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THE FASHION INDUSTRY LEADERS

ELI ROUSSO

Date of Interview

Wednesday, January 27, 1982

Interviewed by

Mildred Finger
Eli Rousso and his brother Irving founded Russ Togs, Inc. in 1945. After a brief period of concentrating on children's wear, they began to make sportswear. In 1949, their father, Louis, joined the company as president.

Russ Togs, Inc. became a public company in 1960, at which time Louis Rousso became chairman and Eli Rousso became president.

The firm diversified its product mix through acquisition, and today has several divisions, all involved in apparel.

This firm is one of the top publicly-held apparel manufacturers. The intention of management is that the company will continue to be run by family as well as by non-family management, and the next generation of Roussos includes several members already very active in the business.
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## LOUIS ROUSSO AND ELI ROUSSO

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Q. Mr. Rousso, do you want to start by telling us... by talking about the way you grew up and what your life was like and how much you had to do with the industry, with your father's business.

A. Well, my brother and I, prior to the Second World War, used to work for my father's company, which was a very small sportswear company.

Q. Incidentally, may I... where were you born and when?

A. I was born on the lower East Side, in 1920 on Ludlow Street, which is right opposite Geward Park High School today. My brother was born in the same area. And from there we moved to Brooklyn. And at a very early age I started working for my father, part time, which meant after school and Saturdays, and I'm about five years older than my brother, so I started earlier than he did. He came in at some future date, and he also worked part time for a while, and we eventually went to work for my father full time. I again ahead of my brother.

Q. What did that work consist of then?

A. He had a very small business, so it consisted of carry-
ing samples with the salesmen to buying offices, helping the cutter in the afternoon pull up piece goods. Picking orders, packing them and shipping them. Taking them down to the packing company and the trucking companies to dispose of them. It encompassed anything and everything, so I had a very, very broad education.

Q. In about what year was this?
A. This was about...I started about 1933, '34, on a part-time basis, and by '37 I was working full time. And we'd push these big box trucks down to our customers...

Q. Who were your customers in those days?
A. My father's customers were Lerner's, Red Robin stores, which today is known as Petrie stores....Mangel's...stores of that nature. In 1941, I got married and...November 15th to be exact, and as you probably remember December 1st was Pearl Harbor...

Q. December 7th?
A. December 7th! So that I was married three weeks before Pearl Harbor, and shortly thereafter I left...I had enlisted in the Navy...and I left the service and I was discharged November 27, 1945. My brother, who had also been working for my father, also enlisted in the Navy,
and he was discharged a few months before I was. When we got back, we didn't know what we were going to do, and my brother and I, with the help of my father, decided we would go into the children's sportswear business...

Q. How much money did it take in those days?
A. We borrowed $20,000. We didn't want to go into a ladies' dresswear business because we didn't wish to be in competition with my father's and his brother's company...

Q. And what was the name of that company?
A. The name of the company that I started, or my father?
Q. That your father started?
A. My father had a company by the name of White Rose Sportswear. I don't think they ever did more than $1 million in any given year.

Q. And your company's name?
A. Russ Togs, Inc. The name Russ came about because our name is Rousse, and they used to call us—my brother and myself—Russ for short. So that we thought that was so good for us all those other years, we would continue with it. We
went along with that childrens' business for about two or three years and my brother decided that I would operate the childrens' business and he would branch out into the ladies' sportswear business. Well, he did such a fabulous merchandising job in that business that it outgrew the childrens' business in no time at all, and we abandoned our childrens' business and concentrated on the ladies', when we went public. If you recall, in those days you either went broke or you went public. And fortunately we had a pretty good balance sheet and we went public....

Q. Excuse me. Could you back track?

A. Sure.

Q. At some point your father came into the business.

A. Father came into the business about three years, four years after my brother and I had started the business.

Q. Was that about 1949?

A. '49 or '50. And he and his brother had split up and he came with us. We needed his expertise and quality. He came in. He was a great help to us. Shortly before that, Mr. Hy Saporta, who is also one of the Executive Officers
here, joined the company. We each and every one of us had to do each and every job available, because we were that small a company. But as we started to grow, we started to put on more help so that we started to specialize in our different positions.

