasonable long period of time.

A. They were fairly successful. We just decided to concentrate on Parade, which needed all the help it could get, because it was really zooming and doing quite well. Growing by leaps and bounds. Every year there was a consistent increase from the day we started. I think we had one year where we dropped in volume, and Parade alone hit a peak of about $19 to $20 (million), and the other divisions were in addition, so I'm wrong about the volume I gave you.
Q. Approximately when did you hit the $20 million? Or the $19 million?

A. I'm so far behind now... in my book. Well, I guess our peak year must have been '81. Eight and '81. That would be Parade alone, and with the other divisions phasing in and phasing out, and then we started a petite division called "Abbreviations." I stopped keeping this book a while ago. We started petites in 1979, and it's doing business and doing nicely. Then we had a half-size division for a couple of years, three or four years in there, too but that was just so-so. we just closed that down this year. And we opened instead a designer label line called Christyne Forti, which is just the talk of Seventh Avenue. It is extremely good. If fact you ought to take a peek at it. I think you'd be quite interested.

Q. What's the price range of that?

A. $100 - $200 wholesale. Our ... It's a true designer collection line. It's going really to become in my opinion, sort of a mini-Nipon. Extremely talented designer.

Q. Forti is F-o-r-t-i?

A. Right. In fact, we're playing around with stationery,
to designing some and the name is PDI--Parade Dress, Intl.

Q. Well, that's a very nice Logo.

A. Well, instead of taking the existing name, we thought we'd
develop our own name... We will... and publicize it. But as she has the talent, it will take us a little longer. In fact, it was originally supposed to be Charlotte Ford. It's a long story, which I don't want to go into, frankly, because it isn't for publication. But at the last minute, the people we were dealing with just couldn't deliver, and we, on good faith, moved ahead and got this line ready, and we just switched the name. I'm superstitious. The designer's name (who came from Charlotte Ford) was C.F., Christine Forti, so we named the firm after her. And we figured that whatever money we would have paid in royalties, since they didn't deliver the franchise in the first instance, we would use to promote her name. And, as I say, if she wasn't going to be good, no name would help, and if she were as good as she's turned out, she'll get there on her own.

Q. Is this somebody who was in business for her...No. She worked for Ford.

A. It's a wholly owned subsidiary....

Q. But the woman, Christyne Forti. Worked for Charlotte Ford. I see. So...It's interesting, you see, for here is a pattern again, that you are illustrating. Because Parade dress, if I'm correct, did not publicize the designer's
name. As a matter of fact, one of the questions I have to ask, but I'm going to ask you later, is...relates to that.

A. It's very interesting.

Q. It is interesting, because, you see, you are part of a pattern now, which is developing. Okay. I didn't mean to....

A. Fine. I'd like to explain that.

Q. I do want the chronology. And then I do have a whole lot of questions.

A. Christine Forti started about August of '81 showing it's line; August, September, Approximately Yes, you're right. I never did promote a designer's name. I always believed in the corporate structure. The name "Parade," designers come and go. I used to have a designer going way back, in our heyday, when we first started off, we were the first to make cottons which weren't house dresses, such as Swirls. And we had a great designer, and she was with us for a pretty good run -- five, six, or seven year. And when she left it caused a lot of confusion in the market; a lot of dismay. So from that day on I decided that the name would be "Parade." Period. Times have changed, as the French say, one thing you can be sure of is that they will change. And the designing name -- Ralph Lauren,
Calvin Klein, etc., aside from the decline of dress units compared to separates and jeans -- It's a whole different world and a whole different game. We, ourselves, looked for and attempted to get a designer licensee, or a name designer, and we just couldn't come up with it. And then all of a sudden everything did break at that one point, and I was involved with Carlotta Ford. We had Halston offered to us. We had Gloria Vanderbilt offered to us. When we wanted them we couldn't get them, and then all of a sudden it was like we were overwhelmed with 10 of them. But we were already involved with the Charlotte Ford/Christyne Forti situation, which eventually became Christyne Forti. We're doing, incidentally... To really bring you up to date. Anita Kantor has just joined us as a designer. I don't know if you're aware of her or have heard of her. She's a designer with a great name in the market. Pretty much like Parade's name even. Out at the street and retail and consumer level. We intend to do the same thing with her. Promote her name...

Q. At Parade?
A. At Parade. In fact, we're going to change the name-- as we did here. If you notice, PDI means "Parade Dress."
Q. Yeah. Right.
A. We're going to call PDI Two. Anita Kantor for PDI Two. And make Parade a holding company and go into the designing end. Her name is extremely well respected by the stores, but with proper promotion and some of the plans that are already in effect with stores like Saks, Lord & Taylor's, things are going to start to...

