ORAL HISTORY LIBRARY, F.I.T.

THE FASHION INDUSTRY LEADERS

MORT SCHRADER

President, Abe Schrader, Inc.

Date of Interview

Wednesday, October 6, 1982

Interviewed by

Mildred Finger
<table>
<thead>
<tr>
<th>Page Range</th>
<th>Topic</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 - 4</td>
<td>Early years at Abe Schrader, Inc.</td>
</tr>
<tr>
<td>5</td>
<td>Differences between operating as a private company and a public company.</td>
</tr>
<tr>
<td>6 - 8</td>
<td>Description of operations of eight divisions supervised by Mort Schrader.</td>
</tr>
<tr>
<td>8 - 9</td>
<td>Relationships with store managements.</td>
</tr>
<tr>
<td>10 - 12</td>
<td>Discussion of differences between divisions with regard to fabrics, offshore production, design.</td>
</tr>
<tr>
<td>12 - 15</td>
<td>Secaucus center for distribution, data processing, computerized marking and grading.</td>
</tr>
<tr>
<td>15 - 17</td>
<td>Problems created by Orient production: Quality control, need for planning far in advance.</td>
</tr>
<tr>
<td>18 - 19</td>
<td>Importance of high twist yarns in Japan and of silk in the Orient.</td>
</tr>
<tr>
<td>20 - 21</td>
<td>Internal development of divisions.</td>
</tr>
<tr>
<td>22 - 23</td>
<td>Licensing.</td>
</tr>
<tr>
<td>23</td>
<td>Advertising.</td>
</tr>
<tr>
<td>24</td>
<td>Pricing.</td>
</tr>
<tr>
<td>24 - 25</td>
<td>Apparel marts.</td>
</tr>
<tr>
<td>26</td>
<td>Department stores vis-a-vis specialty stores.</td>
</tr>
<tr>
<td>27 - 28</td>
<td>Future of production.</td>
</tr>
<tr>
<td>29 - 30</td>
<td>Appraisal of F.I.T.</td>
</tr>
</tbody>
</table>
Q: Mort, would you start just by telling us something about yourself? When you were born, where you were born, and how you felt about being part of this family and what went on at dinner table and your schooling and so forth?

A: I was born in 1932. After graduating college and spending two years in the service, I came out in '55, and basically that's when I got to know my father, because up till then my father was so busy working...When he was a contractor he worked Saturday cutting the lot. Sunday he assorted it so that it could go into the machines on Monday. So basically, I didn't realize what kind of person he was until I came into the business and realized that he really knew a lot more than I gave him credit for knowing. It was there that I really started to develop in the industry.

Q: Could you go back a little bit? Even though you didn't know your father...

A: Well, I knew him...We knew each other, but I never really realized how involved he was in other areas besides just the business.

Q: But you did...Did you grow up in New York?

A: In New York City, yes.

Q: And did you have any contact with the business while you were growing up and...?

A: Yes. In high school I used to go down to the factory, sometimes in the afternoons and on Saturdays, when I was in high school. Prior to high school I was busy playing ball and so forth, And then in
high school I used to go down...

Q: Did that get you interested in the business do you think or...?

A: One of the reasons that I got very interested was that I married very young and I had to make a living and support a wife. And growing up, I just knew that I was coming into this industry. I wasn't preparing for anything. I was a Russian major in college. And that certainly wasn't going to get me anywhere other than as a professor, and it was not what I wanted to do. So it was destined. We knew it, my father knew it, and I knew it, that I would come into the business.

Q: So there you were, a college graduate in 1955, with two years of service....

A: Right. And my father gave me the key to the showroom, and he said, "You open, and you close." What he forgot to tell me was that you don't close until midnight. Because we only had a small portion of the loft--and whatever came in...there were jackets, dresses...My father was very successful in making the ensemble, one of the first people to develop that concept in the business. And the jackets came from a jacket factory, the dresses from a dress factory, and we had to put them together and get them out because there was no room to hold it for the next day. So we used to be here. The air conditioning would go off at 6:00--they'd turn the tower off at night--and we had to stay there in our bare shorts and ship till 11:00 at night.

Q: When you say "we", who is the "we"?
A: Well, shipping...Whoever was in shipping: I mean, the people....

Q: I mean, how big was your organization?

A: Oh, my God. We must have been...Between the showroom and design, I guess there were 35, 40 people....Even the....Everything was here. All on this one floor and there was no way you could keep merchandise one day.

Q: So it was the people in the shipping department and yourself.

A: And some of the sellers. I mean, the sellers in those days...It wasn't just a question of selling. I mean, you sold, you shipped, you did whatever had to be done. And that's the way I began.

