Michael Daroff

FINGER: -- and sons in Philadelphia. Could you begin by
telling us about that?

DAROFF: My father came from Russia. When he came over, he
started in the men’s pants business.

FINGER: Did he go straight to Philadelphia?

DAROFF: He went straight to Philadelphia and he started to
manufacture -- through a contractor -- men’s pants. He
went along with that for a little while.

FINGER: Had he been trained in New York, or did he know
exactly what he was going to do?

DAROFF: He didn’t know anything about the clothing business.

FINGER: He didn’t. Well, do you have any idea how he happened
to go into it?

DAROFF: Well, he had some people where that were in the pant
business, and he started with them. And then he went in
for himself. He continued in the pant business for a short
time, and my oldest brother, Louis Daroff, was old enough
to go into business [00:01:00] with my father who started
manuf-- started in the men’s clothing business. They
didn’t have a factory, but they had contractors at that
time, and they started in a small way, and then started
selling the goods -- because they were cheap, with very little overhead -- to stores like Snellenburg’s in Philadelphia --

FINGER: Stellaburg’s?

DAROFF: Snellenburg’s.

FINGER: Snellenburg’s. Excuse me.

DAROFF: That was a department store in Philadelphia -- and [Lint?] Brothers, and people of department stores of that type -- because he made the kind of clothing that department stores were buying, which was very conservative, three-button models. Everybody made one model in those years.

FINGER: In jackets, this is.

DAROFF: Three-button jackets. Now, after going long in the men’s business for a while -- there were five brothers, [00:02:00] two sisters.

FINGER: In your father’s generation?

DAROFF: No. When they came out of high school --

FINGER: I’m sorry. Was this your father’s children, or his brothers and sisters?

DAROFF: My father’s children. When my eldest sister came out of school, she went to a business school. When she went to the business school, she went into my father’s business,
became the bookkeeper. My next sister went into a business
school and learned secretarial stuff, and then she went
into the business. Little by little, as my brothers --
Charles, after Louis was in -- Charles was the next oldest
-- he came into the business, and he came in as a salesman
to distribute the clothing. Then, after that, my other two
brothers that went to college -- Sam Daroff [00:03:00] and
Joe Daroff -- when they got out, after their first year in
college, my college said, what’s the use of wasting your
time? You got a business to go into. Come into the
clothing business. So they came into the clothing
business. Sam Daroff became the head bookkeep, and my
brother Joe became a salesman to take care of special
customers. After that time, I got out of public school --

FINGER: Well, before we start with when you got out of school,
tell me, when were you born?

DAROFF: I was born -- I’m 80 years old.

FINGER: So you were born in 19--

DAROFF: December.

FINGER: Nineteen oh three.

DAROFF: Nineteen oh three. Now, I went through public school
and went into high school. After the first year of high
school, my father said, what’s the use of wasting your time
there? [00:04:00] Why don’t you take a business course, and then you’ll come into the business? So I went to the Pierce School.

FINGER: How do you spell that?

DAROFF: Pierce. P-I-R--

FINGER: P-I-E-R-C-E.

DAROFF: The Pierce School, which was one of the finest business schools in the city of Philadelphia, and when I -- it was a two-year course -- and then I went into my father’s business. Now, when I went into my father’s business, I looked around at the clothing industry myself. The clothing industry had a reputation of a sweatshop industry. And I made up my mind, at that time, that I was going to do something. Because when anybody would ask me, what business was I in? I was ashamed to tell them that I was in the men’s clothing business, [00:05:00] because at that time, it was a sweatshop industry.

FINGER: We’re talking about -- excuse me -- approximately 1918.

DAROFF: I’m talking -- yeah.

FINGER: When you came in.

DAROFF: When I came into the business. So, I made up my mind that I was going to do something for the clothing industry.
Not only our own business -- because, as I said, I was embarrassed to tell people that I was in the business at that time, because of the reputation of sweatshops. When I came in, I started to become involved in the entire clothing operation. Because being the youngest in the family, my father sort of took me under his wing. When he took me under his wing, everything that pertained to the clothing business [00:06:00], I got involved in -- particularly the manufacturing of clothing. I didn’t want contractors. I wanted our own factory so we could control the quality of the product. My father went along with that, and he opened out first --

FINGER: Before that, he had worked with contractors?

DAROFF: Yes. We went and opened up a shop, and we hired a foreman, and we were able to buy a pants shop in Dublin, Pennsylvania. When we bought that pants shop, we could control the making of a pair of pants. Because the contractors were making overalls and junk. We started on that, and when we started making a product, we got involved in selling. Not only [00:07:00] department stores, but the quality in the product was such that we were allowed to go into men’s stores. And from that point on, from a small beginning, that is where we started our distribution, and
started to hire salesmen one by one in different areas. Because we wanted a bigger distribution as the business got bigger. Now, I personally -- being involved in every part of the business -- in the buying of the piece goods, in the manufacturing of the product -- and I did something that the industry never had. I wasn’t a textile man, nor was I a manufacturer, but I decided that to get the right kind of a product, I had to have the control of what went into the product. So I hired a company by name of The Industrial Byproducts and Research Company in Philadelphia, and a man by the name of Sal Wineburg. Now, when I started to analyze the product, Mr. Wineburg set a program of standards. In other words, all the piece goods had to be 2-ply. All the linings had to be a number of 140 by 68 count. It had to have a Bradford finish -- the pocketing -- every part of the trimming had to be tested by the Industrial Byproduct to make it good enough to go into a Daroff suit. That was the standard that we set up in our business. And from that time on, the business started to grow, because the value of the product and the standards. Because the standard was this: we found out, at that time, through the Industrial Byproducts, that the average man dry-cleans a suit four times a year. And
besides that, we found out that the average man wears a suit for three years. Now, the suit had to stand 16 dry-cleanings, or it never passed our standards. That control was setup by the Industrial Byproducts and Research Company.

FINGER: About what year was this, approximately?
DAROFF: That was when I was about 21, 22 years old.
FINGER: Oh, so you were still very young. So that must have been early --

DAROFF: Yes. After I was in the business for five, or six, or seven years. This was the way we standardized productions. And we were starting to build our business. It was growing very rapidly. When it was growing rapidly, I had my sisters that were working for nothing, and my brothers were all working for peanuts -- you know, a family business -- and nobody had those big salaries. So, the overhead in the company was very low. So, the thing that happened from that time on, with those standards and everything else, the business started to grow in a very rapid way. Our distribution became tremendous because we kept adding a lot of salesmen to our company. And we started to build where every section in the United States had a salesmen. Where we built our salesforce to about 35,
36 men [00:11:00]. Plus, when it came to the big accounts, I handled some, my brother Joe handled some, and my brother Charlie handled some. So, all together, with our own sales, where we were doing maybe 15 million -- or it would go from 15, $18 million.