Q. How do you spell her name? I might as well get that down right now. Anita Kantor, at Parade.
A. Correct.

Q. Is the present label.
A. She's in the process of doing this right now. She had some legal difficulties due to financial setback. Her firm. She just had her own business called "Anita Kantor Associates," which didn't work out financially, although her merchandise is tremendously successful. It was mispriced, it was mis-administrated, so they had financial losses, so technically the use of her name, as a corporate name, meaning "Anita Kantor" over my door would be inappropriate legally, at this time, so we're doing this as an interim step. She has every right to use her name on her label as the designer working for me.
Q. Um hmm. And speaking of a designer working "for," is this... Are you part of the pattern, also, where somebody like Christine Forti has equity or is paid on other than a straight salary basis?

A. There are other remunerations, yes, which I'd rather not, obviously, go into.

Q. No. Right. But I mean to say, one of the things that differentiated the whole design world of names from what has been up to the recent past is that so many of the designers have either had considerable equity in their own firms, or, as in the case of a few, gotten a percentage of the total business. That's what makes the....

A. But, you know, everybody really starts somewhere.

Q. Sure.

A. Calvin Klein, Perry Ellis, etc., Perry Ellis, of course, I don't know what interest he's got, but he is owned by somebody else. What kind of a deal he has, technically, I don't know. Calvin Klein, today, Ralph Lauren, today, writes his own ticket. He's in business for himself. But in the beginning, they all worked for someone. In Christine's case, she's at the crossroads now. She went from a job to some other interest with us, which isn't complete, as yet. But eventually she'll be somebody in
the firm in terms of a funded or a vested... somebody with an equity interest, yes. And there is licensing there are the royalty fees... It's a situation whereby when her name ..And it takes, on average, in the industry, 3-5 years for a name to be properly promoted and developed to the point where it becomes licensable or franchisable. And as a matter of fact, an interesting point is that we already have two franchises for her, which has proven... a little more quickly than I had hoped for. We're not really ready for it. But we have somebody in the UK and somebody in Canada who is franchising her.

Q. There is a technical difference between franchising and licensing. Licensing is...

A. Well, we're not using it technically, we're using it generically.

Q. Right.

A. In other words, there are people who are going to use her name in Canada, who use her styles and her merchandise. And the same in the UK. For which they will be remunerating us and her.

Q. Right. Well, I think that seems to bring us to the present in terms of chronology. So now I would like to ask... Put some questions that are of a rather general nature. For instance, when you mentioned that you went, in the
early days, from contracting to manufacturing. Would you be good enough to explain the technical difference, in your point of view, among jobbing, contracting and manufacturing?

A. Okay. Well, the word "jobbing," unfortunately, in New York, amongst the trade, has two meanings. The union calls anybody who manufactures a jobber. That's the union... the union's interpretation of the word a "jobber". A manufacturer is considered a jobber. In the trade, by manufacturers and retailers, a jobber is one who buys from me and other people; does no manufacturing and sells the goods to stores that are poor credit rated, etc.

Q. And at a price above what they would pay to you.

A. Yes. They pay less than you do and more than I do. They buy the finished product from us. That's a jobber. But that has nothing to do with what I said earlier. I said we went from contracting to manufacturing, so if we can just forget the word jobber in there, for the moment, because it's not really germane to what I'm getting at. We would contract, we would then offer our services to go to a manufacturer, such as me, who would then offer our services to go to a manufacturer such as me, who would ship us goods, either cut or we cut it -- in this case, as you see, we
had cutting facilities—or it would arrive cut. It depended on the particular idiosyncrasy of the manufacturer. Some believed in letting you cut, and some believed it was better if they cut. We would just stitch it together, sew it, assemble it and return it. We would be paid a certain fee, for labor, and we would then pay the help and the balance was our profit.

Q. All right Now...Not to get away from the pricing at the moment...Oh, no. I'm sorry. We'll get back to it...

A. But we did not sell anything directly to a store or any consumer...

Q. No, I'm thinking in terms of associations. You must have .... Did you belong to a contractor's association?

A. Yes, I remember I mentioned to you my father founded..

Q. Right.

A. It was called the... The United Popular Contractor's Association in those days. He founded it with a man by the name of Boroskin and those were formative years, when the union came in. Prior to that, it was a very difficult period. It was.... the union wasn't strong. Half the contractors were not unionized. The union ...

What really went after unionizing, the contractors and the entire dress industry...I think that was under the Algis of David Dubinsky. He really made the union in our
dress section. The dress area of the apparel industry. And in all other areas, as a matter of fact. As I said, we then decided we wanted to become manufacturers. Manufacturers, as you know, sell themselves directly to a store, and we gave up the contracting aspect of it and actually never regretted it. But I'll tell you, in today's day and age with the labor and help... the ability and equipment here in the States, I would like to have my own factory back, to assist me in our production. If we need something fast, or unusual situations, I wouldn't mind having a factory.