Q: Do you know how much business you were doing...?

A: I think we were doing $3 1/2-$4 1/2 million. You know, in our industry, manufacturers tend to exaggerate the numbers a little bit. I remember when we went public in 1969, we were doing $11 million and two days before the meeting, my father commented at a group...some kind of an affair...That we were doing about $15 million. And I whispered to him later, "How could you say that?" because this red herring was going to come up in a couple of days. And he said, "They'll forget." And even when I traveled around the country, selling, and someone would ask me how much business we did, I would say, "$4 million," and a friend of mine who liked to travel with me, who was in the children's wear business, said, "You're supposed to exaggerate, because they're discounting. The retailer is discounting. You tell him $4 million and he'll think you're
doing $3 million. So you've got to tell him $5 (million) or $6 (million) to get down to $3 (million) or $4 (million)."

Q: And at that time was it the one division--just Abe Schrader?

A: It was just Abe Schrader. Between 1950 and 1959, we opened up the Mort Schrader Petite Boutique division, which was very successful at that time. We did about $3-$4 million.

Q: For real.

A: For real. Which was a nice addition. At that time, I guess, the Abe Schrader division was doing $5-6-7 million,

Q: So at that point you had two divisions. Now, you did continue to open up others...

A: Oh, we opened up a lot of divisions over the years and closed them. We originally had a Stephan division, that was supposed to be a lower priced division. I think we did about $3 million and then it dwindled down to nothing and we closed it. But these were all divisions that we were opening. What my father was trying to do was get me out from under and get me on my own. But I didn't have the ability to operate on my own. So, as I look back, in the years gone by, my father would give me a production man, he would give me someone else, and then he was busy--successfully running his own division--and I had all these hunchbacks, one after another, who for one reason or another would start up...And I really couldn't handle operating the companies, I was too young, really, or inexperienced, or whatever. Anyway, outside of the one division, until we went public, we really didn't have successful additional divisions.
Q: Well, what made the difference when you went public?

A: Well, you know, there's a lot to be said for being public and there's a lot to be said for being private. When you're public you really have to have an orderly approach to operate. Because, indeed, you look at quarters as opposed to looking at a year, and there's an accountability that you don't have as a private company. There's an exposure, there's an ego that you have in seeing your figures published, so you start to strive to build a better company. And if you look at our company today, as against five years ago, there's a tremendous difference. It's not the same company. Every five year period the company has changed dramatically. From the base we're at we could be a $200 million company. That's how different we are than five years ago or ten years ago.

Q: Could you define the differences a little bit more?

A: Well, you know, if you look at apparel companies in our business and you see a company that has developed to an $8 or $9 or $10 million company, and then it stays there... Or companies at the $5 million level, companies at the $20 million level, And then you see companies that have this growth pattern where they were $5, they were $10, they were $15, they were $20 and then they were $100 and then they were $200 (million),... It's just... Some of it could be luck, initially. But eventually, in order to maintain businesses at that level, you have to have outside people come in and operate with you, or for you.

Q: You're talking about a management team.

A: Yes, In any business it's people. So, if you look at our company today and see what kind of people we have,... Now, my Dad,
basically, is operating as he did...I think he's unique.

Q: You're talking about the one division....

A: Abe Schrader and Pauline Trigere Coats, which he operates.

In my opinion, he's the best there is. I've never seen....I couldn't do what he can do, single handedly, with a group of people that answer to him. He doesn't answer...They answer to him. He controls the company. He lives it. He has nothing else in his life but that. Those two divisions are his babies, and he really lives it. He goes over the figures and the plans and he gets on the floor and pins up the coats himself. And he can do all these things. I need people to do it.

Q: How many divisions do you manage now?

A: I,...We have Schrader Sports divisions...There's Schrader sport dresses, Schrader sport boutique dresses, Schrader sport half sizes. And that's three, just in the dresses. And there is Schrader sportswear, Schrader sportswear petites, Schrader sportswear half sizes, and Trigere sportswear. Those are my...Well, the newest one is the eighth, which is Schrader Active Sports.

Q: Which is just beginning.

A: Just beginning.

Q: How do you operate each of those companies?

A: Well, each division has a company president, a division president. Basically the dresses have a corporate president who is responsible...who has division heads for the petite dresses and then the half size dresses. And the same thing in sports, where we have a sportswear president, and then someone who operates petites, and someone who
operates the half sizes. And Trigere has a separate head. Active has a separate president, a very nice woman who operates for us.

Q: And does each of those groups have a separate designer?
A: Yes, yes.