FINGER: You were doing that kind of fine in those days?

DAROFF: In those days, it was growing up to 15, 16, 17, $18 million.

FINGER: When did you hit that figure? That’s a tremendous amount of business.

DAROFF: It wasn’t tremendous. What we were doing was building bigger factories to handle that business, because once we started to grow, it grew on a tremendous basis. So, what we started to do -- we had to move out of our building at 11th and Arch -- we had a building there.

FINGER: In Philadelphia?

DAROFF: In Philadelphia. [00:12:00] And the building became too small. And then we bought a building at 23rd and Walman, which was a seven-story building, and each floor had about 16 -- 17,000 feet. And the entire business moved in there, where our offices grew -- that was on the first floor. And when it came to financing it, in those days, your bills were net 30 days. And in those days, the
retailers paid in that 30 days. If they weren’t good, and they didn’t pass our credit department -- which was handled by my brother -- we would ship them. And if they became late, we cut them out. We were in a position to do that.

FINGER: Was this somewhere in the ’30s?

DAROFF: Was in -- around the ’30s. And the thing is, that we did everything on a basis of on the table. Everything. Our customers knew us, we knew the customers. We knew everybody we did business with. When it came to the market, I would come in and visit with everybody, all the salesmen.

FINGER: When you talk about the market, at this time, were you showing your clothes in Philadelphia? Or had you taken --

DAROFF: No. We hadn’t -- we showed some in Philadelphia, but we already came into the 5th Avenue building, where all the clothing manufacturers were at the time.

FINGER: Was that the Empire State Building?

DAROFF: No. The 5th Avenue building. Twenty-third and 5th. And all the clothing manufacturers were there, and we moved in there. And we had offices there, where the retailers that came into New York could go into our office there and go see the bigger accounts. But in those days, your medium size accounts, and a lot of your department
stores, never came to New York. They wanted the buying to be done in the store, because a lot of them had buyers and assistant buyers, but they didn’t want the expense of coming to the market. And then, they wanted top management, in those days, to see what they’re purchasing and get their open-to-buys. But a lot of them did come to the market, and had the figures of what they were going to spend with us.

FINGER: But a great many others just didn’t come to New York?

DAROFF: No, a lot of them didn’t come to New York. But the bigger stores -- they all had buying offices in those days -- whether it was Associated Dry Goods, or the Gimbel stores outside of the country -- they would use the Gimbel offices and just associate it, as I said. And then you had all the other big chains had their offices here [00:15:00], so their salesmen could work out of their offices, and they would come into your showrooms with a buyer that they hired in the New York office. Because these big chains like Associated, they had a clothing buyer here. And he would go with the buyer of the store and be helpful. They would sort of line up where they should buy their goods, too, to get the best value and the best prices.
FINGER: Well, they do approximately the same sort of thing now.

DAROFF: They do the same now.

FINGER: In those days, they did not have the power to buy for the stores, though, did they?

DAROFF: No. They had no power to buy. They don’t have the power to buy today.

FINGER: No, they do not. Right.

DAROFF: But they did shop the market, and they lined up the people.

FINGER: Could you talk a little bit about how much inventory you had to maintain, since you undoubtedly showed a great many fabrics?

DAROFF: Well, we used to show 7,800 styles [00:16:00] of the goods. Because we didn’t have one range of goods. We would have an opening range, and the medium range, and we’d have -- in those days, we had a very top designer. A man by the name of [Chef Ferelli?]

FINGER: Could you spell that?

DAROFF: Chef Ferelli. I don’t know how in the hell he spells it, but we had him. And he was outstanding. Now, where we started, we made all types of clothing. In other words, we made clothing down the middle. A suit of clothes that the
average man would buy. Then we made a natural shoulder clothing -- like Brooks Brothers type -- we started to make that kind of clothing. Then we made extreme clothing. The kind of high shoulders, square shouldered clothing. And there were very few people making that type of clothing -- the diversified lines -- so you had to have piece goods for each one of these lines. High style for the high style goods. When it came to your natural shoulder, you had to have stripes and conservatives type. Then, in the middle, you had all types of clothing in there. So, you had to diversify everything and have everything that the average store can buy in from soup to nuts. You didn’t have to go -- in our price range, they didn’t have to go to many people. In those days --

FINGER: Now, we’re still talking about pre-World War II.

DAROFF: Yes. In those days, there were no unions. And none even started. [00:18:00] And then, all of a sudden, the unions started to get involved.

FINGER: This was the --

DAROFF: Amalgamated Clothing Workers, and they started to go on strikes. There was a lot of people in different cities.

FINGER: This was in the ’20s, I believe.
DAROFF: Yes. But [March after Marx?] became a union and a lot of people that they -- they signed up. They came to Philadelphia and they picked on us. And they picked on us for some time. Before you know it, they went out on strike. They went out on a strike, and it looked like a very serious situation. And the situation under the strike was -- I was told, by a man by the name of Herman Levi, who was Vice President of Fashion Park, and a good friend of mine -- Fashion Park in Rochester -- he came to me, after we were out for four weeks on the strike -- he said, Mike, your competitors are paying the union to keep you out on strike. Because we were so competitive and so tough with our values, and growing so fast, that our competitors were jealous, and they were happy that we were out on strike. Now, through Herman Levi, he said to me, Mike, you ought to see if you can’t make a deal with the union and make a settlement. So, I went back home, I talked to my brother -- my oldest brother who was --

FINGER: And all of this called H. Daroff and Son?

DAROFF: H. Daroff and Son. When we came in -- [00:20:00] I forgot to mention -- when the brothers came in, it became H. Daroff and Sons. Now, what happened, when I came back to my brother, he said that he wouldn’t sit down with the
union because we had so much trouble when we didn’t have the union. There would be stoppages continually. And, when we threw -- we had a mixture. Some people were union, some people weren’t union, but we never had a national agreement. So I told -- my brother didn’t want to go to sit down with Mr. Sydney Hillman, who was the head of the union at that time. But Herman Levi insisted, as a friend, that I sit down with Sydney Hillman and see if I can’t work out a deal with him to make a settlement. [00:21:00] So, what I did, I sold my brother on the idea. And Herman Levi, being a good friend, made an appointment at 6:00 at night in his apartment in New York to sit down with Sydney Hillman and see if we can’t work out a deal. Well, we got here at 6:00 and worked until 6:00 in the morning. And we wrote out an agreement with Sydney Hillman. And I did something with that particular agreement, that I didn’t want anybody to be in a position to decide any time somebody had a grievance, that they would stop work. I put something in that agreement that the clothing industry, to this day, never had a strike. What I did was [00:22:00], I insisted on an arbitrator. And by insisting on an arbitrator, we went to George -- I can’t think of his name -- at the University of Pennsylvania. He was the Head of
the Business Administration. And we hired him as an arbitrator in the city of Philadelphia. I’ll think of his name in a little while. So, from that time on, we had good relationship with the union, and never had any trouble. Because when we came to Philadelphia with Sydney Hillman, and he got up and made a talk to the people, after the settlement was made, and he made a statement. He said, you’ve [00:23:00] had a victory, but the victory don’t mean anything unless you go back to work, you give your company an honest, full day’s work, and you listen to management. And if you do have a grievance, you go to your shop chairman. Your shop chairman will take the grievance to the arbitrator, George Taylor.