Q. You were, however, a corporation, right?
A. Yes.

Q. So that you had officers.
A. Yes.

Q. So how did you...who were the officers?
A. At that point my father was the president, my brother and I and My Saporta, of course, were Vice Presidents. When we went public in 1960 my father became Chairman of the Board and I became President because I was the older brother. Well, we were doing approximately $17 million in volume at that point and it's been a pretty steady rise. We've had a few years where we faltered, slipped in our earnings, in comparison with previous years, but never have we ever had a year where we had a loss in earnings. So that's quite a great statement to be able to make.

Q. It's something that you have really been pretty determined about too.
A. Well, everybody's determined to make money, but unfortunately we all don't. We were fortunate in our case, because we had a lot of know how, wherewithal and ambition. And it's just been a great story. With the kind of capital that we have, there are very few companies that can match our financial statement. Very rarely do we ever go to the banks to borrow any money. We always have on hand, anywhere between $15-$25 million in short term paper, so that, as you can see, that does make for a very healthy company. Through the years we acquired many divisions, and we closed many divisions.

Q. I wonder...before we go into that...because that's a big subject and a very important one, could we back track again...I do keep coming back to the period in your lives when all of your thoughts were being formed. So that means, really, that I'd like to hear more, if that's possible, about your early life.

A. Well...When you ask...being formed...I'm not totally familiar what....
Q. Well, I'm talking about how you grew up, where you grew up, why you have the morals and the ethics and the standards that you have. They developed somewhere.

A. Yes, they developed with our father, who has always been a very uprighteous man. Always been a very, very dedicated man to family. Always been a very, very charitable man. He has a school up at the Albert Einstein College of Medicine that he donated for the research on disturbed children at an early age. He's built a school at Yeshiva at Hebrew University, in the City of Jerusalem, Mount Scopus, which is called the Rousso building, and this all came about because of our father's teachings.

Q. What about your mother? Did she have a role in this?

A. Well, she absolutely had a role, but you have to understand, in the Sephardic tradition, it's the male, the father....

Q. Well, that's why I'd like to know more about it...

A. It's the male, the father who is the dominant person.

Her job was to make sure that the house was clean and
the children were well dressed for school. But in the area of charity work, sure, she did local charity work for "the sisterhoods." But she couldn't start to equal the male's portion of it. As I said before, the father is always the dominant one. As you can see from some of these pictures and frames hanging on the wall...

There is one of Golda Meir when he was honored by her, and many many other institutions around the country and around the world...And we followed in his footsteps in that end. But in the area of business, as I said before, my father's business was a very small business. So we really had to learn a lot about big business on our own. My brother and I never had the formal education that a lot of people in big business have today. But we learned by trial and error....

Q. You went through high school, through Seward...

A. No, I went through Thomas Jefferson in Brooklyn. I never graduated from Thomas Jefferson. I attended for 3-3½ years. But my father needed me in the business at that age, and I unfortunately left school. I'm not the worse for it,
because I got my education right in the industry, and it certainly hasn't hurt me. My brother had the same kind of a problem. He also went to high school for two or three years, and left and went to work for my father. So most of the things that we learned in our business—as to how to run big business—has been learned by trial and error. And fortunately we made more right decisions than wrong decisions because we've built this company to where it's at today, which over $200 million. I hope that's the information you were seeking.

Q. Right. That type of thing. Sure. I'm sorry. I didn't mean to interrupt. So you...You were talking a bit about management and how you learned about it. Now, according to my understanding, in 1957, you were in executive management three or four people. That's changed quite a lot.

A. Yes it has. We have many divisions today where they manage their own divisions and all we do is oversee them. We're constantly monitoring our own operations and the operations of our divisions. The bookings, the shipping, the quality,
the profitability—those are the most important points. We do not tell them what to make or how to make it. If we had to do that, then we don't need them as a management team. But we do look at the bottom line constantly, to see where they are. We'll offer them advice, which they'll either take or pass by as they see fit.