Q: And the designer does the Misses sizes and the Petites?
A: Yes. Basically what we do is we take the dresses... it's just a change of sizes more than anything else. In terms of design, we're designing the same styles, with a few adaptations. What sells in petite might have to have an adjustment for a half size. We might sell a dress with an attached belt in petite or missy, but in a half size we generally make a dress without a waistline, because it sells better.

Q: And in the department stores, you sell to three different buyers?
A: Absolutely. Three different buyers.

Q: And do you... What kind of reaction do you get to merchandise that is designed in the same way and probably in the same fabrics, I assume?
A: Basically,... I started the petite business and the half size business only because the stores asked me to make those categories. Because they were so successful with this type of merchandise in this area. They wanted that same merchandise... And in the petites it was... the woman at AMC--lovely woman who runs the dress division and the buyer at Filene's in Boston, who sat down with me and said, "Look, we want petites." So I said, "Well, give me an order, write a distribution for your stores, your AMC stores, and I'll make six styles." And that's how we began. And
the wind up is that the petites are close to a $10 million division today. In the same styles.

Q: Did that work the same way in sportswear?

A: And we did the same thing in sportswear. And we did the same thing in half sizes. Of course, half sizes are not as big an area for us as petites. Petites is a very big area. The sell through is very good. Evidently, what we get is multiple sales, at retail, at the consumer level. The woman out there, when she finds something which fits her, she is so excited she may buy from that manufacturer two or three different styles, because she's so happy to find something that doesn't need a hem or alteration. The sleeve fits, the shoulders are in the right place. The circumference of the arm is in proportion, or the blazer and the jacket... the pockets are in the right place... Very quietly... It wasn't my idea, it's not that I was so innovative and thought of it. There was a retailer who came to me and said, "This is what I need."

Q: That brings up a whole very interesting question about the role of the retailer in the life of a manufacturer today, as contrasted with 20-30 years ago. You've been in business now for over 25 years, so you really can make a comparison. And that is something that I've gotten a number of different points of view on, and I'd love to hear from you.

A: There is no question that the retailer and the manufacturer have a closer association today than ever before in terms of the big stores in particular, I mean, we.... The retailer is just an extension of what we're doing. There's no way to do big business with major retailers without having a commitment to what happens at retail. In other words,
you can't just sell the merchandise and then next season sell it again, unless you have a particular label that's so powerful that it overcomes anything that happens. But at the level of business that we operate, we must be a performer.

Q: I've heard from a number of manufacturers that it has not been possible to develop a really warm, ongoing relationship with retailers in recent years because there is such a great turnover at the buyer level, and at the merchandise manager level. But you're not indicating that that's a problem.

A: Well, I think strong resources develop a relationship with top management. Just as I look at a resource....To me, anybody wants to see me, with fabrication, I want to see them. I want the industry who's selling fabrication to be able to come up here and know they're going to get a look. Because they're our life support....new fabrics. Just as the manufacturer is the life support for the retailer, and anybody....If I were to walk in and take a look at Stevens or Burlington, or any one of the majors who play a big part in my business, before I would change them, I would certainly evaluate the kind of business I'm doing, no matter what my management is. New management coming in to run a division, I wouldn't let them walk away from a successful story.

Q: So you are very much in control, or very much aware of what happens, in all of your divisions,

A: Oh, yeah, I live all divisions. We spend the better part of the working day, from the planning point of view, right in the office here. Each division has the opportunity to present....Not only do we have
a design meeting, each week for each division, but...

Q: Separately or together?

A: Well, each division...Well, the dresses separately and the sportswear separately. And the active wear, which is now another area, and the Trigere. We really have four areas that are individual. So we have a design planning meeting, and then we have a sales oriented type of meeting, which are the sellers as against the designers who are not present at those meetings. We will just talk about "We plan to do $4 million for the selling period," and then we track it each week and see how much is being sold. If we plan $4 million, we don't have to buy $4 million. We might only have to buy $2 (million) of that $4 million initially to get started...

Q: To buy fabric.

A: Right. And then we just keep moving it up as we get reaction.

Q: Do you buy most of your fabrics here, in the States?

A: No, it's mixed. I would say it used...Five years ago we bought 90% in this country. I would say we're mixed, about 50-50, and trending away.

Q: And the 50(%) that is offshore is in what countries?

A: We're getting raincoats from Poland; silks in the Far East...

Q: I'm sorry...Raincoats and silks...Do you mean the fabrics that come in from those countries, or that you're having merchandise made?

A: Both, Both, Both fabrics and garments. And the active wear is 90% offshore, the whole product,
Q: From the Orient.
A: From the Orient.

Q: And does that mean that you sample your fabrics, or that your sample fabrics are from the Orient as well?
A: Oh, yes. We're sending our designers and I, who have resisted traveling to the Far East for 20 years, will go three or four times....