Q. But among the distinctions between a manufacturer and a contractor, I would assume, among other things, would be that you had your own designs, which you then give to the contractor to make. Now at what point in your...

A. 1945, as I said, when....

Q. Did you have a designer then?

A. Then? No.

Q. Then how did you get your designs?

A. That's a fair question. We, in those days, between rehashing ....copying and then rehashing, the few things that I used to slap together myself, we eventually built a little line. And in those days, of course, Ohrbachs was very helpful to us.
Q. I assume your retail customers in general, whether Ohrbachs or another store, might have been....

A. They were very helpful in affording us information and so forth and so we kind of knew what to do. Basically what you would call a "copy house." At some point down the road I decided I wanted to become original. We went with about two or three designers until we found a girl we really wanted, and her name was May Tetrault, who is presently with a division of Leslie Fay. I don't know the name of it...

Q. How do you spell "Tetrault"

A. T-e-t-r-a-u-l-t. She's with a division of Leslie now... the high priced one... I believe, and she's doing nicely. She's a real good woman. I had a good run with her. Along the line though, when we were copying, I'll never forget this -- We hit a dress that we delivered $10 million dollars worth, wholesale. Over a period of about, oh, I guess it was about 6-7 years. We just ran it all year 'round, cutting it in any fabric we could get our hands on. It was the only patented dress in the dress industry.

Q. Really? I've never heard of a patented dress.

A. Well, I'll tell you about it. In fact, I'll show you an ad we ran in Vogue. There was a period of time, years ago, we used to do an awful lot of Vogue advertising.
We were an unusual firm, and have been right along.
As opposed to R and K, Leslie Fay, etc., I set my
sites to become a supplier to Fifth Avenue back in the
days when we used to make $ 10-12-14 cotton dresses.
You made them of a high taste level and who'd sell to
stores like Saks in those days, who wouldn't touch
anything anywhere near that, because they were cotton
and they were aimed at resort, and they were in fashion.
So it became a plus sale. For example, I don't know if
you know a woman by the name of "Miss Hurwitt..."

Q. Ah, yes...
A. And Charlotte Kramer...Well, we sold them, but only 6
months of the year. The women came in to buy the average
... I don't know what the retail was in her department in
those days, I would assume it was $200, and my little
cotton dress was a $50 dress, and that would be the dress
the women would wear, a sun dress or a dress to go shopping
in in the stores or, just to browse around the city in the
summer months, or even the resorts, etc. It was always in
good taste level, so it did a lot of business, but only for
six months of the year. Came fall, forget it, they wouldn't
touch anything we would do. But getting back to this
dress...which was called "the hook and twist," I had picked
up a bathing suit made by a firm called "Carolyn Schnurer"
I'm sure you recall.... I converted it to a dress. And
we started to do very well, and the next thing I know, we get a lawsuit, and in addition to the lawsuit, I started to get returns like crazy, because Harold Schnurer her husband at the time, in addition to suing us--and we checked with our attorney--he said he didn't think the patent would hold up. He said "Let'em sue," but he went further. He went to the heads of all the stores and he had the name then that, oh, I don't know, oh, say Ralph Lauren has today, but very strong name. And he would contact the stores that would carry our version of his dress, and they would return it.

Q. He was not patented?
A. He had.

Q. He had patented?
A. Yes. That's why he sued us.

Q. He patented things.
A. The suit didn't bother us, but what did bother us was his contacting the stores, Presidents of stores and getting them to return the merchandise to us. So that became the difficult situation. We got together; had a meeting; they were decent people, and what could have turned out to be a mess turned out to be a very lovely deal whereby we agreed to pay them a royalty for every one we shipped. And that was it. And that protected the patent.
Other people tried to copy us. Between myself and Harold Schnurer, we protected the patent for a period of time. And I would say we used... at wholesale we shipped $10 million worth. In those days, if my average price was $10-$14, you can figure out the units. In fact, my first shipment was $6. I'll show you a Vogue ad where it retailed for $10.95 with a jacket. It was the most phenomenal dress of all time. It was really incredible. And then, along the line, as I said, we hired a designer, and we became original and we stayed within that feeling of a fashionable cotton dress, and emphasized some finer stores, even though our prices weren't up that high.

Q. Excuse me, if you do have that Vogue ad, I would... only because I would like to know the date...

A. Do you want to see it now?

Q. Yeah.

A. It was more of a construction than a fashion piece.

There was a limited need for a woman to wear a bra. Of course, today, things are different. Women don't wear them anyway. But this, because of the construction, the criss crossing supported a women nicely, and....

Q. And the Vogue ad was in April of 1950?

A. That's what it said. Yes. But that was just one ad.
if I ever pull the book out and show you how many ads we have on that dress... it just went on and on and on. And then we made them with sweaters... Whatever was in that moment, whether it was a provincial print or a handkerchief print, or a fabric called "Russian cord," in those days, which would be seersucker to you, today... to even taffetas and paisleys, foulards we ran it all year 'round. We ran it in dressy fabrics. We even made it in velvet with a rhinestone detail. It was just an incredible dress.

