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THE FASHION INDUSTRY LEADERS
LOUIS ROUSSO
HONORARY CHAIRMAN OF THE BOARD
RUSSTOGS

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Interviewed by
Mildred Finger
Q: Mr. Rousso, would you like to start from the very beginning. I would like to know where you were born, when you were born, everything you want to tell us.

A: I was born in Turkey, a place called Momastir.

Q: Could you spell that please?

A: M-o-m-a-s-t-i-r. But that's...Momastir means "churches."

The real name, if you find it on the map, is "Bittle." Bittle is the name of ancient...not Yugoslavia...Serbia, was the owner of that, after 400 years Serbia, Turkey, Bulgaria and Italy, and all that...They decided they were going to take it away from Turkey. But Turkey it took away, because Turkey owned the entire Europe. In 1911, they decided to go to war, and within six months they took all my country, the entire Europe, they took, actually. Everybody took a share. Greece took a share. Bulgaria took a share. Whatever was coming to them. Then they had a fight among themselves but finally it was settled. And I came here in 1913...

Q: Excuse me. Did I hear the birth date? When were you born?

A: September 15, 1897.

Q: Okay. Thank you.

A: And at that time there were wars, and there were going to be more wars. My father was afraid that I may go to the army there and that everybody gets killed. And he decided to send me here, all by myself, along with my aunt, who was his sister. Otherwise, the United States would not accept me. I came in here under a different name, not my real name. In order for me to be able to be the son of my aunt. And this trouble was terrible. There were no jobs at the time. After two, three
months I found a job for $3 a week, working the metal, tin can factories. I did all kinds of jobs, in order to earn a living. And that was not enough, because $3 was not enough. I needed $4 a week, Where am I going to get the other dollar? I did not want to send for money from Europe, because at that time my father's business had changed already, completely from...because his business was with Turkey, and Yugoslavia did not use the things that he used to make.

Q: What did he make?
A: Oh, there's a lot of things...of his own. That he would manufacture, of his own.

Q: You didn't mention what he manufactured.
A: Well he manufactured some things like...for instance, there are chains and other things that pull the artillery. My father used to make them in cotton, very strong cotton so the chains could pull all of those tanks that Turkey had. And he used to sell silks and he used to manufacture other things of his own, that used to belong...that was good for Turkey and not for Yugoslavia. But anyhow...from there on, I went to work for a French hotel, as a bus boy there, because I speak French, and there I spent a number of years...a couple of years...and I was working for about $6.50 a week...that was not bad.

Q: This was in New York City?
A: New York City. "Fifth Avenue and 8th Street, Hotel Brevoort...today's building Brevoort...And from there I went to work for National Biscuit Company. There they pay me $10, $11 a week, which is a lot better
already, and from there I work...I don't want to exaggerate because then it's going to take the whole tape for that part only...I went to work for to become...working as a presser on sportswear. I worked there for a few years.

Q: About what time is it? What year is it?

A: Oh, I should say about 1928. I had already brought my family here in 1920, mother, my sister, and three brothers. And my brother was already in partnership with somebody, and while I was working in one place, he broke off the partnership there. They fired one of the men, and that man wanted me to go be a partner where he was going, contracting on sportswear. I say, "I have no money. Why don't you take my brother? And I'll work for you if you want." Because I was a very strong worker. Know my business. And...they got together, and I worked for them for about two years. I didn't like the idea because I used to work very hard for them. They didn't appreciate what I was doing for them. I said to my brother, "I'm quitting. Get yourself somebody else in my place because I'm good and I'm going into business for myself."

"No, why should you go?" I'll let my partner go and we'll become partners together, because I was more able to go to seek out work, very aggressive. And from there we succeed. In one year's time we made already $10,000 profit....

Q: Excuse me. I did want to know what year that was.

A: That was in 1930. 1931...

Q: And where was your place of business? What part of Manhattan?

A: We were in Forsythe street...
Q: Still down on the lower east side...