Q: Since when? For how long?
A: Since a year. It's one year. I was there in May and I'll go again now. I will go again probably in January. And then in May again. So at least three times......But I keep sending people over there besides myself.

Q: And do you have production facilities and someone who represents you over there?
A: Sure.

Q: How did you develop your market in the Far East?

Who made the initial...?

A: I decided to get on a plane...And do it. That's what it took. Until you get up and do it...conceive and understand, we live in this country and are not aware that the sewing capital of the world is not here. All the countries of the world are there. Shopping.

Q: Yes, What are you now doing here, in this country? What aspects?

A: Well, we do a lot of sewing here. We take the sport dresses, sportswear....Tremendous amount of it is domestic fabrication.
We buy woolens from Burlington and Stevens, and cottons from Stevens, shirtings, and so forth.

Q: You're talking about 50%. But what you do here is design...

A: All design is done here.

Q: And patterns.

A: Yes. All the production preparation is done here.

Q: And ultimately distribution, which is, I gather....

A: Yeah, we have a big warehouse in Secaucus.

Q: When did you put that up?

A: Five years ago. My father was very nervous. It's big.

Q: But you were planning for what was going to happen down the road.

A: I guess I was. I kind of thought we were going to continue to grow, and my father's impression was, "Why do we have to leave the city?" Number one. Beame was then the mayor, and Beame would have liked to have seen... He was talking to the apparel industry to stay here. I told my Dad I didn't think it was the right thing to do. I mean, he saw the potential, but he had this mixed feeling because of his closeness with politics in this city and his interest in the maintenance of this city as a major center for the apparel of the country. He felt the more jobs here the better, but there was no way. We looked on 23rd Street or 18th Street, there's a very big building, I think it's the Port Authority building. You can take a truck on the elevator and get up to a floor. The problem is, you still have to.... That building then was empty; just a handful of
tenants. But when that building is full, the trucks have to, ... Instead of the head truck lining up for an elevator, it's a big truck lining up for an elevator. And I just thought, in my mind, the only way to do it was to have a one story warehouse so the truck could pull up, back up, and load and unload. Because when you get a UP parcel truck, you back the trailer over, the cab drives away and then comes back in the afternoon and takes away a truckload of United Parcel packages. There's a big difference, from having to have a guy come up with a hand truck, load it up, take it downstairs, wait for an elevator... I mean, it's okay, to do it on the streets of New York.

Q: And you also have out there your data processing...
A: We have data processing. We have the Camsco computerized marking and grading...

Q: How do you spell that-- "Camsco."
A: C-a-m, ... C-a-m... I think it's s-c-o. It's a German company. Many, many of the major companies in our industry operate either with Camsco or Usted Tool.

Q: I'm going to have difficulty spelling "Used Tool."
A: Used Tool.

Q: All right, fine. And has that kind of computerized grading and marking a history that goes beyond five years?
A: Well, I would say that some form of it has been around for the last 10 years. But in the last 5-6 years it's had an explosive growth.

Q: What happens to the... your need for the old time pattern
maker?

A: The old time pattern maker. Firstly, the pattern maker is not involved with the computer. It's the marker and grader,... The marking and grading aspect chain that's really involved in computerized marking and grading. And the marker and the grader are the people who are operating the machines for us. They sit... It's those people who take the parts on a screen and know that this part can meld with this part. You can't just take a novice and stick him... I mean, I couldn't sit at that machine. Even though I have the manual dexterity, I could learn to move the parts. But I don't have the training as a marker or a grader to make it all happen.

Q: So the pattern making is still done in Manhattan.

A: Yes.

Q: And then the patterns are sent out there to be graded.

A: Right.

Q: And the fabric to be marked, the fabric which is being used in merchandise,...

A: Even if we make it overseas, we send it to them to be marked.

Q: You send them the marker... and then they cut their own fabric over there.

Q: Well, they take the marker... If they want to take the marker and cut it up and make a new marker they can. But they get all the parts. Plus they get... The reason I send them the marker is I want to know what my yardage is. So I have an idea when I make a pair of pants
that takes a yard and five eighths. Because it's my fabric, it's all our planning. I want to make sure that the prices I'm getting are in relation to....Either two yards garment, or a yard and a half garment, or a yard and five eighths...

Q: How do you control quality when you have merchandise made in the Orient?

A: You send people there. We're constantly sending our production people over there. Going over at certain times constantly to check. If we have a delivery period, there's a certain period where the factories are producing for a shipping period, and so that's when we have someone over there to check, going into the factories, and hopefully finding the problems before we find them over here.