Q. Well, that's all very interesting because those were the days when you could really do reorders. That has changed a lot, too. I mean, that's one of the things that we want to talk about.

A. It certainly has.

Q. Yeah. Right.

A. We had a customer call us the other day, and my salesman became very excited. One store sold four out of five pieces in one day. And I said "Well, how many did they reorder?" And he said, "What reorder?" And he says, "What do you expect me to reorder for?" And I said, "Four
out of five, it sounds like it's a reorder." He says, "Nope. No reorder. The man says too much merchandise on hand and he can't reorder." And he says, "This is not a buyer. He owns the store himself." And it may be one of the most successful, largest small store operations in the country. It's not a major chain, such as Lord & Taylor's or Saks. But the world is all very, very different today. With the good sellers. Merchandising that sells currently, and I don't mean they have been ... I would say up to about 2-3 years ago, I would have 80 or 100, 1000 of a style, but now between the private labeling and direct importing, and the budgeting due to the recession, it's impossible to get the huge runs that you would like to get.

Q. Well, nowadays, when you sell...What do you consider, for example, to your particular business, what's a good cutting ticket, on a first cutting?

A. Well, that's a complicated one to answer, because what we call a cutting ticket where we work may be different than somebody else. In other words, somebody can put 5,000 dresses in one shot. We never do. We put them 500, 500, 500...And then I do that 10 times. We want to see the first lot come in, and examine it for the make and fit and quality; Then we'll release the others, so
any individual ticket will rarely exceed 500, although
the plan of the 5,000 is the same as the competitor who
just ploughs through 5,000. We don't do that.

Q. Five hundred times 10 in different factories, or in the
same factory?

A. That could be in different factories, sometimes, depending.
In other words, if we're pressed, hard pressed for delivery,
we might share it with one or two factories.

Q. And your cutting ticket is based on how much you have
sold.

A. No, we project.

Q. You do project. In other words, you are still doing some
reorders?

A. No. We're projecting not just reorders. We project
additional sales. We can't sit back and wait for the sales in
our business today. Fabrics...Our cycle today is from
scratch. It has to be, at best, between production
time and the factory has got to be three weeks. A fabric
could be anywhere from 6-8 weeks, from the day that we order
it. It could be about an 11-12 week cycle, with production
time here, internally, in Parade, but it falls into this
period anyway. So we start right now. We're buying fabrics
up front in advance for our fall line and have been for the
last month. We've placed about 100,000 yards of wool jersey
already, for example.....In other words, we can't sit back
and wait. Even in our Seventh Avenue division, Christyne Forti, we must project. We do. And the only thing we can do is, as a bit of relief, we make three styles, four styles, in a novelty fabric and 10 or 15 in the wool jersey that I referred to, and then move things around and then change our plans. Piece goods has to be bought, and sometimes, in fact, the dresses are cut and you're sorry they're cut, but we definitely do project. In fact, this is a projection...and we can understand at least the way it was written up. "Three thousand yards of stripe; 6,000 yards of wool plaid; 3,500 yards of another wool plaid; and 3,000 yards of another wool plaid; wool jersey, about 100,000. The assortment: You can actually color up 50 pieces at the moment, and you keep 50 in reserve and color it as we go. Because we sell additions and we do get reorders. They're not the way they used to be, for reasons I mentioned earlier. I think one of the biggest problems we all have today, frankly, is the retail sales themselves. Between the percentage of.... I saw some figures that were incredible the other day. If you were just to assume that the former budget a few years back was 100%, I think it's reasonable to assume, between private label and direct importing, that the budget is down by 50% that's left to manufacturers, and I would think, of that budget, by just caution due to the recession,
it may be down to about 35%, in dresses. So, the dress business is pretty rough right now. However, we're doing nicely now, instead of getting reorders, not in the depth that we would like, but I would say our whole summer line is really doing very nicely, and I think the stores are in for a little shock this season. I think they're going to finish a lot stronger than their merchandise.

Q. But in terms of the overall pattern, you have said and you do feel that reorders are not...don't have the same relationship to the total volume you do?

A. No, for many reasons. Another reason, for example, ties in with what I just illustrated. We have hit very successfully a very good dress in our Christyne Forti line, and one of the stores who has reordered the most -- and this is about a $200 retailer--they've reordered about 200 pieces in about two or three reorders. They slipped and told me that they are manufacturing it overseas themselves. A copy. They shouldn't have told me, but they did....So that's part of the problem.