Q. Now, once you went public, you really did go on a program of acquisition.

A. Yes we did.

Q. And diversification.

A. Yes. We acquired a number of different companies, some good, some bad. The good ones are still with us and the bad ones we've disposed of. The worst fiasco we had was when we bought Andrew Geller Shoe Company. And that cost us close to $8 million in losses before we were able to get out. But we recognized that we had a serious problem there. It was unfortunate that the timing was such that at the same time that we bought it, shortly thereafter, shoes were being imported from Italy at a very, very low price in comparison to prices here. A dress shoe that
Andrew Geller used to make was no longer in the great demand that it had been, so that... Our timing was bad on that acquisition. And within a couple of years we recognized the handwriting on the wall and rather than go down with it, we decided to abandon it and give up the name, take our tax loss, and carry on with our regular business. On the other side of the coin, we also acquired a company like Crazy Horse, which is one of the upstanding and outstanding sportswear...sweater/sportswear companies in the industry. We acquired them a number of years ago, and it has proved to be a very, very successful company. We also have a dress division up in Chicago called R.M. Kaufman. It's a company that's in existence almost 100 years. I believe that this is the third generation that is now running it. I installed as President about two years ago a young man by the name of Joe Kaufman, who's a grandson of the founder. And he's done a great job. We have men's and boys' operation called Sutton Shirt, basic merchandise for the syndicate for the chain stores, and a very, very good quality product, that has grown tremendously. So, as you see, we do have some
good ones, as well as some bad ones that we have disposed of. Unfortunately, we got into a situation with a company called Youthcraft that used to make girdles and bras, and I'm talking about hose girdles that used to have those steel braces in them. And shortly thereafter—the bras had the steel rims around them too, and they used to retail in those days for $15-$20. And shortly after we bought them...

Q. And what year was that?

A. Oh, I don't remember. The records would probably show it. And shortly after we bought them, women started going around braless. They gave up the heavy girdles; they only wanted the panty girdle, which, of course, cut down the unit sale. And eventually they went for the soft bra, which retailed for about one, or 25% of the price that the original bras used to sell. So you can see that we had our problems. And we tried to turn that division into a bra, panty and lingerie company. We hired Stanley Herman to do a line for the loungewear company, but it was never very successful. So, we thought rather than just keep pouring good money after
bad that we'd just get rid of that company. Fortunately, in spite of the fact that we have bought and gotten rid of companies, we're still a very successful operation. We still make a lot of money and... We're here.

Q. It would sound as though, once, when you had acquired Andrew Geller and also Youthcraft, as though you had some kind of philosophy about dressing women in more than just clothes.

A. Oh, absolutely. We tried to diversity ourselves going into different....

Q. This was after you went public.

A. Oh, yes. After we went public. We wanted to go into different product lines. We went into a raincoat company. But we found that it just wasn't a feasible thing...to keep acquiring different kinds of companies in different industries—all related to women—because... A coat company is a totally different animal than a sportswear company. A shoe company is a totally different product, or animal... And in spite of the fact that we had good management, there was just a very difficult situation. We found ourselves
involved with a lot of machinery in the shoe company, here in Brooklyn, that used to make their shoes, and imported that same shoe from Italy at the time. It was so very, very much cheaper that we just could not compete. And rather than go into the import business, we thought it best, after evaluating it, to get out.

Q. You used the word..."We" evaluated it and decided to get out. These...this kind of decision I would imagine is a major management decision.

A. Yes it is.

Q. So that...Who sits down and makes that decision?

A. Myself, my brother Irving and Hy Saporta. And, of course, we bring in our other executives. Like Mort Zimmerman, to evaluate...Mort Zimmerman is our Treasurer, Vice President...to evaluate the loss on the P & L statement that making a decision of this kind would bring about. So that...We just don't want to be drained.

Q. Is that in effect an executive committee that makes that kind of overall, major policy.

A. Yes. Correct.
Q. I assume... I'm sorry, I don't know. Your father is dead?
A. No, my father is alive. He's retired. And he's still one of the greatest production men in the industry... quality wise.

Q. That's a very interesting area, production. The... Tell me about, if you will... the situation that you have with regard to plants, contractors, inside-outside production...