A: Still down on the lower east side... There is where most of the business was. In Allen Street, Elder Street, there was a market there on Sunday that was fantastic. There were no manufacturers like today. Those were the manufacturers, in stores. Those that had let's say eight, ten machines were a big manufacturers. I had two machines first. Then I went and I bought ten machines and I was producing beautiful things. I knew my business and that's why I was able to make a good living out of it.

Q: Where did you get the clothes that you manufactured? Did you...

A: Contracted.

Q: I see. Okay.

A: Then, there came a time we moved uptown with my brother that was a partner....

Q: What was his name?

A: Name Victor Rousse. He passed away already. We went on 34th Street... 35th Street, 462 Seventh Avenue... and also on 254, 261 West 35th Street.

Q: West 35th Street.

A: And there is where we were manufacturing. My boys went into the Navy for about 3-4 years...

Q: Go back again a minute... When did you get married? You never mentioned it.

A: 1920...
Q: Okay. Right. And then...so you had your two sons shortly thereafter, because...Eli is 63 or something like that.

A: Thereabouts. So, while I was working, understand, they were in the Navy. They were already grown. They were 16, 17 years old. When they came back I decided to put them in business, and I told my brother that I want to put these boys into business; to open up together. We would put up capital, I would put the capital for my sons, and we would go into business doing childrenswear. They refused to go along with me, and I decided to open up a manufacturing business, on East Broadway, with a contractor who had a cutting table there, at least. And my sons used to go out selling...

Q: So that you actually...at that point...

A: That was the beginning of "Russ."

Q: It was.

A: And that was in 1945. Before that, between the wars, I worked until the time came when they grew up and I was able to put them into business. And I got a hold of my sons and I told them that "I'm going to put you into business." Of course they didn't know anything. He claims that I loaned the money to him, but how can you lend money to a son? I gave it to him; I bought a house for them; I didn't get the money back. And over here, if he lost the money, would he give it back to me? No. I gave him $20,000. Then I bought a shop. And while they were working, they had hardships. They couldn't get goods. And I was able to get goods for them. First my son Eli started. Then Irving came in just a few months later. And I came in a year of two later, because I saw it was necessary
for me to be in that business. They needed my help. So I dissolved
with my brother and I went with them.

Q: When you were with your brother... excuse me... you were
making Juniors or Children's or Misses...

A: We were making Childrens'...

Q: Childrens'. And in this firm that your... that you put
your sons into....

A: They were making Childrens'.

Q: They were making Childrens'. Okay.

A: And while we were working, we needed to expand and we took
a loft in 580 Broadway belonging to a friend of mine... and he gave me that
loft. You couldn't find lofts, offices, nothing there. Nowheres. And
there I saw it was necessary to have a showroom uptown and I took a pent-
house showroom uptown. They were worth it. Now. My younger son, Irving
Rousso... says to me, "Pop, you always were a Misses' business. What are
we doing here in Childrens' business? Why don't we go into Misses. "It's
not a bad idea," I say. Goods we have. Salesmen we have. All you need to
do is get some samples, buy some samples somewheres, try to copy them, and
go right into it. "And that's what I did. And we were progressing very
nicely. With that, then, there came a time, after a few years, mistakes can
happen in a business. They insisted that they wanted to sell the "upstairs"
department...

Q: You had been selling the budget department?

A: Budget department: I said, "No. Let's build up first this
name. Let's have money first, and then we go into "upstairs." "No, we must
.. because it's important that we must be at the higher place." I didn't
want to do it, but... I should have put my foot down and say "No. Absolutely
no." But I didn't. We opened up division, "Brigadoon," and I took a loft in 1407 Broadway. At that time, Milliken came out with their orlon and wool. The first time. And I wanted to buy for Brigadoon this orlon and wool...It was very expensive. We didn't know how to pay $2.60,$2.75 a yard at that time. We used pay about $1.00,$1.10...a yard, from Parker Weider...

Q: How do you spell that. I'm sorry.

