

26th November 1968

The following is a resume of the life, business and social activities of Mr. Samuel Goldstein, who recently retired from the Chairmanship of Ellis & Goldstein (Holdings) Ltd., and is now Honorary President of the Company.

I was born on February 2nd 1889 in a small town near Warsaw in Russian Poland, as it was then.

My father was a dealer in timber, horses and cattle, on behalf of the local Polish gentry, but as in the course of his career he incurred a large number of bad debts he died a poor man. He had a family of eight children of whom I was the youngest. At the turn of the century economic conditions were very bad in Poland, as a result of which there was considerable emigration to England and America. Of the family of eight, my three brothers and three sisters emigrated to England and my eldest sister and myself were left to look after our invalid mother. At this time I was thirteen years old, and in letters which I received from my brothers in England I was advised to become apprentice to a tailor, and to learn the trade with the object of coming to England at a later date.

Having followed their instructions I eventually arrived in London in 1905 and started to work for my brother Solomon who had been in England about ten years, and who had his own workshop in the East End, making up garments as a sub-contractor for wholesale mantle manufacturers in the City.

It is common knowledge that the working conditions at this time were very poor, and the working hours exceedingly long. We worked a six day week, and the hours were from seven in the morning until ten at night.

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As it was a seasonal business, in fact only eight months in the year gave full employment, it was necessary to work exceedingly hard in order to save money for the slack periods, which were not paid for. As I was not a robust person my health suffered during the first few years, and I had duodenal ulcers which became progressively worse until I was operated on successfully in 1946, since when I have been almost completely cured.

In 1907 one of my workmates emigrated to New York and wrote me glowing accounts of conditions there, and urging me to join him. Being eighteen years old, and unmarried at the time, it seemed the right thing to do. I travelled by ship to New York under the most miserable conditions, and having arrived there found that there was an economic crisis owing to the imminence of the Presidential election, as a result of which there was a large number of unemployed, so that for every job that was advertised there were hundreds of people standing on line outside the factory gates at six o'clock in the morning. Eventually after<sup>a</sup> trying period of influenza, and shortage of money, I succeeded in finding a job as a machine operator in the garment trade, only to find out that the standard of workmanship and skill was much higher there than in London, and as I had only had a few years in the trade I could scarcely compete.

My sister in London sent me a ticket and on my return the conditions which I had previously found so onerous seemed so very much easier, and I was employed by my brother at a regular wage of thirty shillings per week, which was quite good at the time.

A few months after my return from America I met Polly Millin who is from a similar background as myself, and we married at Christmas 1909. I was still employed by my Brother in the capacity of machine operator and gradually I started to assist him as his health was not too good and this deteriorated to a point in 1910 when he decided to give up running the workshop and to open a retail fashion shop. He wanted £100 for his interest and having discussed the matter with the late Mr. W. J. Ellis

who was employed as a stock cutter, we managed to scrape together the purchase money and thus the partnership of Ellis & Goldstein was first started.

For the next few years until the outbreak of world war one we worked conscientiously to build up a reputation for good workmanship and we managed to accumulate a few hundred pounds as a result of our efforts. On the outbreak of war it became obvious that large quantities of uniforms would be required so we applied to Glanfields who were large government contractors, and were given small sub-contracts by them. Having worked on the sub-contracts for the first eighteen months of the war and as the overwhelming demand for uniforms tapered off, we then returned to our normal type of sub-contracting, Ladies Costumes and Coats. It was only natural that Mr. Ellis and myself should look forward to a time when we could manufacture the garments on our own account instead of sub-contracting, but this would involve the purchase of materials, extending credit to customers for which at the time we did not have finance available. My brother eventually agreed to provide the finance and to become a partner in the firm but due to his health he would only commit himself to put in as much time as his health would permit into the running of the business. We gradually built up quite a sound business and a fair working capital. After the end of the war we decided that we would need larger premises and arranged to lease three floors in a building which was being constructed in Whitechapel and we occupied these in 1920. Just at this time there was a slump in the textile industry with the result that cloths which were being sold for £1 per yard came down to 4/- per yard and since all our capital was tied up in stocks we went through a very difficult period. This meant starting to build up our capital again but as our reputation for good workmanship was becoming more and more known to the retail shops there was an ever increasing demand for our garments and the business started to prosper.