FINGER: George Taylor.

DAROFF: George Taylor at the University of Pennsylvania is who we hired. And from that time on, nobody ever had any trouble with the union. Because if you did, you took it to the arbitrator. He made a decision, and the decision was final. Now, as we grew into a seven-story building, the business grew, and the quality of the product was outstanding. [00:24:00] We got to a point, when the war started --
FINGER: I’m sorry. Could you just back track a little bit and talk about the way in which that kind of business had been financed?

DAROFF: Oh yes. My brother was in charge of financing, and we had two banks. We had the Central Penn. National Bank that followed us from the beginning when my father started. They always took care of his needs. Then we went — then the business grew very big — we went to another bank, a bigger bank, who went along with us and gave us a big — [00:25:00] a lot of money. In fact, we got to a point where we were borrowing up to $6 million from the big bank, and the small bank was giving us about $2.5 million — which was ample at that time.

FINGER: That was to finance your receivables?

DAROFF: That was to finance the business. Now, we never had any problem because we always paid our bills, and we always discounted our bills. Because our accounts were such that they paid on time, and naturally, if you’re getting your money on time — it’s not like today. Today, everybody takes advantage of paying, including department stores — which I understand — but you’re paying two months, three months, and four months, and everybody’s afraid to [00:26:00] argue with them, because money — when a man
could get 10, or 12, or 14% on a money fund, he was in a hurry to pay his bills. So, anyhow, as we grew up, the more we got into the time where the war started. When the war started, naturally, we were called upon by the government for our quality. We made all officer’s uniforms for the Army.

FINGER: That was starting about 1942, I assume?

DAROFF: It was when the war started. It was difficult to get piece goods. And at that particular time, is when we made a deal with the Botany Mills. Right [00:27:00] before that time, about a year before that time, we made a deal with Botany Mills -- with a man by the name of Johnson and his son, who ran the Botany Mills. It was one of the biggest mills in the country. And we started the Botany 500 suit, tailored by Daroff, at that particular time. Naturally, it was difficult getting piece goods -- the kind of piece goods we needed -- but, with Botany being one of the largest textile mills in the United States, they were making piece goods for us. The wool was all controlled by the government for uniforms.

FINGER: How did the government control it? Did you have a special regulation that --
DAROFF: Well, they just -- they didn’t put it in writing, [00:28:00] but --

FINGER: Because in the women’s industry, there was something called the LA Fund, which dictated the amount of the yardage that could be used.

DAROFF: All the wool had to go for uniforms. But when they had surpluses of wool, they were able to make staple goods for us. Gray flannels, striped flannel like this. You see what I mean? And they were able to make it in blues, and grays, and browns, and tans. And we were able to deliver a certain amount of Botany 500 clothing during the war, which didn’t hurt our business at that time.

FINGER: Were there other manufacturers who were able to ship some things?

DAROFF: Well, very few manufactures were able, because a lot of them were making Army uniforms. So we started delivering Botany 500, at that particular time. [00:29:00] Now --

FINGER: I’m sorry. Botany 500 was your name for that?

DAROFF: Botany 500 -- it was Botany that owned the name. Botany 500 was the name of their top line of fabric that they made for the civilians, and we used the 500 range. We called it Botany 500, but it was tailored by Daroff. That
is the way it was advertised and promoted. Now, getting back to Daroff for a little bit. The things that I told you, that I resented the fact of being -- of the industry being a sweatshop -- what I did, I think I was the first manufacturer in the United States of America to spend a million dollars to completely air condition our plant. There was no air conditioning in any plant. They were sweatshops. [00:30:00] But I was the first in America to have everything air conditioned.

FINGER: Approximately what year might that have been?

DAROFF: Around the time when air conditioning came in. I would say that it was right around the war times. Besides that, what I did, I put in a medical department. And I put a nurse on duty. Any worker that had a headache or something, the nurse would take care of them. Besides that, I had a doctor -- a friend of mine -- that came in three days a weeks. And he -- anybody that had anything that they complained about, they had the doctor. Besides that, I had an eye doctor that came into the plant. [00:31:00] And he would go through the plant. And we had, at that time, a lot of hand-workers -- women hand-workers -- and a lot of the men, that didn’t have glasses -- when they would see a woman sewing like this, he would say she
needs glasses. I had a deal with an optician for $16 at that time, they could buy and get glasses. And some of them couldn’t afford it. We took care of it and paid for a lot of it.

FINGER: At this time, approximately what was the size of your labor force? How many workers?

DAROFF: At that time, we had maybe between 14 or 1,500 people in Philadelphia. I’m a little ahead of my story because what happened was, that we took over a plant in Baltimore that was owned by [Colm Goldman?], who went out of business at that time. And they made a brand called [Wooster Tex?]. So, we took over [00:32:00] the Wooster Tex name and the plant in Baltimore. And there they had 450, 500 people that made that products. That was a separate organizations. We had a separate salesforce for Wooster Tex.

FINGER: I’m sorry. You are getting ahead of yourself. That was not -- was that -- is that also pre-World War II?

DAROFF: That was right after the war.

FINGER: Yeah. All right. That’s a little bit ahead, because you had started to talk about the war time when I had interrupted you with a question about the labor force. So let’s stay a little bit with the Botany 500.
DAROFF: So, anyhow, we had to increase our volume continuously and complete our facilities, because the business was going at such a fast pace. In other words, we were getting up to point where the volume -- right after the war -- a year after the war -- two years after the war -- we were starting to hit $50 million in volume. Our peak was $65 million. That’s where we were running our peak. So, the thing is, that what happens when you get into that kind of situation. We started to buy retail stores. Weber & Heilbroner was a big chain in New York and was owned by Fashion Park at that time, and we bought the chain. It was some of the finest locations in New York. We had 34th and Broadway, and 34th and 5th Avenue, and 59th and Broadway. In other words, there was a chain of about 13, 14 stores. Then, the Colm Goldman people had some Broad Street stores. And I bought those stores from them. I think they had four or five stores. And then, things started to open up where Rothschild's in Chicago was one of the top retailers in the Chicago area. RSL Rothschild's. We bought that chain. Then we bought a chain in California called Harris & Frank. That was a big chain from San Diego, way up to Portland, Oregon. They had stores right up the cost, and we bought that. In fact, we
bought [A-May and Sons?] in Grand Rapids, Michigan. All together, we had 103 retailer stores, which took a terrific amount of merchandise from us. In other words, some of these chains were big Botany 500 customers. At that time, to protect myself -- at that time, for that volume, were these fine stores -- I bought the retail stores and we held onto the volume and in fact, we increased our volume because where they used to buy some competitive clothing in the stores, now they [00:36:00] bought 100% of Botany 500. So that increased the volume tremendously.