A: Parker Weider. And I made that mistake. It almost cost me my life. My business. We lost about $125,000 that time. When I close it... because...I tell them I want to wait a day to see if I can afford to buy this kind of goods, so from today to tomorrow, the deliveries from Deering Milliken... instead of June-July was July-August, meaning by the end of the season, so therefore it was no good to me. And I got hell from all the customers because they bought and they couldn't get the merchandise. Therefore, I had to close down the business, and I concentrate on this business.

Q: Russtogs.

A: Russtogs. The budget department. Then came a time when we needed to go to 1372 Broadway. I found a loft there from a person that I knew. The landlord was very skeptical about giving me that loft because I had no credit. My credit was not good.

Q: How much business was Russtogs doing at that time, approximately? Do you remember?

A: Oh, I would say about $2, $3 million, and the landlord,
in my conversation with him, fell in love with the way I was talking to him. "Okay," he says. "I'll give you the loft." But he didn't tell me why he didn't want to give me the loft. Later on, when we were successful, he took me to lunch, him and his brothers, the owners of 1372 Broadway, and he told me the story. "Do you know that you were not entitled to have that floor that I gave you?" "No, why?" "Because your credit was poor. And how come? I don't know. I fell in love with the way you spoke to me," he says, "And that's why I gave you the loft. And I'm not sorry," he says. And he was thrilled that I was growing and growing. And no sooner there, we start to grow and grow, and then we saw it was time to go public. I didn't want to go public because, one, my accountant, he tells me "Look, Once you go public, this business will not be yours anymore." "I don't care what it is, but I have to go public." The other accountants convinced me that it is important for me to go public because we were growing. Growing terrifically."

Q: And needed more capital.

A: No, I didn't need more capital. I was growing terrifically. I had monies then. I made the monies. And we went public, we went sky high, and our stock started to ....split "two for one," again two for one, again two for one--four times we went...we got the stocks....

Q: That was about 1960, or thereabouts?

A: ....Around 1960s....And since then, today we have one of the finest organizations that anybody could like to have. My sons are very ambitious. Very hard workers. Like myself. I didn't care...I didn't
care how much time I spent in my business. 6:00 in the morning till 10:00 at night, and Saturdays, and many times on Sundays too I had to work. So, they also did the same thing. They went to work those late hours. And, you know, when you drive...When you have a drive to make success, then you are bound to make success. Because...but if you like to think about golfing...like I used to see some friends of mine. "Where you going?" "Going golfing." "What about business?" "Business don't worry. It takes care of itself." Both of them are out, because they didn't take care of the business. Over here...my sons, I should say, up till about 5-6 years ago, 7 years ago, yet, they still were working Saturdays here, very hard. At no time did they lose time to accomplish what they were driving for--success. And today we're still growing, but gradually. We're not rushing, because we acquired some companies, we failed. We have two good companies that we have now--they're brilliant; one is Crazy Horse and the other one is Sutton Shirt, men's shirts, in the South...they're fantastic.

Q: I'm sorry, is that Sutton did you say?

A: Sutton. Yeah. We make shirts there. They make shirts. They sell to all the biggest accounts. Clean, clean operation.

Q: Mr. Rousso, take a minute if you would, before I forget, to talk about....There are three Louis Rousso's in this business, because when I came to the desk....

A: Oh, yeah, yeah, yeah. I have two grandsons over here. They're both in the business here. One didn't want to come here; Eli's
son didn't want to come here, because he wanted something else. He went to college, he finished college, he went into a restaurant—it cost him half a million dollars, that restaurant business. And finally he came to his senses and says he wanted in... And today, not only is he loved here by the people, the customers, but he himself, he feels "This is my life."