Q. But, of course, that's not a new problem, is it? It seems to me that retailers have always knocked off...

A. There's something different in this . . . I consider
this highly immoral. Knocking off... Listen, I always knocked off myself, too. Most of the time knocking off my own line, and some with assistance that I alluded to earlier. But now, what the retailer is doing is eliminating the manufacturer. In fact...I don't know how familiar you are with overseas and importing and so forth, we do some importing of some basic shirts.
There are problems that we've had as a result of my Asian recruiter, etc. What started out...It started out to be a two week trip that turned into a very lengthy one. I think I was there for about three months.

Q. Where was this. Hong Kong?

A. Um hmm. And I think I learned more about Hong Kong in those three months than the average manufacturer could learn in five years with quick one week trips and two week trips. I was able to develop a sense of continuity, and things that could be concealed for a week or two would float to the surface later on. In my visits to the factories, the interesting thing would be to see dresses being made by almost every major Fifth Avenue store, and I would see what they were paying--it's called "CMT," cut, make and trim--and I knew what I was paying. If I was paying $5 or $6, they were paying $8, $9 or $10 for an equivalent product. And, then, of course, they didn't give them the volume, so they compensated with the higher CMT. The factories were pleased, because they were getting more money, so they took the shorter runs. But the real saving--and they don't understand it, the retailers,--is not that they're getting a bargain overseas; their real saving is that they're eliminating the manufacturer. Because if I took a dress that cost me $6, and let's say I sold it to them for $25, just to make up a number, they would get
their dress, even though paying more, say paying $15 or...
They would eliminate my profit because my dress cost me
$12.50, and let's say, I could approximately double it and
call it $25. They would get it for like $15, and they're
still getting it for cheaper than my $25 but more than my
$12.50. These are just illustrative numbers, not exactly
accurate. So they're very pleased with the whole thing.
But they could actually do the same thing here. If they
could go to my factory here, and eliminate me, they'd be
achieving the same goal. They've eliminated me, the middle
man -- who is not really a middle man, because we do create
and add something; we take the raw material and we deliver
a finished, styled garment, for which we pay a good deal of
money in designing. I'll show you four designers and maybe
14, 16 sample hands sewing. What the stores are doing --
and why I say this is really immoral, as opposed to the
nature of our industry, where people copy each other,
is they're entering into competition with the manufacturer
in effect. They're using us for the styling, paying us
for the dresses, and then taking the whipped cream, or
the profit, the reruns, the reorders, and doing them
themselves, and eliminating us.

Q. Don't they lose a season when they take your garment and
ship it?

A. At any given start up point, certainly they do. But they
have it on an on-going basis. Now the dress that
I'm referring to, that was just copied, was copied
into the next season. Now, we have our own version
for the next season, and they're doing it pretty
much the same way. Now, I don't know how that will
cut into us, so they always have things proven, and
never gamble. They take proven dresses. Sometimes
they can catch the same season, and that's where
private labeling comes in. A lot of it is done here,
domestically, as well. The illustration that I
gave you just now, incidentally, of them making the
the same saving here without going overseas, they
can go straight to my contractors. In effect,
by private labeling, they're doing it. They go to
a man, who probably has one patternmaker, has a
little place around the corner--no overhead whatso­
ever--give him a dress; he takes it; copies it;
puts it into a contractor, and he can afford to
deliver it for half the price that I can. He
hasn't got any overhead.

Q. Is it not also the case that there are manufacturers
who have separate divisions that are now being
used for private labels that used to be used (or
maybe still are) for discounters?

A. Yes. There are some who do it. But at least they're
doing it. In other words, they are reaping whatever rewards there are on the efforts for their designs.

In the other case, that I outlined before, the store is just taking away the work premiums. It's one thing to pay thousands and thousands of dollars a week for sample cuts, designer salaries, sample hands, etc.

The average sample room, without a designer, is $100,000 a year today. That's without the designer. The sample hands, the assistant cutter, the cuts, the waste of cuts, the trims—it's the most wasteful part of a business but, in effect, we consider that like our R&D. If you can't reap the rewards of that R&D, on the assumption that you come up with a good line, and you get the proper volume for it, then the whole thing just doesn't become workable. And that, in effect, is what the retailer is doing now. He's doing...This is not new. It was done years ago by a firm called Lerners. I'm sure you...They went as far as having their own factories, as a matter of fact. And eventually that did them in too, because that presented its own problems. But the stores right now are going through a phase where between private labeling and direct copying themselves overseas, it does have an effect on our unit price.

Very definitely.
Q. Are you finding at this point that you, for example, who have had your contractors in various states, but you did mention going to Hong Kong... Are you now doing a fair amount of business offshore?

A. We do some, but then the union agreement, where we're allowed to make X-percent of our volume overseas--I think it's 10-15%--I think the union recognizes, and wisely so (Sol Chaikin is a far seeing individual), that it strengthens a manufacturer by allowing him to do something overseas. It also strengthens his ability to exist. Which means, if I had to compete with the man who's strictly offshore--and there are plenty of them--and did nothing offshore myself, my union people are eventually going to start to lose their jobs, but by the savings that I may achieve overseas, compounded with what I do domestically, it will strengthen me and the rest of the market. So he, in the last agreement, I think, agreed to 15% approximately of the dollar volume....