A. Well, I'll have to give it to you division by division, because each division has its facilities. At Russtogs—which includes Russgirl and R.T. Juniors, we do not have or own any of our own plants. It is all contracted.

Q. They work exclusively for you?
A. Exclusively for us. Of course, in a burn period, when the business gets so great that we have to go out... We'll pick up additional contractors and watch them much more carefully than we do regular contractors, because our regular contractors have learned over the years what our quality standards are. But I'll talk about the ones that have been
with us for so very long. A lot of my competition
have their own plants, and it's good for them. I
believe that, giving my merchandise out to contractors,
gives them the incentive of keeping costs down. We
pretty much assure them work 50 weeks a year, so they
know they've got a steady flow. They know that they've
got to get the prices as competitively down as they can
without sacrificing quality. And apparently we have
been very successful in that area, because a lot of our
competition of late has been copying or emulating the
operation of Russ. Take R & M Kaufmann who is located
in Aurora, Illinois. While they have access to contractors,
they are not as accessible to them in that part of the woods
as they are here in the East. So that, consequently, they
have been built up over the years, and they find it to be
very efficient to them, to have these plants.

Q. Now, R & M Kaufman is a subsidiary of yours.

A. Correct. It's a division of ours. They go under the names
of Lady Laura, Tony Todd, Vicky Vaughn. They have about a
half a dozen different names. Then...we have Crazy Horse
division, which does an awful lot of sweaters, and a good
many of those are imports from the Far East. Their skirts, jackets and pants are made domestically by contractors. So you see we have a wide variance of production capacities. Some of the divisions have their own plants, some contract, some imports. So, it's about as far a field as you can get.

Q. And in each case it has been the division...made for that particular division.
A. They make that decision.
Q. They make that decision.
A. Of course.
Q. Because you do have plants in Secaucus...
A. No, that's a warehouse.
Q. A warehouse. That's a distribution.
A. Distribution center.
Q. Only...Do you have individual distribution facilities for each division.
A. Yes. Crazy Horse has their own. Russkogs has their own. Sutton Shirt has their own. And R & M Kaufmann
Q. And those facilities are owned by the parent company?
A. By Russ. Correct.

Q. So that...The ownership of the plants might vary, but the central distribution facilities belong to the parent company.

A. The production plants vary, but the distribution systems belong to the parent company. They could be under lease or ownership. The Russ plant, the Russ Distribution Center in Long Island City is owned by us. It is a facility that we built many years ago, and we have 240,000 sq. ft. of space there, for cutting and shipping and office space. R & M Kaufman has its own facility in Aurora. Crazy Horse rents their facility from some other corporation. And they pay an annual rent on a lease. So, all in all, each division works out the best thing for them.

Q. What do you look for when you're looking to acquire a company?

A. Young management that are interested and dedicated to staying with the business. When I buy a company, I don't buy a company for what it has today. I buy a company for management and if I don't have that management there, for a good period
of time, then I'm not going to be the least bit interested. We are very, very cautious in the companies that we acquire today. Because we have found in the past, too many people want to take their money and sit back and at the end of the contract, run. So that's an area we're very cautious of.

Q. I know that you say each of your companies is run quite autonomously. Could we talk a little bit about the kinds of stores that you sell to, and what relationships...How relationships have changed over the years with store people--buyers, merchandise managers, etc.

A. Well...Shall we start with the parent company?

Q. Sure.

A. They sell the main floor departments in almost every department store across the country. They sell to every specialty store across the country that our salesman reach, and we have a sales force of some 15 smart men, traveling for Russ. This is known as a budget area. We are probably the leaders, and we hold more real estate space with the stores than most of our competition. Crazy Horse is an updated...