Q: What does he do? What's his division?
A: Salesman.
Q: In a special division or...?
A: No. I don't know what he does here, but I know he's a salesman of some divisions; maybe one or two or three divisions. We have quite a bit of many divisions here. And he's fantastic. The other one's not so good as this one here, but he's going to learn also.
Q: He is Irving's son.
A: Irving's son. This one that didn't want to come is way ahead now. That's why we have...we have to call Louis "I.", which is my name. And then they have to call Louis "E." that's Eli's...that's why.
Q: No, I didn't know there were three Louis's....
A: This is me and two others.
Q: Yeah, right.
A: It is my grandson, because we always use the father's name for a son. That's why they had to call...They are...They are the oldest. They're not the oldest. Eli's son is not the oldest. His sister is the oldest. But the first son, they have to call him by my name.
Q: How many grandchildren have you got?
A: I have eight grandchildren and three great-grandchildren.

Q: That's wonderful. So yours is a business which is going to continue.

A: That's the way it looks. Because as long as they put interest into the business, it's going to continue. Besides that they're very... The people we have here are very competent people. Even if they hold the business they are going to run the business, but they're not going to "hold" the business, because they going to be the leaders over here, because they have the most stock. And they going to be the leaders here. They going to run the business, together with a staff. We have good staff here. People make good monies here, because they work hard. We don't want no lazy things. Anybody's lazy, out he goes. You want more money? Sure. Produce it and you'll get it. There's no limit how much. There's people gonna make an awful lotta money.

Q: There are a number of factors that I would love to know about. Go back if you will, to those early days, when you said there were shops down on the lower east side which had 2 and 3 and 4 and 10 machines. What was the structure...?

A: Okay. In Broadway, between 18 and 19th Street, there were jobbers there, which we used to go and get work from there. And we used to carry on our shoulders because there was no trucks at that time. Finished work on our shoulders, tied up, and cut work on our shoulders, to bring in there. No, we used to get piece goods there and cut it our-
selves.

Q: Oh, you did the cutting on your own ... 
A: Yeah. And the small place that we had, we used to cut, let's say, five skirts at a time...That's all that we could cut.

Q: Did they give you the patterns? 
A: Yeah. They used to give us the patterns.

Q: They did give you the patterns. 
A: Yes.

Q: So they...
A: And most of it was wrap around. It was very simple. No styling at that time. There was no such thing like today: stylings. Wrap arounds. Clear skirts, sunbursts, pleated an big...terrifically big at that time.

Q: In those days, how did people get financing. How did they go into business? 
A: With $2,000, say. I had $1,000 which I borrow...I borrowed $1,000 from my brother-in-law, and my brother had about $2,000, and with that we went into business, with $3,000. Not bad, for a contracting business, that is going to run two or ten machines, not bad at all, because how much it costs...The machines didn't cost much at that time, and I was one of the first ones that put in a button machine, because we sew everything by hand. And felling machines, we used to fell by hand. Now, we have felling machines...

Q: Sure. Sure.
A: There is all kinds of felling machines, today because that's all they use today. I remember sewing by hand, how much time it used to take. A girl used to work maybe 10, 12 hours there, in a place.

Q: And that was about what year? You told me, but I just wanted to get it back again. What years did that kind of operation...?

A: Along about 1930, 1932...

Q: As late as that.

A: Yes.

Q: Still as late as that?

A: Yes, yes, yes. 1932.....

Q: Weren't they already doing that in 1905, 1907....

A: No, no! What?

Q: Having that kind of small shop on the lower east side.

A: Yes, at that time yes. There weren't many though and people, they used to buy one skirt for three years, for five years, it was good enough for them. Who could afford to buy like today? Today, the reason we are successful in the industry is because a business girl, an office girl, a bookkeeper, secretaries, or people like that, they have to change every day. At that time, who could afford that? At that time, if they had a blouse or two blouses and two skirts, that was good enough for Saturday and Sunday and next day. And so there was not that much business. But still, whatever was produced was not enough, because the times started to change. During 1918, 1920, we had the war. There we were already making good monies.
Q: Still downtown.
A: Still downtown. No, I was in the tailoring business in '18 and '20, and I was making good money. At that time I was making $75 a week.