Q: What do you find you have to do as far as timing is concerned? Since you have to get the merchandise cut over there and made over there--I'm talking now about the merchandise which comes from over there--does that add to your overall time so you have to anticipate more...?

A: Oh, that's why the business is so much harder today than it was 20-30 years ago. The fabrication was much simpler in the '40s, '50s and '60s. I remember coming in in 1955, we had two or three fabrics. We had the wool fabric. We made a decision to buy a piece dyed fabric, you bought a thousand pieces or 2,000 pieces, and then you cut it up, and that was a major portion of your line. If silk faille was important, you did the same thing with silk faille. And then you had a few novelty brocades, or whatever, and that was the line. But the guts of the line was two or three fabrics. Today you look at a line and the fabrics are so
diversified, to put a line together. The time to get
the fabric is more difficult. And when you add the offshore lead
time, the risk factor is tremendous. And, of course, that makes the game
much harder and it makes the game more complex in that the planning has
to be more organized. We used to have a designer build a line, and you
saw the pieces coming out, and then the line was there. If you needed
some changes, you made some changes. Today, the line goes up first fabri-
cated on a board. So we look at the fabric board. Then we pick our colors,
and we get little thumbnail sketches into groups, I mean, the planning of
the line...

Q: Don't stop there... You get the fabrics into groups...

A: And then from the fabrics into groups, then you take
different groups, and you take the thumbnail sketches and literally de-
sign a line on paper. And you can make changes and adapt but you have to
have a pretty good idea of what that line looks like, visually, in color,
from sketches, before you even begin to design. It's so much harder. It's
more organized and takes that many more meetings and more time and research.
But you couldn't do it any other way, in the world we're living in today.

Q: And, of course, sending this much merchandise offshore
means that you can produce volume that you probably could not....

A: Oh, we're producing volume here. Just even to do....
to do... I mean... We were a dress house. And now to do sportswear, sportswear has to be coordinated. The planning of fabrication for sportswear,
if you're dealing in woolens, the woolen mills... I mean... Our colorations for next fall are finished now. We have made our buys on our base fabrics with... where our plaids are being put to bed now for next year. It's all done. We would never have, 20 years ago, thought about operating this far in advance. One year up front. Our active sportswear, our designer is in Europe. She left us the whole line for next fall... And I'll catch up to her in Hong Kong in about two weeks. And she will have the samples made up over there and we will order everything two weeks from today. We ordered some of the goods already, but it will finally put to bed; the factories will give me the prices on the items, on the duplicates, and it's all done, for our merchandise to be shipped this coming June, July.

Q: You don't mean that you're ordering stock now.

A: Stock, Stock. That's it. It's going to be finished. Done. The stock. When you deal offshore, you buy a finished garment. You buy the product. When you buy fabric, you have some latitude. If the style... You don't have to put the labor into it. You can at least be stuck with the fabric. When you deal with offshore operations, you buy a complete package. You're buying the labor and the fabrications, all done.

Q: Then the price differential has to be the thing that makes it meaningful to you.

A: Oh, absolutely. Price has a lot to do with it. In a free enterprise society like we have, I don't think that by adding, putting tariffs we can solve the problem. I think you have... In a free enterprise society you have to let the prices fall where they can be best produced for the consumer. You cannot hold back the growth, let's say, as the ILG tried to do in the New York area 30-40 years ago. So what happened
was, they couldn't produce profitably in New England. The mills closed
down. They went down South because the labor was less expensive, and,
basically, the consumer got better value. And when they couldn't do it
down South, they went offshore. And unless we produce a better product,
we won't be able to manufacture in this country. We have so much techno-
logical ability that if we put our minds to it, we can produce just as
well here. I mean, I produce dresses here, a tremendous amount of dresses
in sportswear, that I stack up against what I produce in the Far East.
It's just a question of finding the kind of advantage....It's not always
price. It's not always the price that makes the difference. Sometimes we
get a better fabric offshore than we get here, and that's one of the rea-
sons for going over there. The Japanese take yarns and they twist them. We
don't twist any yarns in this country, And the major mills are trying to
avoid developing this technology. They know about the technology, They
don't want to invest in the machinery, to twist. All the crepe de chines
that you get, all the fine polyester crepe de chines, are high twist. In
this country we don't have any twist. And until we do, we're not going to
be able to compete with them.

Q: We don't do any twisting, you say?
A: So the Japanese are producing a high twist crepe de
chine and we have to buy it from them. So once we buy it from them, we,
rather than pay the duty, it pays to ship it to Hong Kong, let's say;
produce the end product over there, and then bring it over here. We're being
forced into operating over there when we could do it all over here if we
had the fabrication.
Q: Well, you're seeing that one of the major problems is with fabrication as opposed to just the price of labor...