FINGER: How did the department stores you were selling to at that time -- how did they react to your buying your own stores?

DAROFF: At that time -- you got to understand -- at that time, fair trade was en vogue. In other words, we set the price of wholesale and retail with everybody. And nobody could tell the suit, or topcoat, or sport coat, or overcoat for less than our national advertised price. And we could control it. To give you one example, Barney’s in New York -- as you know -- today, is one of the largest individual retailers in America. At that time, Barney’s had a man that use to travel around the country, [00:37:00] and he went into every store that had Botany 500 clothing. And he
said to them, how many Botany 500 garments do you have leftover from your season? I’ll buy them all and pay you your wholesale price. Because he wanted to get the Botany suit, which we wouldn’t sell him because of fair trade. So, what happened, he accumulated a lot of Botany 500 -- but last season’s -- goods. He came out with full-page ads -- which we did at that time -- advertising Botany 500 at 20-25% less than the national advertised, fair-traded price. When he started to advertise that way, I had a problem with Bloomingdale’s, Gimbel’s, everybody else in the area. We had 65 accounts in the metropolitan area, and when he was [00:38:00] selling the suit off-price, I got calls. I was going crazy. So, naturally, we were ready to start a lawsuit. We had a law firm in Philadelphia. [Bull-block-insure?] was our counsel there, and they hired a young lawyer -- a friend of theirs here -- to start a lawsuit against Mr. Barney. So, in the meantime, all the fine stores said they don’t want to meet that competition. They don’t want to get sued, too. But they will do, is take the Botany 500 clothing off of the racks -- take it off of the sale -- and wait until I can settle the problem. Well, a month went by, two months went by, and I saw that nothing was going to happen. So, I got an idea how to stop
I went ahead and I hired four Pinkerton detectives. One had to live in Long Island, one had to live in Westchester, one had to live in Jersey, and one had to live someplace else. And they had to be six feet tall and over, and they had to weigh 225 pounds and over. And I had a meeting with them, and I briefed them. The first guy went into Barney’s and asked for a Botany 500 suit, and naturally they couldn’t fit him. When they couldn’t fit you, start to holler at the top of your voice that Barney’s is a jib-joint and their advertising Botany 500. He came in from Westchester, he spends $3.75 fare to come here, he wants his fare, and you’re a jib-joint, and he’s hollering. So, Barney Pressman came out of his office. He said, what the hell is going on here? When he said, the man came in for a Botany suit, and we can’t fit him. He wants his fare. But when they said, well, we’ve got other suits that fit you. He came in particularly for a Botany 500. So, he gave him the fare. Two hours later, in comes the next guy. The next guy came in with the same story. Hollering at the top -- it’s a jib joint -- and when the third guy did it, Mr. Barney said, stop advertising, get a hold of Daroff’s lawyer, and make a settlement with him. So, we sat down and made a settlement, and he signed an
agreement with me that as long as he’s in business, he’ll never sell a Botany 500 suit, or advertise a Botany 500 suit. [00:41:00] That’s how -- and then naturally, all the retailers came back. So, the thing is, that’s the way we policed the thing. Now, in those days -- going back a little bit -- because, going back, the union used to have grades. The grade was -- grade one was the all machine made (inaudible). Grade two was about 80% machine-made, and maybe hand-pressed or something else. Number three was a little better make. Then came number four. We were in number four, where we then -- darn near -- made a hand-cutter, a hand-armholes, and we put a lot of handwork in a number four make. [00:42:00] Our competition, at that time, was [a-grife?] in Baltimore and [shoulder-men?] in Baltimore. But, when it came to quality, they were making maybe number two plus, or three. So, people that are in the know, were buying ours against theirs. Now --

FINGER: Were you in the same price range that they were?

DAROFF: They were the same price range. They were the kind of outfit --

FINGER: So you were giving more quality.

DAROFF: We were the quality outfit of America. So the thing is, that I think that was a stabilizing factor in the
clothing industry. Because when we had those grades, a retailer could go in the markets, and he knew immediately who made number one, who made number two. All you have to do is check with the union. And the prices -- never a number two [00:43:00] -- naturally, very competitive -- some of them could buy better or have a bigger business. There were concerns in Cleveland that did a good job. There were some people in Boston that did a good job. But they were not the markets that made quality. The market that made quality -- we were one in Philadelphia, and then was another couple of manufacturers in Philadelphia that made a number three plus or four. Chicago always had quality people there. They had Hickey Freeman all the time, Oxford -- they were in the number five grade. They were plus-fives. Rochester had Hickey Freeman, and Fashion Park, and [sigh-block?] who also made the number five numbers. [00:44:00] So, in those days, you had a standard that was very, very constructive for the clothing business in America. So, the thing is, that -- as far as we were concerned -- the United -- the State Department used to have request from different countries that they send in trade missions. And every one of the trade missions wanted to come to Philadelphia to see our operation. And we had
them from England, France, Germany, Russia -- they all came to Philadelphia -- and with a State Department man. And naturally, I treated them beautifully. I took them for lunch. I always went to the restaurant on the corner. I always took these [grooks?] for lunch. [00:45:00] And naturally, I got a kick out of it, too. Now, with the Russia [grook?] -- what happened in Russia, they -- I went up to talk to the man from Washington, and one of the Russian people came over and asked him to ask me whether they can talk to the people.

FINGER: To the workers?

DAROFF: To the workers. And I said, absolutely. They can talk to anybody they want. So, they went to one. They went to an operator, and they said to him, do you have a house? And the man said he has two houses. Well, in Russia, they lived in one room. He said, will you explain how you have two houses. [00:46:00] Well, he said, first of all, the amount of money is on piece work. The amount of money he makes is on piece work, and he gets paid by the piece. And the amount of work he’d be given, he can afford to have two houses. He’s got one house in south Philadelphia, and he’s got another house in Ocean City. And during the summertime, after work, on a Friday night --
no -- then they went to another person and said, do you have an automobile? On the other side was a parking lot, and it was loaded with cars. And the man said he has two automobile. And they said this guy -- this Russian said, will you please explain why do you have two cars and he has a bicycle? So he said, well, he has an automobile that he needs [00:47:00] to go to work and go back to work. And his wife has to have the car to take the kid to school and to do her shopping. Now, when the guy with house --

END OF AUDIO FILE

FINGER: -- on Friday night.

