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HOPKINS SAYS 70,000 REGAIN JOBS FOLLOWING CLOTHING PURCHASES; DISTRIBUTION PLAN ANNOUNCED

Substantial increases in both employment and payrolls in the clothing industry which are not related to ordinary seasonal trends, were seen by Works Progress Administrator Harry L. Hopkins today as conclusive evidence of the wisdom of the $15,000,000 surplus clothing purchase plan which was launched by the WPA late in June.

From figures furnished by Assistant Administrator Corrington Gill, who has directed the purchase in cooperation with the Treasury Procurement Division, Mr. Hopkins said that more than 70,000 workers in the men's and women's clothing trades had returned to their jobs up to the middle of August and that payrolls had increased by more than $2,500,000 weekly. Normal increases at this season are far below these figures, he said.

The WPA has bought more than 1,500,000 men's, women's and children's garments, and manufacturers up to the present have been reimbursed to the extent of $9,124,232. Negotiations are now in progress for the purchase of approximately $5,000,000 worth of additional women's and children's wear.

"We undertook this plan because it seemed, in an economic sense, an excellent means of killing two birds with one stone," Mr. Hopkins said.

"On the one hand, we had hundreds of clothing manufacturers faced with bankruptcy, and tens of thousands of clothing workers either out of jobs or in imminent danger of losing them. The industry was simply stagnated under the dead weight of one of the biggest surpluses it has ever had."
"On the other hand, we have throughout the country millions of men, women and children desperately in need of clothing; not only clothing for warmth, but decent clothing to preserve their morale, to build their spirits, to help them in the fight to maintain their self-respect.

"We bought the clothing from manufacturers, paying them a fair price. We are going to give it to the people who need it, but can't buy. The results, as far as the manufacturers and the clothing workers are concerned, are already apparent. The benefits to the needy will be apparent as soon as distribution gets under way."

Mr. Hopkins added that the distribution plan finally worked out consists of allotments to the various states on the basis of need, with final distribution in the various communities under WPA supervision. State quotas are now being determined by WPA representatives in cooperation with welfare heads of the several states. Deliveries from storage warehouses in New York and Chicago to central points in each state will begin shortly, and thereafter individual communities will be supplied immediately from these central points.

The need of applicants for clothing will be determined by local welfare agencies who will certify requests to the local WPA distributing center. Each recipient will be required to declare that the clothing is for himself or a member of his immediate family, and that it is not to be sold or traded for other goods.

In his report to Administrator Hopkins, Mr. Gill pointed out that the WPA clothing purchase plan had resulted in the absorption of approximately 95 per cent of the surplus in men's and boys' clothing and of a slightly smaller proportion in the women's and children's field. With these surpluses converted into cash, hundreds of factories which had been closed or which
had been operating only on part-time were able to resume full scale operations.

From mid-June to mid-August, Mr. Gill said, employment in men's clothing factories increased by one-third, with jobs reopening for nearly 47,500 workers, while payrolls advanced 70 per cent for a weekly gain of $1,301,000 in wages. A sharp decline in employment in women's and children's clothing occurred between June and July, but from mid-July to mid-August, after WPA purchases in this category had begun, there was an increase of 23%, representing approximately 40,000 additional workers. Payrolls in this branch of the industry expanded 49 per cent, or by $1,383,000 a week.

"That these advances are largely attributable to the WPA purchase," Mr. Gill said, "may be seen from the fact that ordinarily between June and August there is an employment increase of only about six per cent in men's clothing, and between July and August about 17 per cent in women's. Furthermore, the indexes for these industries are now rapidly approaching the high points of 1937, while manufacturing generally, though showing a steady climb since the middle of July, is nowhere near its former peak."

Mr. Gill said that 1,118,042 men's and boys' suits and overcoats have been bought and are now on storage in warehouses in New York and Chicago. The aggregate price paid was $8,843,870, and the average per garment, $7.91.

A total of 399,214 women's, girl's and infants' coats, suits and play-suits also have been bought and are now on hand in the warehouses. The total price paid was $1,433,601, and the average price per garment was $4.82 for the women's and girl's sizes and $2.57 for the infants'. Checks to the amount of $9,125,232 had been mailed to manufacturers through Wednesday, with additional amounts going out each day since.
WPA and Procurement Division officials in New York, assisted by a committee of "dollar-a-year" clothing experts loaned by certain leading retailers, have completed examination of bids representing approximately 6,000,000 women's and girls' dresses, blouses, sweaters and other knitted goods, and all types of raincoats. Purchase orders for acceptable lots of these goods are now being issued to manufacturers. Total purchases in this category will not exceed $5,000,000, which sum will exhaust the special allocation set aside by President Roosevelt for the purpose.

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(A limited number of charts showing payroll and employment fluctuations in the men's and women's garment industry, and in all manufacturing industries, are available upon application to the Division of Press Information.)