Q. I'm sorry...Before we go into Crazy Horse...

A. Alright...

Q. How many collections a year does Russ Togs show?
A. Five
Q. You show five.
A. Correct.
Q. And they're shown here in the show room and then they're taken out on the road.
A. No, they're taken both places simultaneously. We have a showing for the men, where we explain what the line is, here in New York. Short shows. We will take it to... We will take our collection to the Midwest at times and have some of the men come in there. We will go over it with them, and they will have their lines shortly thereafter, within a day or two, and they open up their shows, wherever they might be. Does that answer your question?
Q. Uh huh. And you have a separate design staff for Russ Togs?
A. For every division. We have Russ Girl, which is a separate design staff. And R.T. Junior, which is a separate design. Crazy Horse, R & M Kaufman... All operate totally on their own. We interchange ideas, but what's good for Russ may not be good for Crazy Horse.
Q. And what about your store relationships? How have they changed over the years?
A. Well, at one time you used to have a closer relationship with a buyer, because the buyer depended on you, the manufacturer, to guide her, to help her, select for her. They still do, but today, with the advent of the computer and the multiple store operations, these buyers know up to the minute, how you are performing, as compared to your competition. It's totally different business today compared to what it was 25 years ago, before they were all computerized.

So that it's no longer the manufacturer that does the most entertaining, as we used to have in this industry, that gets the order. It's the manufacturer with the best bottom line that the stores stay loyal to. Apparently, we must have something, because they've been loyal to us for these many years.

Q. Does that apply to specialty stores as well? Are they as mechanized and computerized?

A. Absolutely. There are so many multiple store operations today, even on a specialty store basis, that they have to into mini-computers or computers.

Q. What happens to creativity under those conditions?
A. You have to be a lot more creative, to keep ahead of the competition. You can't just sit back and say that what I did for you yesterday is good for today. You have to find the answers, every season, as to what your customer out there wants.

Q. Do you get together...Do your management people, from various companies, get together and have bull sessions, or is this...?

Q. Well, it's done a couple of times a year. When somebody from this division goes to Europe to shop for sportswear, if they find anything in a dress line, they'll pick it up for R & M Kaufman and bring him into New York and go over what they've seen out there. The same is true when Kaufman goes out to Europe or to the Coast. If they see anything in a sportswear idea, they'll bring it over to us. We interchange an awful lot of ideas.

Q. What's the situation with reorders today, as opposed to what it once was?

A. We're not as big a reorder house today....
Q. Is the industry?
A. No. I think that most people... (unless it's a very small manufacturer) can't really get into the reorder period for reorder merchandise. The lead time for buying fabrics today has extended so far out that it's very, very difficult to get back in when you spot a trend. It's not impossible; many times if we spot it early enough we can get both feet dug in and really churn up. But we try to book most of our business with the stores on an initial level, and then come back with new merchandise. Constantly.

Q. New merchandise that perhaps might continue a trend, but not...
A. Yes. If we spot that trend early enough, we'll certainly carry it over into the next lines.

Q. What has been your policy about advertising and sales promotion and publicity and so forth?
A. We have a sales promotion plan, an advertising plan, where a store must adhere to a certain specification in the advertising. And they get a percentage back of the volume. This is all cooperative advertising. It's not singular. It's not paid for by Russ only. And we have an advertising
bureau that processes all the claims, all the requests for reimbursement on these ads, and we think it's a good idea to keep our name in front of the public too.

Q. What about television advertising?

A. Russ, last season...the season before...took three test areas with a commercial and they did exceptionally well with them. We had this bureau, again, checking to see what the recognition of the name meant before the ads broke, and then they did another poll to find what the recognition was after the ad, and it was amazing that it increased as much as it did. Crazy Horse had an ad that they did here in the East, and it created an awful lot of conversation. They shut down Park Avenue in the high sixties for one half hour, doing this commercial. It was a very early commercial, in the morning. Of course, we had to get police permission and all. But the theme of the advertising was that only the horse is crazy. It captured a tremendous amount of attention. And they will follow it up in a short period of time...

Q. So each of your divisions sets its own advertising plan?

A. Absolutely.

Q. But within the frame work...

A. No, there's no frame work. They set...We tell them what
ours are, and they can incorporate any part of that that they want.