DAROFF: On Friday nights, the family would get in the car and go down to Ocean City where they had their summer home. They would spend Saturday and Sunday. Sunday night they’d get back in the car -- or sometimes they’d leave at 6:00 in the morning. They’d be at work at 8:00. And that’s why they -- that’s the way they acted. Well, this Russian guy -- they were flabbergasted to listen to that -- what people -- had enough money to be able to have cars and houses. Now, when it came to the colorant, they asked me to take a
trade mission over to Europe to see through the [00:01:00] Department of Commerce, and I was chairman of that group.

FINGER: What was the purpose of that group?

DAROFF: To see if we can do business with those countries in Europe. So, Elmer Ward at Palm Beach was one. Mr. Hager was number two. We had a guy was number three. The third one was a sweater manufacturer. Then Hager was slacks, I was clothing. And then, when we went to -- when we made our trip, our headquarters was the State Department. And the State Department made all the appointments for us. So, I had --

FINGER: The State Department or the Commerce Department?

DAROFF: The Commerce Department -- no, the State Department.

FINGER: Working with the Commerce Department?

DAROFF: The State Department -- the ambassadors of all these different countries. [00:02:00] We used the embassies for headquarters, and they made appointments for us. I guess they had somebody who knew who -- so, the thing is, that when I went over -- naturally -- I picked out Sir Isaac Wilson, who was a -- he was the Sears [road block?] of the country. And when I went into his office, I asked for him. I had an appointment. He said he was tied up. So one of his men came back. I said, you go back and tell Sir Isaac
Wilson that I represent the United States government, and that an appointment was made by our ambassador with him, and I didn’t come 3,000 miles to be turned down from him. Well, he came out quick. Took me in his office.

[00:03:00] What can I do for you? And he is a very big scientist. Spends a lot of money for Israel. And my brother, Sam -- I didn’t get into him -- to talk about him -- he was the first person -- he started for Israel -- one of the top men in Israel came and stayed at his apartment. And he was one of the most charitable men in Philadelphia. In fact, he started the Einstein Medical Center, and he built it. So they built it. When he died, they named the southern division the Daniel Daroff Division of Einstein. Plus, the charity that he gave [00:04:00] for the firm and our family ran up to many, many, many hundreds of thousands of dollars in the city of Philadelphia. Anyhow, Sir Isaac Wilson turned me over to somebody to talk to. In the meantime, I was invited to his apartment for Friday night dinner. When I went there, naturally, I was taken into the dining room when they weren’t read. I was actually taken into the living room. He had pictures on the wall that I thought they were going to come out of the wall and talk to me. That was the type of paintings he had. I never forgot
being entertained by him. Then, in every place -- we got them to say they’d come and look at our line. [00:05:00] I don’t know whether they bought anything -- his stores were big enough -- or would buy the quality of --

FINGER: You don’t know if they did?

DAROFF: Huh?

FINGER: You don’t know at this point?

DAROFF: They were supposed to have sampled merchandise. I didn’t have any samples with me. And the same thing happened in every country. In France --

FINGER: So the purpose of the mission was not to sell, it was really to explore the possibilities?

DAROFF: Explore the possibilities of -- see if we can do business. In fact -- I don’t know whether you want 60 minutes -- there’s a man by the name of the Remington. This man, everything he does, he sells every country in the world the Remington made in American. And 60 minutes had the story. It was very interesting. But anyhow, we got to Russia, and naturally, [00:06:00] when we got there, we were entertained by the Board of Trade -- the head of the trade mission there -- he took us to a big hotel up on the roof garden. And they took all our whole group, and naturally, I wanted to know whether there was a possibility
of Russia buying merchandise made in America. Well, after we introduced ourselves, the Head of the Board of Trade said that he would like to do business with us. So I said, if you do business with us, you’ve got to pay for what you get. And I said, I understand [00:07:00] that our manufacturers would want letters of credit or something to be sure they’re going to be paid. So this man says -- well he wants to barter. He would like to barter. So I said, who would you like to barter with? He said, the man that makes the sweaters. And this guy spoke good English. So, I said to him, well, if you’d like to barter with him, I think it’s a good idea, why don’t you see what it’s all about. He said he’s not interested.

FINGER: Who said?

DAROFF: The sweater man was not interested. So I said, well, if you don’t want to barter with him, let me do the barter. Let me barter, and I’ll accept whatever is necessary. So I said like this. I said -- to this man -- I says, he will give you sweaters. [00:08:00] You give him, in exchange, Russian caviar So the guys says, no caviar. I said, OK. I’ll start over again. He will give you sweaters, you give him Russian vodka. They guy says, no vodka. So I looked at this guy and I said, I have the item that you’ll be
interested in. I said, you’ll be happy if he gives you sweaters, but you will give him cigarette boxes with troikas painted on top. He said, yes. These we will give you. I said, how would you like to stick them? That broke it for me. So anyhow, the things with the [00:09:00] -- the trip we made was very well accepted by the government. They thought we did a good job.

FINGER: But essentially, the outcome was that you really were not able to do much exporting.

DAROFF: No, but what I’m trying to say is, the clothing industry at that time started to have an image away from what it was -- a sweatshop industry. And this I am very proud that the industry grew up that way. Where people started -- I let any manufacturer in the United States visit our plant, because I had a sponging plant to shrink fabrics. Everything had to be zero-shrunk. It was put in by Sal Wineburg. He put it in. We had other manufacturers that came in, because what they used to do -- a lot of manufacturers [00:10:00] would just steam the fabric. Ours went through tepid water, and then it went through a press, where the finish would put pack on the goods. So the thing is, that anybody in the industry at that time, that wanted to visit our factory -- our facilities -- they were always
welcome. Because I was interested in the industry, not only in the business. I was interested in the business, getting away from being ashamed of it, because I was honored in my position by the city and all of [boes-kuh-ro-sis?] -- the blind -- you name it, I was honored by all of these different organizations [00:11:00] --

FINGER: For your contribution to --

DAROFF: Because the contribution of bringing 1,000 people into a dinner for the good of the cause.

FINGER: I’m sorry. I don’t want to get away from the subject that we’re not through yet.

