

FOOD STAMP PLAN

The Food Stamp Plan makes it possible for persons getting public assistance to increase their food purchases by 50 percent; their increased purchases are made entirely from among farm products determined to be "in surplus". This is the way it works:

1. Studies indicate that persons getting public assistance spend an average of about \$1.00 a week per person for food.
2. On a voluntary basis, such persons may buy a minimum of \$1.00's worth of orange stamps a week for each member of the family. These are good for any food at any grocery store.
3. Persons buying orange stamps receive half again as many blue stamps free. These also are good at any grocery store but only for foods found to be "in surplus" by the Secretary of Agriculture. (Chiefly dairy products, fruits and vegetables; - meats could easily be handled by this method, however.)
4. Grocers paste the stamps on \$5.00 cards and redeem them largely at their banks. The Government pays the banks from the same funds now used to purchase surplus commodities directly in carlots for shipment to the various states which in turn make distribution to families through food depots.

If participation throughout the country were the same as in Rochester, New York, some fifteen million eligible people would take advantage of this program. It would add $2\frac{1}{2}\phi$ worth of food to each meal for each person who is now spending 5ϕ a meal.

That would cost about 360 million dollars a year. Because of administrative problems connected with a new program, it appears to be wiser to spend only 250 million dollars on such a program for the coming fiscal year.

If the Congress passes the 113 million dollar appropriation for the purposes of Section 32 now before the Conference Committee, in addition to the 90 million dollars otherwise available, about 100 million dollars of the 203 million dollar total would be available for distributing surplus foods to the needy. (The remaining 103 million dollars is needed to carry out such work as the cotton export subsidy program, the wheat export subsidy program, the peanut diversion program, et cetera.) An additional 150 million dollars, therefore, would be needed to extend the Food Stamp program to 15,000,000 eligible people during the coming fiscal year.

The Food Stamp Plan has received wide praise from the right as well as from the left. Both groups, however, have indicated we might consider its extension to low-income people not getting public assistance. Were such families making less than \$750 a year made eligible to participate, studies of consumer incomes made by the National Resources Committee indicate that another 15,000,000 people would thereby become eligible - and the cost of the program would be about doubled. The "right-to-eat" at least $7\frac{1}{2}$ ¢ worth of food a meal would apparently meet with the support of farmers, and low-income housewives, as well as that of retailers. It would, of course, make a great contribution to the public health, particularly insofar as children are concerned.

STAMP PLAN FOR SURPLUS COTTON GOODS

In his Little Rock speech of May 26, Secretary Wallace indicated that we might extend the Food Stamp Plan principle to certain kinds of cotton goods. He said:

"The consumption of cotton goods in our own country is far lower than it ought to be because the families who need these goods most can't afford to buy them. A study covering 300,000 families was recently made of this subject and preliminary figures are now available.

"They indicate that families with incomes of \$5,000 and over spend nearly eight times as much money for cotton goods as non-relief families with incomes of less than \$500 are able to spend.

"If the 20 million families getting less than \$2,000 a year spent as much for cotton goods as those getting between \$2,000 and \$3,000 a year, the cotton farmer would have a home outlet for an additional two million bales of cotton. Such a situation would add over half a billion dollars a year to the income of the cotton South, of which part would go to the cotton farmer and part would go to employ people in our cotton mills, on our railroads, and in our wholesale and retail dry goods stores throughout the country.

"People having the lowest incomes buy the heavier kind of cotton goods first. This is because they need mattresses, comforters, blankets, sheets, towels, overalls, piece goods from which they can make clothes for all their children. If they bought such items as these, approximately 20 cents out of every dollar spent would go directly to the cotton farmer; roughly 50 cents out of every dollar would cover the cost of manufacturing, most of which would go to employ labor in our cotton mills; and about

30 cents out of every dollar would cover the cost of transportation and merchandising in our wholesale and retail dry goods stores.

"This is not a complete solution for the cotton problem, of course, but I feel as strongly as I did at Forth Worth last fall that the nation ought to find ways and means of turning its abundance of raw cotton into a greater abundance of cotton goods for our own people."

Preliminary tables supporting these statements are attached. 100 million dollars for the coming fiscal year would be enough to take care of the cotton goods requirements of the families now getting public assistance. It would move 400,000 bales of cotton through the normal channels of trade and, in addition to the groups now supporting the Food Stamp Plan, such a program undoubtedly would receive the approval of labor groups as well as of textile manufacturers. Were an additional 100 million dollars added, a great deal could be done for low-income groups not receiving public aid, although they could not be brought up to the maximum level indicated by the Secretary in his Little Rock speech. This, of course, would not be desirable the first year.

About 90% of the press has supported the Stamp Plan on an experimental basis. The country apparently is in a psychological mood to utilize the surpluses we have learned how to produce.