Q. When you say "our," do you mean Russ...?
A. Russ. The parent.

Q. The parent company.
A. Correct. When Russ has their advertising program, that does not mean that Crzy Horse or R & M Kaufman or anybody else has to follow it. You can take any part of it you want. All you have to do is make sure that you are cleared of FTC rulings. You cannot offer it to the large stores without offering it to the small stores. In other words, whatever you offer the department stores, you must offer the specialty shop. If it's a 2% return on volume, that's what you offer the small store too.

Q. How do you function with regard to "off-price" merchandise? What happens there?
A. As soon as an item starts to slow up, the line starts to slow up, we immediately break price and we attempt to work with the people that buy larger quantities of it, but what we do is, we give them the merchandise at an off price--starting at a third and go to 40% off--And we ask them to
get a better mark on for the overall group for that period. And then break price on anything, including their own, after a certain date.

Q. And you find that that works for you? You don't have any outlet stores?
A. No. We had a couple of outlet stores, and we just decided not to pursue it. We had too many complaints from too many customers and we decided rather than fight them, with our stores, we'd just as soon let somebody else handle it.

Q. I would like to know where and how you think this business is going to continue. Do you have any kind of plan? Is there a family involvement in the next generation...
A. Hy Saporta has his son and son-in-law working here now.

Q. Is he a relative too?
A. Hy Saporta, yes, he's my brother-in-law. I married his sister. And my brother Irving has two sons in the business, and one is going to computer school right now. He's doing some more research with IBM. Whether he will come into the business or not I don't know. And my son, who is 30 years
old, joined us last year, after going into the
restaurant business, which is something he thought
he wanted. But he got out of that after a short
period of time, and is very happy working here right
now. So we do have a second generation coming in.

Q. Well, it would be third, really.
A. Third, but second from the founders.

Q. Yeah, right. Yes. Right. When you came into this
business did you have the idea that this was going to
grow to be a business of this kind of size, and
acquire this kind of professionalism?
A. With a $20,000 capital that we started, I didn't think
that we...I had no ideas that we could grow. To the
size we are today.

Q. What do you think did it? I mean, could you talk a
little bit about what you feel the nature of the
industry is today?
A. Well, in our day, hard work, determination, and being at
the right place at the right time was one of the ingredients
for success. You didn't have the intense competition...
that you do today. All the stores are interested in is
"what is the bottom line?" And it's hard to constantly
maintain a 45-46% net to the stores. But apparently our merchandising policies are such that it's been happening. I guess that's the reason why we're the largest with these stores at the budget sportswear level. Today it's a very, very competitive business. It needs a larger capital to come into the business today than it did many years ago. But you still have a lot of small manufacturers coming in who are capable of turning much more rapidly than a larger manufacturer. That doesn't mean that if we spot a trend we can't come out with a few items quick, in a hurry, sell them and cut them and ship them. But they're more mobile. We're committed to long term commitments on fabric, on production. They are not. So there's room for the small manufacturer in this industry. There always will be. The giant cannot take it all for himself.

Q. Well, now, supposing your son had come to you and said, "Dad, I would really like to in on my own." What would you have thought....

A. Why? Why not come in to this business that's already established, and...I'm 61 years old. I don't know how
much longer I'm going to be here. But certainly I'm looking forward to the day of retirement when 10-15 years, or what have you... And, I need management here. I don't know that I would have been happy about him wanting to go into a similar business, on his own.

Q. Forgetting for the moment that there is a going, established business here, which he would then be able to fit into, with ease probably, I guess what I'm really trying to get from you is a notion of how young people might go into this business--into the ready-to-wear business, what would he need for capital? What would he need...?

A. Capital to go into this business today is in the area of a quarter of a million dollars or more. There's no longer the kind of thing where you can go in with the kind of capital that we did. If you got in with a capital of a quarter of a million dollars, if you turned it six or eight times in that year—you'd be doing $2 million a year at best—and that's if everything went right. So you can see, it's not a good business that you're contemplating, with a quarter of a million dollars.

Q. Well, how would that $250,000 be spent?
A. Well, first of all, you have to get a showroom.

Designers. Even "a" designer. A salesman, or you can be your own salesman. But before you turned around, before you got a line out, you would have 10-20% of that money gone, just in rent, fixtures, equipment. And getting a line together.