DAROFF: I just want to give you one more. One more thing is, that the Philadelphia Textile College -- that I became -- I was happy with that. And a lot of the people in the textile industry hired people that came out of there --

FINGER: I’m sorry, did you help found the school?

DAROFF: No. I was honored by the Philadelphia Textile School for what I did for them, and saw to it that a lot of the big mills like Burlington and Stevens -- they all hired the people that came out of Philadelphia Textile, and I was their main speaker at graduation, and I had an honorary degree of doctorate from Philadelphia Textile. [00:12:00] I’m very proud to say that.
FINGER: I should think you would be. But can we just go back to the chronology. Because you were telling -- I think the last time slot we talked about was the period immediately after -- or during -- the war, when you were still making uniforms with fabrics -- I guess on special allotment -- for the Army.

DAROFF: For the Army officers’ uniforms, we turned our clothing factory over to making the Army officers’ uniforms, and we were able to get a certain amount of fabric from the Botany Mills that I could distribute.

FINGER: And then you started the group of retail stores by acquiring --

DAROFF: Acquiring all these retail stores. Plus, right after the war, I started to go into [00:13:00] other areas of buying companies.

FINGER: So you were diversifying --

DAROFF: Starting to diversify the company by -- I bought the Baltimore Luggage Company that made Amelia Earhart luggage. That was a profitable company. Then I bought Glenoit Mills. Glenoit was one of the biggest manufacturers in the world that made imitation fur fabric, plus carpeting. We had a plant in England, Brussels, Israel, Canada, and Mexico, and United States. That was also a very profitable
operation. Then we had the Mill Store. That was a store in the mill. [00:14:00] One of the first stores --

FINGER: In which mill? Glenoit?

DAROFF: No, no. In Botany. Botany Mill Store. It was profitable and did a very nice business.

FINGER: That was using up leftover fabrics? Or extra fabrics?

DAROFF: No, they had fabrics leftover. Plus, we started to put Botany 500 clothes in there. Fabrics and clothing. And they did a terrific job.

FINGER: Now you want to get to --

DAROFF: I want to get to more merchandise for the Mill Store.

Now when we started licensing the name of Botany 500 to other people. The hat people, the shirt people, [00:15:00] the underwear people, Botany shoe people. And everything outside of the --

FINGER: When did you start licensing, about?

DAROFF: Well, way back -- right after the war.

FINGER: Really? As far back as that?

DAROFF: Yeah. We were. And then we licensed -- we ran Fashion Park at that time.

FINGER: You ran it? But you did not own it?

DAROFF: No, that was a French company. So we got them. We licensed Christian Dior for Fashion Park. We were the
first company that licensed a designer name. At that time, nobody even knew of anything. And we had [Mark Bohan?], who was a designer --

FINGER: [00:16:00] Well, Mark was much later. Mark Bohan started -- Dior died in the early ’50s, and then [Selma Hall?] took over in ’57.

DAROFF: Well, when Mark Bohan was there --

FINGER: Then 1962 is when Mark Bohan became the designer.

DAROFF: Well then that it when we licensed the name of Mark Bohan.


DAROFF: We were the first to do that at that time. Now, Joan Hanson, as I told you, she was working for a company. And then she came to work for me, and she’s the one who did the licensing. And at that time, the licensing that we had was bringing into the company over $500,000 a year that she took care of.

FINGER: OK. So, there you were doing some licensing starting in the early ’60s. [00:17:00] But let’s get back to talking about some of the companies that your company had acquired. You mentioned the stores and Glenoit.

DAROFF: Glenoit and Baltimore Luggage, and the Mill Store. And I don’t know what other companies.
FINGER: I think that may have been pretty much it.

DAROFF: Maybe that was the -- the ones we had outside of our own business.

FINGER: Let’s talk some more --

DAROFF: At that time, when we had everything working, the Botany Industries volume ran a little over $200 million a year. That was the whole conglomerate.

FINGER: At what point had you gone public?

DAROFF: We went public when we tied up with Botany. Right after the war [00:18:00] -- I’m trying to think of a date -- when I took over the Botany Mills. Botany was a public company.

FINGER: In other words, you had been buying from Botany, but then after the war you took over the company?

DAROFF: After that, we took over the company from the Johnson’s interest. That had controlling interest. They had 37, 38% of the public company. And they wanted to get out for some reason. I bought their interest, so I became control of Botany Mills. Now, Botany Mills, as I said, was one of the biggest mills in the country -- had over 600 looms. They made the fabric from the raw wool to the finished product. In those days, [00:19:00] a lot of mills
just did weaving. Now, at that time, Passaic had the finest mill in the country.

FINGER: Passaic, New Jersey?

DAROFF: Yeah. It used to be a part of Botany that they separated. Had the Gera Mills, and they had the finest mill in America. I forget the name of that. When I took over, it was right after the war. But during the war, every time that people that they employed -- there were 4,000 people employed in the mill. During the war, whenever the people had a union, and when they wanted an increase, Mr. Johnson didn’t care. They couldn’t have a strike. He paid them everything they wanted. When I took over, the war was over. [00:20:00] And naturally, our agreement was that we had to buy all our piece goods from Botany. So, I called the union man, and I had -- I called him in, I said, look. Now, with the price I have to get piece goods in the mill, I have pay 60 to 75 cents a yard more, than I can buy the goods in the market from Stevens or Burlington -- or any other mill in New England -- or any of the other mills in the south. And if I have to pay 60 cents a yard more, and a three-piece suit takes four and a quarter yards -- four and three-quarter yards [00:21:00] -- because a three-piece suit -- or, three and three-quarter
yards -- what am I talking about? Three yards, that $1.80 plus. I got to be competitive with a suit of clothes now that the war is over. Nobody’s going to pay me. I got to get back to where I can meet competition. So this guy looks at me -- an Italian fellow -- I’m trying to think of his name -- and I said to him, I need your help to price the goods, and I need your help so I can compete. So he looks at me, and he says, what you got, that’s what you got. I said, I can’t live with that Mr. Baldanzi. I said I got to be a competitor and I can’t pay these prices. So I need your help [00:22:00] in meeting the price to be competitive. He said, there’s going to be nothing changed here. I said, I’ll tell you, I’ll give you a week’s time to think it over. I’ll be back next Tuesday. Think about it and see what you can do to keep us in business successfully. Next Tuesday I go to Passaic, and he doesn’t even show up. When he didn’t show up, I came to New York and I called a board meeting. At that time we had a board of 15, 16 people. I was Chairman of the Board. And I called the board meeting and told them what happened, and I said, we can’t compete [00:23:00], and I want permission to liquidate the Botany Mills and put 4,000 people out of work. They said they approved it. I had our lawyers
there, naturally. They approved it, and I immediately finished out all the piece goods that we had at the mill, closed the mill down, put 4,000 people out of work, and called in a guy from Boston -- a big real estate man -- brought in by our lawyers -- to liquidate the Botany Mills and put all of these people out of work. Not only did that guy ruin Botany Mills, he ruined the Gera Mills and put them out of business.