A: Oh, I think that the price of labor, today, in this country...It's not cheaper, necessarily, in Hong Kong. There used to be a big price differential, and I think you have to go to countries like China and Sri Lanka for the big price difference. I think people are now going to Hong Kong for the quality. And, of course, silks are important. Silks are almost non-existent in this country. It reflects itself in the duty.

Q: But you are able to have your silks made over there too.

A: Absolutely. All of the Trigere silks are made over there.

Q: How do you now decide what you're going to do in this country and what you're going to do offshore?

A: That's a good question. We basically decide by where the fabric comes from. In other words, if the fabric is reasonable, we can bring it in here. We try and weigh what it would cost us to produce over there, what to produce over here, and if the variable isn't too great, we'll produce it over here. Because we have a shorter lead time. In other words, we don't have to gamble as far out if we operate in this country, so there are benefits to operating in this country. You can reorder more...

Q: I was going to say, what about reorders? Yes.

A: It's much easier to operate here. But, you know, they're developing over there where they're able to turn much faster. If in our active sportswear we look to bring everything by boat..., So we need a little more lead time..., Because on lower priced garments, $1 air freight
on a $10 item is 10%... It's expensive. On an $89 item, $1... It's more important to get the garment here, so we fly everything. When you fly everything... And you think that the factory takes two weeks to sew something and then a couple of days to get here and clear customs, it's no different than coming from Pennsylvania. Oh, a couple of days more, but the difference isn't that great.

Q: Uh huh. When you were talking about divisions before... Most of your new divisions have been internally developed, But in the past, you have had...

A: They're all internal.

Q: Well, for example, you used to represent Tiktiner.

A: We never represented...

Q: You never did?

A: No, My wife represents Tiktiner.

Q: Oh, so it wasn't part of your showroom?

A: No, she has her own showroom and that business has nothing to do with our business... I hope that I give my wife some good advice from time to time, but that's about it.

Q: Yeah, Right, So... All of your divisions have been developed...

A: Internally,

Q: Internally, And is it the sportswear divisions that caused you first to think about going offshore? Is that the area most involved?

A: The area where we're doing our biggest amount of
production is the active sportswear, where it's totally an offshore operation. But in the other divisions, it's just a question of development. As we go along...in years gone by, we went into the open market to buy prints. Today we have our own print staff in house to do our own designing, and we buy...We deal with the studios and start from scratch. We color ourselves. If I would walk you through and show you it would be easier, visually, to see what we're doing against what we were doing in the past. There's a big difference.

Q: You've explained it very well. You used to buy all your prints on the outside, and the coloration...

A: In the open market.

Q: Yeah.

A: We could buy a print and our competition would have the same print. People who were producing would have the same print and might have it for $5-6 less in the same garment, before we ship it, because of the nature of the industry. So by having our own prints, it just makes it that much more difficult for someone to be on top of us.

Q: Well, are any of these prints made domestically?

A: Sure, Oh, yes, Absolutely.

Q: And you have to give them a certain amount of yardage?

A: Absolutely. Well...You reach a certain...That's part of that plateau. Someone who will do $4-5 million or $10 million wouldn't have the ability, let's say, to do what we could do. It takes a certain amount of volume to be able to pull through some of the concepts that are very effective in a bigger business. Of course, having a division where you have two more divisions that can utilize the same pattern, is a
tremendous help too. If we would, let's say, plan 2,000 dresses for our Missy dress, Petites may ask for 50% of that--1,000--and the half size may take another half of that--500--So it's no longer 2,000, it's 3,500 units. Thirty-five hundred units is 7,000 yards at 58-60" piece goods. So we certainly don't have any problem anywhere with 7,000 yards as an initial order.

Q: So the volume you're able to generate has really affected things...a great many different...

A: Oh, yeah. Absolutely. And I don't know how it evolves. Sometimes you can plot, I watch people plan tremendous businesses, from scratch. And they just make it happen. And in our case, we didn't plan it like that. It kind of grew, on a more steady basis. For the last 2-3 years we've been planning our growth more carefully, Projecting through this constant...consistency of meetings for planning.

Q: Mort, as perhaps our last subject for the moment, can you talk a little bit about licensing. I assume the Trigere thing really got started in the Abe Schrader division...

A: Absolutely,

Q: Do you see it...Not necessarily Trigere, but licensing in general as being something that will affect you in the long run, or is this...

A: No. Firstly, the arrangement we have with Pauline Trigere is such that it would be very difficult to undertake any other license, as it is difficult for her to take other people in the apparel business.
Where we tied her up, we also tied ourselves up. We don't have the ability to take on any other people, and frankly I don't think we would want to.