Q. But when you stop to think of it, though...If I have my figures roughly correct, perhaps seven or eight years ago there were 360,000 members of ILGWU, and I think today it's down to under 200,000.

A. They've been suffering. There's no question about it.

Q. And I can't see what's going to change that trend.
A. Well, however... The only thing that I can show you that might relate to it... an article that was in Women's Wear the other day.... I don't know if you know about the ERISA problem.

Q. Yes. I do.

A. Well, there's one... The ILGWU is trying to get a variance from the government for our industry. Now, you would think that would be strange. And they give you the reasoning here, which answers your question.

...The ILGWU trustees make a similar argument, referring to the above paragraph. The only industry that has a variance is construction, in multiple insurance, multiple pension.. fringe benefits...: "In general this is an industry that caters to the changing fashions in women's clothing. Many firms operate on a project to project basis, responding to the orders received for each new season. As fashions shift, individual firms go out of business or become dormant, without impairing the contribution base of the fund or the vitality of the industry as a whole. The orders lost by an unsuccessful firm are picked up by a newer, expanding firm and that may produce its garments with the same workers previously employed by a firm that fell." In other words, the point is, as far as the ILGWU is concerned, if a man goes out
of business, who is making dresses or suits, and the same cutter is needed to cut jeans or western clothing -- like Calvin Klein jeans, for example, are cut by people in the States--the totally union point of view is that I think they're not hurting as much from, what do you call it, the lack of dress business....They're still employed. Then my cutter...If I were to fire a cutter, he would get a job in separates and sportswear, blouses...He still is a required cutter.

Q. But it still is the case where ....

A. There has been a drop. There's no question. I think a good portion of that would be due to imports, but in terms of the changing industries, and looks and silhouettes. The girl who used to go out and buy four dresses a season, four or five times a year, today buys one pair of jeans, or two pairs of jeans and ten tops and she is now in fashion. Those jeans, of course, many of them are made domestic and many, of course, are made overseas, pick up union help.

Q. You mentioned....You talked earlier about people who review and then make the projections on the fabric purchases, even in advance of the selling season. Now, I don't know very much about the structure of this company. What does your management team consist of?
A. It consists of myself, my two sons--one of whom is
in production and one of whom is in styling--the
designer....

Q. That' for Parade...

A. Yes. And an Executive Vice President, who...we meet;
we decide which we like and which we don't like, which
fabrics we want to project for, which dresses, specifically,
we want to buy. We also have a road force, so we,
decide which dresses we want to send on the road...We
don't want to duplicate every that which we think is
the best. And we make mistakes, of course, but that's
the group that does it. The designer, very often, is
present as well.

Q. When you have another division, do the other divisions
have their own management people, or do they pretty
well..

A. Yes.

Q. They do?

A. Yes. They have their own meetings. I don't attend
those.

Q. Ah...You oversee them, however. Or not?

A. Yes. But I don't attend them in detail. They'll
come to me with their plans--what they want to cut
and how many, etc. -- and generally speaking, we just
go along with them.

Q. You mentioned road force...Has your method...Have your methods of selling always included road force?

A. Not at the very beginning, but for a good time now. I would say for the last 15 years we've had a road force, at least.

Q. Of your own men, or agents?

A. Own men

Q. Is your road force because you want to maintain your specialty store business in an important way?

A. Yes, basically. Actually, we started a road force well before we used to have the shows and the marts, etc., so the best way for us to maintain contact with the stores who come to New York perhaps once in a year, if at all, was to have a road force call on them. The big stores were never a problem, because they always came in seasonally, and multi-seasonally. But the little store in El Paso, or some place deep down South--the only way to get really in touch with them was through a road force.

Q. Well, have you found...Is there some way you have of establishing what the percentages are between the specialty and department...?

A. In my business?

Q. Yeah.
A. I see...

Q. And why... What the advantages are. Or disadvantages.

A. We have, I'd say, about 50-50 majors to specialties.

Major stores meaning Sak's, Lord & Taylors, Neiman's, I. Magnns, etc. I'd say 50% of my volume comes from the specialty shops. There's advantages to both. One gives you large orders, in terms of units per style, and gives you the platform to promote, if you wish. The smaller stores, of course, give you a sense of loyalty--they're always there. They're built in basically. They don't vary a lot per year...

Q. Do they give you orders more quickly?

A. Ummmm...Yes and no. They used to leave all their paper at the shows! It's changing and evolving now, where they...I heard at this show right now, which we have going in Dallas...The word is all the stores are shopping and basically they're going to mail their paper in. Not all, but a high percentage. Years ago, going way back, we used to write it right in the show.... Never even take it out of the showroom. Now they take it, shop, they mail the order in, change it around, eliminate....They're getting a little more sophisticated than they used to be. The big stores, on average, see the line; we get our orders within two to three weeks after they've
reviewed the line, selected their numbers....They're not as consistent, really as the smaller stores.
They can vary tremendously.