Responsibilities of managership became such that my brother, who had only undertaken to do part time duties, became responsible for the finances and buying. Mr. Ellis was in charge of the cutting and designing and I myself was in charge of production and also attended to the requirements of the very large customers. By 1926 my nephew David who is now Chairman of the Company, came into the business and my son Davy followed suit. It was rather fortunate that these young people came into the business at this time because in 1927 my partner Mr. Ellis had a very severe operation as a result of which he was unable to continue and sold his share in the business to my brother and myself for £16,000 and £30 per week for life. Unfortunately Mr. Ellis died in the following year. In the meantime the partnership had been converted into a Private Limited Company the directors of which were my Brother, myself and our two sons. In 1928 we again found that we had outgrown the existing premises and bought a newly constructed factory at Commercial Street, E. 1. of 20,000 square feet for £24,000. At this time we could not have envisaged that we could ever fully occupy these premises but sure enough we had to buy additional premises in St. Mary Street, E. 1., doubling the space that we occupied. During this time my nephew David Cannon joined the company and we were continuously expanding from year to year so that in November 1936 we formed a public company and were able to show ten years of steady profit growth leading to a figure of £28,000 in 1936 which does not sound very much today but was considered quite substantial at that time. At the time of the public issue the 5/- shares were offered to the public at 10/- per share and were 22 times over-subscribed. With the ability to raise further money from the public if required we were able to embark on a programme of expansion but it is interesting to note now that it has never been necessary to ask the public or the shareholders to subscribe any further money and the present group of companies has been built up entirely out of internal resources.

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In 1939 when world war two broke out, in common with many other employers we were concerned as to whether we would be able to continue manufacturing in London. Anticipating the bombing which eventually arrived, in September 1939 we acquired a freehold factory at Luton with an area of 42,000 sq. ft with the intention of making uniforms for the forces and to removing our London production of civilian clothing to this factory if we had to evacuate our staff. The production of uniforms reached a figure of 10,000 units per week in the first year and by the summer of 1949 it became necessary to remove the civilian production to Luton and also the remaining staff. The London premises were partly bombed and these were reinstated after the war. At the end of the war we decided to keep the Luton production going and also reinstated all our London production so that in 1947 we made our first acquisition of Laura Lee Frocks Limited. The 5/- shares had reached a peak of 65/- and the profits had topped the £150,000 mark.

Laura Lee Frocks was under the management of my younger son William who then joined the Board of the Parent Company. The main board now consisted of myself as Chairman and Joint Managing Director, my nephew David as Joint Managing Director, my sons Davy and William and my nephew David Cannon. My brother Solomon who I referred to as my partner earlier and who suffered from ill health, passed away in 1933 and I was very fortunate in having the second generation coming into the business and helping to participate in its growth.

From 1947 to 1957 saw a further rate of growth culminating in the acquisition of Dereta (London) Ltd and Rembrandt Dresses Limited for a consideration of £1,250,00. These companies products were extremely well known to the public and Mr. L. Ritter and Mr. J. Ritter joined our Board thus strengthening it still further. As a result of these acquisitions the profits which were £269,000 in 1956 rose to £634,00 in 1959 and scrip issues were made raising the ordinary share capital from £175,000 to £470,000 and the shares having been sub-divided into 1/- units these now

stood at 10/- giving a market valuation to the Company of nearly £ 5,000,000. These acquisitions having been so successful we acquired a firm of Knitwear Manufacturers, Bent & Son Ltd of Leicester in 1959, and Dukes & Markus Ltd, manufacturing popular priced dresses in North East England in 1961.

The Company reached its peak profit figure in 1965 of £975,000.

Between 1965 and today there was a dramatic change which arose in the ladies fashion trade due to the advent of special teenage fashions as against the trade which we had built up for mature women over the years. Since 1965 we have devoted our efforts to strengthening the existing organisation and building up 150 units of Shops within Shops for the sale of our products. The policy, which has been justified by events, has been costly and will no doubt bear fruit in the form of expanding profits in the not too distant future.

I recently retired as Chairman of the Company with which I have been associated from its humble beginnings and become the Honorary President which enables me to keep in touch with the business and to offer the benefit of my experience when needed. I will give you verbally such information as you require concerning my Charitable activities which occupy most of my spare time outside business.