Q: Well, now, is your active sportswear a licensing...
A: No, no, no, that's Schrader active sports.
Q: Uh huh. And it's your own designer and so forth.
A: Yes,
Q: What about advertising and publicity? You used to be very active in...
A: I think we're spending more money today than we ever have. We have a much bigger budget. I just took a look...The fall budget was close to a quarter of a million dollars. In years gone by, our budget was $100,000, $110,000, $90,000. So we spend a lot more money. First, plus we're going to color. It's more expensive by comparison to black and white. And we're running four pages back to back in color where we used to run one Abe Schrader ad, now we're running the other divisions too.

Q: This sounds like "W,..."
A: "W," Harper's, New York Times...And for the new active division we're considering TV. We don't have a formalized plan yet but that's what we're working on.

Q: So it really is a considerable change in thinking...
A: A big turn around,

Q: Let me just see if there are any...It really is a very different kind of business when you get into this volume. However,...What is your price range now, in your divisions? At the wholesale...
A: The wholesale, for example, for the dresses, the average price is under $40. Actually between $34 and $40. So I guess $37 might be our average. For the dresses. So we're under $80 retail. And in today's... There's very little you can get for $80 today. I think we're offering a lot of value, and that's part of the success of that division.

Q: And what about sportswear?

A: In sportswear, our average is a little higher, because we're dealing in worsted woolens. But we're competitive price wise to the major resources, like Evan Picone. I don't think there's a dollar difference up or down, between us and Evan Picone...

[Side 2]

Q: What do you anticipate your prices to be in the Active Sportswear divisions?

A: Oh, well, I don't anticipate them. They exist. We're making pants, long pants, for $19; sweatshirts for $18-19 wholesale. Jackets for $30,... Running shorts for $10. Walking shorts for $12. T-shirts for $12-14-16,... So we're in the mainstream again. I mean, we're not at the very low end of merchandise, but we're certainly part of what they call a "lifestyle" type of dress. People are looking for weekend wardrobes for less money.

Q: Ah... You know a lot about the marts. The apparel marts...

A: Yes,...

Q: ....selling uptown. Could you talk a little bit about
that, and how that's developed, and what the nature of it is today?

A: Up until a number of years ago, we had a limited road operation. Today we have 18 men on the road and hopefully in the next couple of years we will have 40. So we are planning our business not only in the marts, but actually out in the field. Go after the accounts and the specialty stores.

Q: Do you take permanent showrooms in the marts?

A: We have permanent showrooms in Miami, Atlanta, Chicago, Dallas and Los Angeles. Those are our permanents. And then we do...The various men do Charlotte, in a hotel; they do...I can't think of all the regional shows there are. We do a show in Kentucky, there are shows in Alabama, shows in Michigan that our men go to.

Q: How do you think the attendance in New York relates to...

A: Oh, it's off. I think Women's Wear gives some figures that I don't think are accurate. My guess is that a couple of years ago we did 65-70% of our business in New York, and the balance on the road, I think the role has reversed now, I think we do 65% of our business on the road--either in the marts or actually men out at all these regional shows, traveling in caravans, setting up with other manufacturers' reps ....and selling in various cities.

Q: Do you have your reps handling only your merchandise?

A: They only do. They don't have....We don't mix...Other people mix their lines and do it successfully, They have reps carrying multiple.,You know, different companies. But our men only carry our lines.
Q: What about the division between the volume done by specialty stores and department stores? Do you have some feeling about it?

A: Well, I would say that manufacturers who are catering to the specialty stores have an easier life. It's more expensive to put a road operation into motion, but the results are more constant. You have less of an up and down. You're less vulnerable.

Q: You're talking now about the road doing more specialty stores' business,

A: Oh, absolutely. Absolutely. That's what we are aspiring to develop. We want the major stores but I really would not like to be captive to a major store, where if I lose them I hurt.

Q: Do you think the specialty stores are more loyal, is that...

A: It's that they're more easy to deal with. They're not asking...Their demands are less. And understandably so. They're not making the same kinds of commitments. And basically, I think, in apparel, the service you get in a specialty store is very, very important, whereas the large types of operations don't have the same significance when a woman buys something in apparel. It's my feeling that the next ten years, our economy is going to continue to be difficult. I'm sure that the apparel industry is going to continue to outpace the rest of the country, because as times get difficult, more women have to work. Working women need clothes. A lot of them. So...I think the apparel businesses are going to continue to grow...[interruption by Abe Schrader]...We haven't had a disagreement in over ten years, We get along very, very well. Which I think is
unusual in a father and son relationship. And I hope one of the reasons is that he feels confident that he doesn't have to worry too much. That I'm getting the job done, we are doing the business. And continue to do...