Q. Would you comment on the proliferation of discounters in the fashion area?

A. Well, actually, there are a lot. There is no question about that. But it doesn't have a big effect on us, because we really only have one outlet, and one outlet only --Mr. Greenberg [of Loehmann's]--and we don't sell other discounters.

Q. And do you sell there on an off-price basis, for odd lots, or do you actually make merchandise. I know they get a lot of merchandise from manufacturers, made for them.

A. We do that for them. We also dispose of what we call "close-outs," marked down merchandise that has had its run and we're through with. He will sometimes reorder a dress that he gets from us and does quite well. We'll cut up a few special fabrics for him. Yes, we do do that.

Q. Alright. Now, I'd like to talk a little bit about financing, going back as far as you care to go, because I think financing is one of the things that appears to have shifted, or changed in its emphasis too. There was a time, was there not, when the factor was...The person that
most firms went to...

A. You mean as a manufacturer?

Q. Yes.

A. Or as a piece goods firm. We don't do factoring.

Q. No, no, no no. Manufacturers used to go to factors, did they not, for financing? To finance their accounts receivables?

A. Some people do. I never thought it was a very big proportion of our industry. We never do. We never did, I should say. The piece goods people, from whom we buy, factor our accounts. We ourselves finance ourselves. Factoring is...

Q. Through banks?

A. Well, bank loans, if we need them. If we don't, ... ourselves. It depends on the peaks and valleys. When we brought a lot of goods in from overseas last year, at one point in time, due to a late arrival, we got choked up with a ton of goods at one time, so we had some financing from the bank, but that was on a loan basis, and secured. And...But we have never factored our accounts.

Q. Okay.

A. It's extremely costly, and I would say any firm of good substance, and size, doesn't do it. I think I've heard of one recently that I was shocked about. But I don't
think they do it anymore. They may have at one
time. It's extremely costly. Look at it this way:
interest rates are ranging form 15-20% prime, and when
we borrow, we borrow for about prime to a quarter over
prime. A factor is making profit on you. He's just
not lending you money without making a good substantial
profit on it. He's taking some risks, too. He's
taking bad debts, risks, and so forth and so on. So
it costs...We once figured out, back in the days interest
rates, when they were 6%, and we were looking, frankly,
as a reason to get rid of bad debts from a lot of little
stores, we looked into factoring. It was the equivalent
in those days of 18%. That's when prime was at 6%.
So, you figure out what it must cost today. It's
incredible. I don't know how anybody can...

Q. What happens to new firms, then, that try to go into
business...And I'm talking about...We'll, I'm talking
about your point of view about young designers, who
might want to go into business...

A. Usually they're financed by somebody, which is pretty
much like I've said we're doing, in effect, with
Christyne Forti. A lot of them get backed by somebody.
Jerry Shaw for example, does an awful lot of that.
A lot of these talented people don't have the finances
or the capitalization to go in for themselves. Usually they're backed by somebody.

Q. So that...
A. Halston was a classic illustration.

Q. Well, Halston was pretty well established in the world when he was backed. I'm talking about very young people...
A. But he was backed.

Q. Oh, indeed he was. Indeed he was. But I'm talking about very young people. The ones in Soho, for example, that you see written up from time to time. How do new young businesses start? Can they start in this economic climate?
A. That's a good point. It's costly, but, of course, you nurse your finds along, I guess, as a new firm. You do things on a shoestring. You try not to take on full scale overhead. Certainly not at the beginning. You phase it in as you need it, and work around the corner in a second rate rental area, and you do a lot of things yourself. It can be done, I guess. Liz Claiborne did it, certainly, recently. They started off pretty tight and snug. In fact, we were supposed to be very much the backer of Liz Claiborne and for one reason or another, we changed our mind, because things were going pretty good in Parade and this was about the biggest single
mistake I ever made. My equity interest, I understand, today, would be worth $70 million.

Q. Well, her volume is in excess of $80 million, at this point, yeah.

A. It was unbelievable. I think our investment at that time, I think when she just started, was about $250-$300(000), and it just fell apart, over a couple of minor points. And really, the basic reason was that we were doing so well in Parade... We were doing well, and I just felt I didn't need a diversion. What a goof that was.