Q: You were working for somebody else.
A: For somebody else. Men's clothing. I worked in the men's clothing too. And from there I went to Misses, to the ladies' garments. Somebody needed a person and I went in and I started to work and earned a living, but struggling. Everyone had this time. An opportunity. If you will look for that opportunity you will get it. If you sit down and stay there working for somebody, you'll be there, all your life. But I was always looking for an opportunity, and when the opportunity came, I grabbed it. I grabbed it but I pay a good price for it, working very hard.

Q: Did your wife have anything to do with getting you interested in going into business for yourself?
A: No. But my wife, during the first year (she was pregnant) and here she was working for me as was my brother; they were the two operators that I had. And I was pressing and cutting and bringing back the work to the jobber. The jobber used to go around like today; they go out selling...They used to go out selling like that. Two partners. One would go six months and come back, and the other one would go six months. All over the United States, as far as they could go to sell the garments that we used to make for them. That was the industry at that time.

Q: Did they also have a lot of stores...small stores in
New York that they would sell to?

A: Not that I know of. I told you what was the situation; that anybody that had two skirts and one dress, had a trousseau already.

Q: Right.

A: Who could afford to keep on buying garments.

Q: I've heard about stores on 42nd Street. Perhaps they were stores that carried more expensive merchandise, but I have heard a lot of names that sounded very familiar.

A: There were a few manufacturers here up town, on 7th Avenue, who already manufactured the better garments to sell to the department stores. You know the places...But we weren't equipped for that. A majority were not. Only a few...

Q: Right. Of people making that price range...So you started to sell the budget departments of the big stores as they grew....

A: Right. Right.

Q: And also the chain stores, right?

A: Yes. Yes.

Q: You've always sold to the chain stores.

A: Yes. Yes. Today we've cut off most of the chain stores. We don't do much business with the chain stores. We have close to, maybe, 100 salesmen.

Q: A hundred salesmen. Really?

A: Oh, yes.

Q: In your various divisions.
A: In our various divisions, yes.

Q: And do they travel or....?

A: Traveling. Yes. All over the United States. In fact, we try to...They want to buy from...from Paris they want to buy, over here, and from other places. But it didn't pay us, because when they order, let's say, a certain amount of garments, they don't want to reorder. They order once. That's not good for us. We want reorders. The only place is the United States. Those are the people that really buy and keep on changing, and they have more garments than they can afford to. They continue to buy.

Q: That's right. Mr. Rousso, did you have contact with the unions?

A: The unions came in about 1935 or '36 I think. The time that Roosevelt got in. Let me just tell you something about unions, confidentially speaking...I approve the unions. For one reason. Because I saw, in 1929, 1930, dog eat dog. The people start to send garments away from here to make it for almost nothing. And people were selling apples on the street to earn half a dollar, a dollar--anything they could. Now if it wasn't for the unions, if we had it free, I assure you that we weren't going to have manufacturers in the United States. So, the situation has control now. More or less. Not 100%. But even the unions don't expect to have 100%. If they have 70-75%, it is alright. And that's what they have. That is not bad. Because if I have the workers working, they buy what I sell or what you make. If those people don't work, you won't be able to buy, and you won't be able to sell. This way it goes around,
that one needs a hat and goes to buy the hat. The hat people go and buy the garments. The garment...then they go buy shoes. And this way, it stimulates the business and the business stays here in United States and revolves itself all around. The other way 'round, you say now, let's say, to Puerto Rico or elsewheres. Those people will make a living, but the people over here will not make a living, so how do you expect them to buy your garments, or whatever manufacture you do? They will not do. Unions are very important for United States. Very important. It's true, we give millions of dollars to the union, but it's worth it. What difference does it make, if they take away so many millions of dollars and we earn millions more. But if we didn't have unions, the situation would turn absolutely terrible against everything. Because the people would not buy because they're not earning. Because they have got no work. So if one section... the garment industry, or the dress, or the sportswear or shoes industry or hat industry or any of the other things, when they don't manufacture, they cannot sell what they manufacture, how you expect they should buy from us? We don't buy from them. Because we're shipping elsewheres. Those are the people who are earning the dollars that we want from you and from everybody else. So you're not making the dollars. And somebody else is not making the dollars. How do I expect that you buy from me? That's the reason why the unions are very important. I never say that, but I always have it in my mind. The union is very important.