Q. Well, then. Suppose you were a young design student, or if a young design student came to you for advice, what would be your advice?

A. About going into business on his own?

Q. Or, just advice generally.

A. Well, if he was a proven designer, and wanted to go in on his own, we would be interested in backing him a split basis. What the split might be is something we would sit down and discuss. Yes, we would put up the capital and he would put up his talents, and we would help him get a management team around him.

Q. What would happen if this were a student straight out of F.I.T.?

A. To go into business....?
Q. I'm not suggesting whether he go into business or not. What would be your advice to such a person? Supposing a graduate were to come to you and say, "Mr. Rousso, I would like to be successful in this business, in some way, so what should I do?"

A. Well, now, that depends upon his talent. We all want to be successful. But unless he's a real talented person, he's just going to be another designer. It's no different than a doctor--there are some great doctors and there are some mediocre doctors. There are some great attorneys and there are some mediocre attorneys. The same thing in the design field. It's how much talent the individual has.

Q. Well, now, supposing he comes to you and he's had the training in design that he's had at F.I.T., but he's had no experience. What would you suggest there?

A. We would have him work with one of our designers. He would be an Assistant. He could not start out as a designer, because he doesn't have the experience.

Q. So your advice is "get a job."

A. Oh, absolutely. Absolutely. No designer coming out of school could possibly be successful....
A. No designer coming out of school can possibly enter this field and be successful because he has to learn production methods that are...that we in the industry have. I've seen some designers who have come up with merchandise that is absolutely magnificent, but if you have to do it by hand, cut it by hand, one at a time, and sew it by hand, then it is not practical. That might be alright for the couture where they sell a dress for $5-$10-$10,000--but it is not practical for a production item. He has to go to a manufacturer to learn what can and what cannot be done in production. That experience he can only gain out in the field. You don't that out of books.

Q. In your kind of a firm, what sorts of jobs, at the entry level, do you have? Whether it's in production, or textile buying or whatever?

A. When we have openings, we're always looking for graduates from F.I.T., or similar schools, who have a background in textiles. We have hired many people from F.I.T., and some have worked out and some haven't. It's no different than any other...
Q. But as entry level jobs, job titles, for example... Assistant to...

A. Yes, we have a fabric buyer, and he has many assistants. He has a half dozen assistants. But we don't give them that title. We have the fabric buyer and he has the people working with him. We have the designer, and she has the people working with her or him. So it's not a title. We're not big on titles at the beginning.

Q. Right.

A. Titles are least important...

Q. But there are entry level jobs?

A. Oh, absolutely.

Q. Let's talk a little bit about some of the philanthropies that you and the firm, or you or the firm, have been involved in.

A. Well, my father, a long time ago, taught us that we cannot live for ourselves alone. And going back to the days when we were born on the lower East Side, we always had a little blue box which they would put in a penny or a nickel—whatever they could afford—into that box for charity. This was for money that was sent to Jerusalem. And I want you to remember that in those days, to get gas for a stove, or
gas lighting, you had to put a quarter into a meter, and when the meter ran out you had to insert another quarter to get some more gas. That's how far back that goes. And through the years, my father has always taught us to take care of our fellow man. So much so that today, my entire family are founders of the Albert Einstein College of Medicine. We're founders of the new University in Jerusalem. In Jerusalem we have a building that's called the Rousso building that takes care of pre-academic students from out of the army to help them go further in their schooling. Because, as you know, education is the prime moving factor in all of...in anybody's life. I recently concluded a term as Chairman of the Board of the Albert Einstein College of Medicine. I am on the Board of Yeshiva University, Hebrew University, ADL, UJA--so many institutions that it becomes very difficult for me to remember at the moment. I'm active in all of the, which is more important than just having my name on them. We sponsor a number of teams--baseball teams--up in the Bronx, Harlem. We support any and most charities of the country. So, we certainly try to get back to the
world some of the good that we have received from the world.

Q. Do you have a foundation?
A. Yes, we have the Russtogs Foundation.

Q. Bearing the name of the company. Right. Okay. Very good.

Thank you.
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