

4/30/40

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Enclosed are two Department of Agriculture press releases which give most of the available information about the cot on stamp plans

Information from Hasselman, public relations, Federal Surplus Commodities Corporation.

The first cotton stamp plan to be put into operation will be in Memphis, Tenn., where it will begin on May 7. Memphis was selected because it was, of the towns that desired the plans and already had the food stamp plan in operation, typical and the best situated for this particular project. It is both industrial and agricultural and has, in addition, the advantage of being close enough to the cot on country for the people to be sympathetic to a scheme for increasing the sale of cotton and increased employment in the cotton-goods industry. While no other cities are now scheduled to have the plan, it is possible that in the near future it may be tried in 2 or 3 additional cities. In the case of Memphis and in any other city or cities in which the plan may be put into operation it will be on a strictly experimental basis, with funds special y earmarked by Congress for the pu pose of promoting the sale of cotton.

The press realese describes the elegibles. There is this I can add to the definition: Those on direct relief can be on city, county or State; those on work relief likewise and WPA; those toehrs are considered Ecategorical

cases", that is, those assisted by Social Security-the aged, the blind, and mothers of dependent children.

It will be necessary for those who purchase stamps to buy a three-months supply at one time. The food stamp plan requires that they buy a 2-weeks supply, but cotton is consumed in much smaller quantities so the plan was thus modified. In order to cut administrative expenses to a minimum the machinery employed in the food-stamp plan will be used in the cotton operations.

One thing that now distinguishes the government's surplus commodities program from other ~~similar~~ governmental projects is that it has the approval of business. The cotton plan differs from the food in that the greatest benefits will be to workers ( see marked part of first press release.) In addition, the government is not here in business. Regular business channels handle all the merchandizing.

Besides the 78 cities ( areas rather than corporate entities) which now have the food plan, there are 800 other that have requested it. Among these is New York City. William Hodson, head of the NYC Department of Welfare has had a conference with the officials of the FSCC and they agreed that if the plan were to be attempted in NYC, where the problems would be greater than elsewhere, it would have to be restricted to one borough. This is under consideration, but no decision has been made. The largest city that has the plan is Los Angeles, where the population that covered is 2,250,000.

I want to again emphasize that there is no direct connection between the cotton plan and the lisle project. The cotton plan is exclusively FSCC; the other is exclusively Home Economics Bureau. An effort will be made to push the sale of the lisle hose by Gotham in Memphis, after the plan begins to function.