Q. Let's talk...There are just a couple...two more things I want to talk about.

A. Incidentally...If I [may] digress there...This will answer your question...They started off probably drawing little or no salaries. I know the details behind this. They got four partners together and they all chipped in and they all did everything, and they worked in a low rent area, and they nursed themselves along. Of course, she had the ability and talent and so they grew from profits from within, and they had some bank line credits established, and they kept their costs down. We are at the other end of the spectrum, now. We have a full overhead operation, road. I have five floors
on 37th Street in the old Suzy Perette building, and about 12-15,000 sq. ft. here, which is prime. And four or five designing rooms. You know. So, we're going full blast. You can't do that to start. Just to build this place, alone, would probably...today...Ten years ago, when we redid it, it was $300,000. So I got to figure, today, it's $500, maybe $600,000...This is all real handwork. There's no veneer. So, today, you'd have to start on a small scale and grow from within, and hope for some outside support. That's the only way I can see somebody starting up today.

Q. Advertising and publicity...I link them together because they are often thought of together. Not necessarily in your case, but often they are. Could you talk about your philosophy concerning those?

A. Yeah. Certainly, because we intend to do a lot more of it now than before.

Q. Yeah. Right.

A. The dress business has a particular problem with that. In other words, it's very easy to get on TV, and take a 15 second or a 10 second commercial and show a Jordache jean on what's-her-name, that pretty little girl...not Jordache; that's Calvin's. I say, it's easy to
do, as Jordache or Calvin's....

Q. With Brooke Shields...

A. Brooke Shields is the name I was looking for. In 15 seconds you can show a pair of jeans, and you're really just plugging the name. But to show a dress, and what it really is and what it looks like, TV's not the medium, as far as I'm concerned. And I haven't seen anybody else prove or disprove my theory either. It's either magazines, which we used to do ourselves, oh, ten, twelve times a year--Vogue and Harper's, alternating....

Q. Which made you rather unusual, for your price range, that you advertised in...

A. Well, we always set our sights, as I told you, for good taste, better quality stores, and high class advertising—or what we thought was high class, in any case—and it always kept us a niche above the R&K's, who are true competitors by virtue of price, and say Leslie Fay. Today I think, with what's going on on the retail level, we switched that and dropped it and went to c-op advertising with the stores. Now, I don't know if that's such a great idea, because of the way it's being handled and treated. You bury your name in the bottom of the type and copy, so you really don't really get the benefit of getting yourself known. Unless, of course, you're a
Ralph Lauren, or, again, Calvin Klein, or Nipon, where they certainly plug the name nicely. But in my case, I'm thinking now of going back to some other mediums of advertising and really doing it myself. The only difficulty is that the stores today are very demanding in that area. They want you to contribute to those ads, etc. But I'm thinking to build our name and Christyne Forti's name and Anita Kantor's name, and going back to the medium of some magazines and some other forms of PR work that you're referring to...

Appearances...public...some TV, interviews rather than spot commercials, of course. Because the stores themselves are not giving us the proper reward for the dollars we afford them with their advertising.

Q. So, you would think, for example, even of something like trunk shows, if you could....

A. Sure...Trunk show. Interviews. Public appearances. Vogue, Harper's....Some other media other than TV...

Which is unfortunate, because it has a tremendous impact....In fact, if you think of the successes of the day, the jeans and so forth, I think there isn't one that hasn't been on TV that's been a success. And conversely, all those who have been on have really been very successful. From Jordache to Gloria Vanderbilt...Calvin...
Q. Sassoon.

A. Sassoon, right. Sassoon... What's happened to
Gloria recently is a separate issue, but I think
the publicity is really what made them. The promotion.
And we intend to try and do things like that, other
than the TV aspect of it. To develop Anita's name
and Christyne's name.

Q. And I think...One last question... That is of interest...
is the succession in the business... This is a family
business...This family business, and I assum you plan for
it to continue to be a family...

A. You met one of my sons...I didn't introduce you because
we were watching the Columbia come down...

Q. Right...

A. He's in production, and he's a member of the firm....

Q. What's his name?

A. Gary.

Q. Gary.

A. And my other son, Mitchell, who isn't here--he's in
Dallas right now--is involved in selling and styling.
Quite good at it too, as a matter of fact. Gary, the
one who was in here, spent five years in the Israeli
army. Five years in Israel, three years in the Israeli
army.
Q. Ah...I think I see it. Yeah.

A. He went over as a volunteer during the '73 war. Just seein the fervor and so forth around here, we raised a lot of money, and very helpful for the UJA...And he fell in love with it and he stayed there. He bacame an Israeli citizen, and we had a tough time getting him back. And then he enlisted in the army and wanted to fight. He was in the invasion of Lebanon, and finally came back after his service was up, and he's been a big help to me.

Q. So that you see the succession that way. That is, through your two sons. And there isn't any thought of going public or selling out...

A. No, not really.

Q. So that you will remain an entrepreneur in what used to be and still is, to a somewhat lesser extent...

A. I know too many people who are very unhappy that they're public, and I'm very happy that I'm private. Leslie Fay is going private. George [Greenberg of Loehmann's] went private. It's nice to be a private company.