FINGER: How do you spell Gera?

DAROFF: G-E-R-A. And then the other mill was [00:24:00] the top mill in America -- the finest piece goods in America. It put them out of business. Because at that particular time, the mills were running out of New England and they’re all going south. And the union ruined all of those towns. So that’s what happened with the Botany Mills, and that’s what I did there. And naturally, when I did that, we became very competitive again.

FINGER: Because now you were buying on the open market.

DAROFF: Botany 500 --

FINGER: But you no longer had Botany 500 because that wasn’t being made.

DAROFF: Oh yes.

FINGER: I thought you said Botany made it?
DAROFF: Botany made it, but we had the mills made. Botany 500 was given to us, at that time, in agreement when the mill was closed, we still were able to use Botany 500 tailored by Daroff. They couldn’t take that away from us because we were in control of Botany in the stock company, at that particular. Botany was on the market at that time, and Botany Daroff was on the market and doing very well profit-wise and dividends.

FINGER: You mean, Botany 500 tailored by Daroff was a separate corporation?

DAROFF: No.

FINGER: Because you said it was on the market.

DAROFF: It was owned by Botany Industries. So that’s the way it ran. Now, where can I go from --

FINGER: Before we come further to the present time, could you go back and discuss how the designing was done? I mean, you said you had a designer --

DAROFF: One of the finest designers.

FINGER: And what was his function actually?

DAROFF: He made all the patterns and the styling of all the models we needed. In those days, we made regulars, shorts, longs, extra shorts, extra longs, portlies, long portlies --
- for big, fat men -- and short portlies. In other words, anybody of any size could be fitted in a Botany 500 suit.

FINGER: Did he -- so he was pattern maker?

DAROFF: He was a designer, and he made the patterns of each one of these designs. Now, we made -- in our down the middle suit, you made them in all proportions. But when you came to your fashion model [00:27:00], you made it in a regular, a long, an extra-short, and an extra-long. But you never made it in a portly. When it came to the natural shoulder suit, the guy that bought a natural shoulder suit was a regular, a short, a long, an extra-long, and an extra-short. The style guy don’t go for the natural shoulder suit unless they make it special order for them at Brooks Brothers. Or maybe they make them today, but I don’t know of any portly or stout man to go to Brooks Brothers to buy their clothes.

FINGER: So, essentially, your designer also selected fabrics, I assume?

DAROFF: No.

FINGER: He did not.

DAROFF: No. We had a piece goods buyer, and my brother worked with the piece goods buyer in the market. [00:28:00] And when they would lay out all the styles that they wanted to
buy, I would get in the picture to look them over to see whether they had enough in the right -- for regulars, and for the medium down the middle, and the for the high style, and the natural shoulder. And see if they’d have everything covered and they didn’t miss anything. Now, when we show a line, we show piles of swatches this big. The selection was terrific. Now, you had different types of fabrics. In the summer, we would make tropicals, light weight gabardines. We would make silk and wool fabrics -- all different light weight fabrics -- and we’d make them in the same models [00:29:00] that you -- and you had to make different patterns for these different fabrics. Of course, every fabric made up differently. So he would have to make different patterns for the different fabrics.

FINGER: Did you also have pattern makers to supplement the work of the designer?

DAROFF: He had paper cutters, we called them. Where he would make the master pattern, and on the master pattern it had sizes from a 34 to a 50. And each size had a separate pattern. The pattern makers would make the patterns for every size. He would make the master pattern, but all the other sizes were done by the paper cutters.
FINGER: The designing was actually of a very limited sort, I would assume? Because over the period of years that you’ve described, there were not any really dramatic changes.

DAROFF: Well, the bodies were the same. You didn’t change a body. When you had a perfect fitting body, you never changed it. But what you changed -- you changed a lapel. Now you’d make a single-breasted two-button. You’d make a single-breasted three-button. You’d make a double-breasted. And when you made these, you made these different. You made them in different sizes. Now, the designing department was a big department -- to make all the sizes and models. Now, what we would do, I would be a good copier. If I would see a model made by Hickey Freeman, I would copy their shaper. Or I’d copy people like Eagle Clothes -- at that time, used to make high style clothing. I would steal the pattern -- make their lapel. You follow me? Or maybe steal the shape of the garment. Little touches via copying. Now, the designer, he himself was an originator, too. But once you had a body, you just touched it up. The lapel, or the button spacing, or something like that.
FINGER: And then the life expectancy of that model is considerable — was a number of years.

DAROFF: No. Well, the natural shoulder garments you never changed. In fact, you never changed any of them. In fact, the only thing you changed was the look of the lapel. Now this suit here -- I’m wearing [00:32:00] -- this is one of the Botany suits. This suit of clothes is only 12 years old. And I got suits that I haven’t had made for 10 years. That’s the way we used to make them. They would last — as I told you about dry-cleaning.

FINGER: Yes. They were made to last for 15 or 16 cleanings.

DAROFF: They’d have to go through 16 dry-cleanings. And they’d have to last at least three or four years. And that’s why -- well, I don’t want to get into today, because the Botany 500 label is made by a company that makes a grade of the worst product.

FINGER: Well, we’ll talk about that next time. OK? Tell me, just from your own knowledge of it, at what point did sportswear enter the men’s picture? [00:33:00] I don’t know if your company ever made any, but do you know when sportswear became important? Was it after the Second World War?
DAROFF: We made sport coats and slacks, only. We never got into -- we made sport coats and slacks in all different types of fabrics and models. Then we had -- we made topcoats in different models and overcoats in different models.

FINGER: Now, you had mentioned that the sweater manufacturer was on your trip to Europe. So that, obviously, there were sweaters being made somewhere in the ’60s, I would assume.

DAROFF: Well, sweaters were made all the time. Every retail store had sweaters.

FINGER: I see. I would imagine a lot of them were imports, too? Scottish cashmere, that kind of thing.

DAROFF: Scottish -- there were a lot of them. But at the same time, even today there are a lot of sweaters being manufactured. But we never got into those things. The stores bought [00:34:00] their sweaters. I never wanted to get into that type of thing.

FINGER: Right. Let’s talk a little bit about some of those retail store chains that you bought. How long did those chains remain active? My impression is that they were problems.