Q: Very important.

A: Very important.
Q: Could you talk a little bit--since you know about so many aspects of this business--about factoring. What did that mean in your life, if anything, and what does it mean to the life of the industry?

A: Factoring is very hard for any manufacturer, big or small. That's why I don't want to mention names, I know a lot of big ones today. They suffer because they are factored, on the factor...

Q: You mean big manufacturing firms.

A: Big manufacturing firms. They borrow, or they give their receipts to them and they get the money ahead of time. And they've got to get permission whether you can ship this store or not. And they give you about 70-75% of the money ahead of time. Otherwise...Because if you have no money you cannot operate. It's very bad. Very bad. Factoring is terrible.

Q: As I understand it, they get something like 3% above the prime rate?

A: I don't know what they get, but I know they get a lot of money.

Q: They get more than the banks.

A: Sure. It comes out about 20-25-30% it comes out to. We are able to operate...I never borrow any monies outside of letter of credit, let's say. When we were at 1372 Broadway, our was good at that time, and I move our bank to Manufacturer's Trust through a friend of mine, and they saw what we were doing and they wanted us, as their client, understand. And I'm...at that time we had a credit line of $750,000, and I did
a million and a half letter of credit for to buy from Europe, so they
could not issue that for me, because they had to get approval from some
people from downtown. They got the people from downtown, and I proved
to them that I had the business for it, which they saw. They were very
happy. They gave me immediately, within minute or so; they were going
to give me the million and a half, because I was the one that used to
borrow at that time, when I needed to borrow. Yeah, I used to borrow,
let's say, from the bank. $10,000, $15,000—something like that. But
that wasn't like factoring. Factoring is terrible.

Q: Yeah. Because in this business you need to have a cash
flow so you can pay for piece goods...

A: Right, right. But today, we have our cash...We have a
surplus of cash.

Q: So you don't have to worry about the high interest rates...

A: No, no, no, no. If we need to borrow we borrow for a firm
like, say, Sutton...They are growing, their business is growing more so we
borrow for them. But from the bank. But very minimal interest. Not as
much as the factoring. It's almost half as much.

Q: Mr. Rousso, talk to me a little bit about philanthropy,
because it is...Yours is one of the firms, or yours is one of the families
that is very...has been very generous in giving.

A: All my life I always wanted to do things for humanity.
I don't know why, but it was in me. Where it was in our temple, I organize
a temple downtown in Brooklyn, which I remodeled myself. After that, there
came a time when we went public and I had a lot of shares, had, so they called upon me to do something for Albert Einstein College of Medicine. In other words, they wanted to give me a building, for a million dollars. It didn't take me long. I took that building. It's still there. Under my name. Louis and Dora Rousso. It's fantastic. And I also see something that for me was gravy. Extra. A huge big marble piece with a head of Albert Einstein in some place in one of the buildings there. All the Rockefellers and Fords and Kennedys, are all there that they donated a million and up, and my name is there too. That cannot be erased because it's already paid. Then we had also our temple where we live, around Cedarhurst. I put in already quite a lot. My sons too. The place is unique. Absolutely unique.

Q: Where is it? In Cedarhurst?
A: In Cedarhurst...

Q: Philanthropy has been very much a part of...
A: Well, I give a lot. Albert Einstein; I've given Yeshiva University here; and I have given other organizations here, but I have given also to Israel a lot.

Q: Well, let me just check to be sure. I think I've asked you what I wanted to know that I...did not get, particularly, when I talked to your son, only because, you know, your points of view are different. Okay...I think...We talked about reorders, the kinds of stores, and plant ownership, and advertising...I think I covered all of those points. So I really wanted to get the human things. Thank you.
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