Q: He feels that in a matter of some ten years, most production in this country will be offshore. And I've heard that from a couple of other people. Do you feel that's going to take place too?

A: I think it's going to come around. I think...We're living with a tremendous part of the production going offshore now. But I think eventually the production will come back here.

Q: Will come back here.

A: Oh, yes. You know...The world that's producing over there is producing because labor is so cheap. But you take fabrics in Japan...The success of Japanese fabrics is not because of the price. Its success is because of the quality. That's why people are buying over there. The success is not just price, because you can see that, as more women come into the work force, better merchandise sells extremely well. Look at all the major stores that have dropped the basements, to develop a better business. I'm not talking about couture; I'm talking about a "better" business, and taking the space that was used for basements and using it for other...Maybe for food, gourmet food...You know...All better types.... We are living in an affluent society. Probably we're the....I don't think there's another country that consumes at the rate that we do. And I know there's a lot of talk about unemployment--10%--but there are 90% working. And those 90% are going to continue to need. I think that eventually it's
it is going to turn, that the production will come back here, that the mills will realize they have to make the investment and twist. And the sewers....The machinery is the big thing. There's so many technological advances in sewing. The type of sewing machines that are used, the types of gauges that you put on the machinery....There are people producing in this country tremendous quantities. They're very competitive with the Far East.

Q: Ah...

A: I think the biggest differential is not the price, it's the quality. They're giving better quality offshore than we are in this country. And eventually we're going to pay attention to that quality. Rather than live in a world of seconds, we're going to start to make firsts. If you get a piece of goods in from Japan, you don't have to examine it. Literally, You examine everything, but when you take the rolls off and put them on the machine, I'm amazed at the quality. We don't have that kind of quality here. Until we get to that, the business is going to be over there.

Q: I should think we have a good possibility of getting that quality back....

A: I really do. I think we're producing big volume items in this country--like shirts for example. I don't think you have to go offshore to make a shirt. I think a lot of major people....Because I walk into the stores and I'm looking at the big....Levi....Levi's producing a tremendous amount of merchandise in this country. Levi's quality,...I'll stack
Levi's quality against anybody, in our industry. And I think dollar for dollar....There's no miracle. You can't make a glass in the same factory as you make a Levi, But if you think of the value in that Levi in a man's suit or a lady's suit or a jean or a shirt or other products they're making today; if you look at what you're getting, dollar for dollar, in this country, it's excellent. It's just someone having the desire to do it and develop it.

Q: Well, that is...really the first positive statement I've heard, and I'm awfully pleased to hear it. I don't want to outwear my welcome, and I know that you are wanted...but...just let me ask you...What do you think of the role of F.I.T. is in...or does it have one....in developing people other than in design?

A: Oh, well, as far as I'm concerned, F.I.T,...You don't have to sell me on F.I.T.

Q: No, I'm not trying to, I just want to know.

A: F.I.T. is the most unique educational institution of higher learning I think in the country in that it is supplying an industry, not just the sewing aspect, the design aspect, but across the board. The technical people who are going into retailing, that are going into the actual maintenance of machinery--there are so many areas--the jewelry area that they've developed over there. All the people who come out of F.I.T., for the most part, wind up with jobs. And that's unique. And when I hear the statistics about how many people are placed after graduating F.I.T., that in itself is an indication of how important the school is to
the whole field of apparel, from the design and textile development, all the way through.

Q: Well, is there enough being done in terms of production people, for example?

A: Well, there's never enough in production, but we have ....that's one of the areas that...Most of the production people today.... who at the turn of the century were all Jewish...Now all the key production people are Italian. All the craftsmen are from overseas, not from here.
ORAL HISTORY PROJECT OF THE FASHION INDUSTRIES

Transcripts housed in Special Collections:

1. No photocopying without written permission from the oral author or his designee. The Director of the Library will furnish addresses; the reader must write for permissions.

2. Written permission is needed to cite or quote from a transcript for publication. The user must send the Library Director the pertinent pages of final draft; the Director will assist in obtaining the final permission. The form of citation normally used is: "The Reminiscences of ________, (dates), pages ________, in the Oral History Collection of The Fashion Institute of Technology." No fees will be charged for published use. User is asked to furnish Oral History Program with a copy of the published work.

3. In order to see PERMISSION REQUIRED or CLOSED memoirs, the reader must obtain the written permission of the oral author or his designee. Contact the Library Director for addresses. The reader writes for permissions. Written permission if obtained must be presented when the reader visits.