DAROFF: Yeah, well, I’ll tell you what happened. The thing that happens, one day in Philadelphia, a man came to our
plant. I never forgot his name. His name was Mr. Trapé. Don’t ask me how to spell it. He wanted to see me. And when he wanted to see me, I took him into my office. What do you want to see me about? He represents the First National Bank of Boston. And he came -- he wants our account. [00:35:00] So I said, what do you know about us? He said, I know everything about you. I know your successes, I know your operation. We want your account. In the meantime, we were having a problem with one of our banks in Philadelphia. My brother, Sam, went into the bank one day -- I’m thinking of the name -- it was still a big name -- and asked for a half a million dollars more than the $6 million that we had.

FINGER: Six million dollar line of credit?

DAROFF: Yeah. A line of credit. The bank said they changed the man that took care of our account, and I don’t think this guy liked our kind of people. I don’t think he liked Jews, to be honest with you. And he turned my brother Sam down. [00:36:00] My brother Sam came to me and said, you’re turned down. My father taught me, if the bank ever turns you down for anything, get out and find other facilities for money. For some reason or other, this guy, Mr. Trapé came to see us. Whether he was tipped off, I
don’t know. But the bank that turns us down, naturally I’m burned up. If you’re good for six million, and you’re paying them interest, you’re good enough for six and a half. So I sat down with this man, and I said, Mr. Trapé, you know all about us. Would you give us a line of credit of $10 million? He said he’s ready to give us a line of $10 million. I said, will you put it in writing? [00:37:00] He says, sure, I’ll put it in writing. We’ll make a deal. I said, well, you might hear from me. I sent my brother back to the bank in Philadelphia the next day, and he said to this man, I want that half a million dollars. And he says, what you got, you’re not going to get another penny. He came back to me. I called Boston, got Mr. Trapé, and I said, Mr. Trapé, you’re opening our account. I want a cashier’s check for $6 million. I’ll tell you how much another check is that we might owe the bank here. The next morning there was a messenger in front of our building with a certified check for $6 million. My brother Sam went into the bank, put it down [00:38:00] to the cashier there and said, how much interest do we owe you? And then there was a -- I think they fired the guy that turned us down. And they said that we -- they tried to get us to reconsider. I said, that’s the way we got the
hell out of there and went to Boston. We had an account executive in Boston that was really terrific, terrific guy. He’s come and visit with us, and the deal we had with them, naturally, it was sort of a financing deal. In other words, the way we operated with the bank and our agreement was, every day, whatever we shipped -- if we shipped $25,000 worth of goods, we would send copies of these bills [00:39:00] for the $25,000. The bank would give us, immediately, a credit of 90% of the 25,000, and they would hold back 10%. That was our deal that we ran. Now, when you’re doing 60, 65 million dollars’ worth of business, there’s always thousands of dollars’ worth of bills going in. And we get into that situation there that if I get into that, I get into the thing that happened to our company. Why I had to go in to protect ourselves. I had to go into a Chapter 11.

FINGER: Yeah, I think that’s premature, because we’re really not up there yet.

DAROFF: For that story -- the news record has a lot of the --

FINGER: Oh, I have the whole thing. I have the whole thing. I’m sorry, I’d like to go back to [00:40:00] the retail stores. How long did that operation last?
DAROFF: I had the retail stores for about four or five years. This guy in Boston that they gave -- what happened -- the bank in Boston, they changed account executives. The guy that I had, that got me to buy these retail stores, and the guy that put up the money to buy everything, and he encouraged me to buy everything -- he was shoved upstairs to a bigger job. All of a sudden, they give me a guy -- another account executive -- retail business at that time was [00:41:00] --

FINGER: About what year are we talking about?

DAROFF: I don’t -- I can’t remember that. But this guy came to me, and he didn’t like the retail business. He wanted to get rid of it. And what happened -- we had a controller in Chicago at Rothschild's stores and he resigned. Now, when he resigned, I had [letters to forward?] our accounts at the time. So what happened, the bank insisted that I hire a guy to run the Rothschild's stores. I needed somebody [00:42:00] to run the Rothschild's stores. So they go ahead and they insist that I hire a certain guy for Rothschild's. So, what happened, when the bank insists that you put this man in -- I didn’t look the guy up -- and at that time, I had a man by name of Dick Schwartz who I took out of Philadelphia -- Weber & Heilbroner store, which
I owned -- and I brought him into New York to run the stores here. And he had a man by the name of Levi -- because Dick Schwartz ran the whole chain. I brought him here at first, then I put him in charge of all our retail stores. The man by the name of Levi, I had him running the Weber & Heilbronner store. Now, when I hired this guy for Rothschild’s, and when it came to the buying of merchandise, Dick Schwartz -- in charge of the whole retail -- anytime big purchases were made, he was in the picture. This guy that they made me hire for Rothschild’s went ahead and he made a deal of 10,000 dozen shirts -- he never looked at the sized -- but when he bought the shirts, he never had a 16, a 15, 15.5, 16.5 size. That is the biggest selling sizes in shirts.

FINGER: So you’re saying really that they came on hard times because they were badly merchandized?

DAROFF: So, this guy here, when he was brought into Rothschild’s -- the first month he was there when they were showing the loss, because of the conditions -- he showed a profit. The next month he shows another profit. The third month, another profit. And he’s got a profit of about $400,000 in about five or six months. Dick Schwartz was an honest man. He didn’t want me to deal with him because he
said he’s a thief. He wouldn’t have anything to do with him. But the bank put him in. And one day, I get a call from our controller in Chicago -- he was the lightest man -- and said, Mr. Daroff, I’m resigning. He says, I can’t be here. I’m not going to lose my reputation. I said, what’s up? [00:45:00] He said, this guy you’ve got here, all he does -- all the bills that comes in, he locks them in a drawer, and he shows no payables, and gets phony figures on profits. So what I did when that happened, I naturally called this guy on the phone. I told him I want him to be at my lawyer's office in the General Motors Building -- and one of the lawyers was on our Board of Directors. And I called him in, and I said to him -- I said, look, we signed an agreement with you on account of the back. Here’s your release. You’re resigning this minute. I had to do it legally. You’re resigning this minute, and you’re not going back to the store, because you’re a god damned thief. [00:46:00] I know what you did, hiding all the bills and you show a profit. So sign the paper and get the hell out of here. He said, I’ll think about it. I said, there’s a man outside -- a detective -- with a warrant for your arrest. Either you sign it or he’s taking you in to put you in jail for what you did. Naturally, the lawyer had
everything set up. The guy signed it, and ran out. I called this guy -- the banker that made me hire him -- and told him what happened. He said, so what? I had nobody to go to at the bank. He was my account executive. So that was another thing that ruined [00:47:00] -- not only did I have to get rid of that, because the losses were terrific -- immediately he said, get rid of everything. All the stores. Now, when it came -- I already had the problem -- [00:47:21]

END OF AUDIO FILE