

December 1, 1970

MEMORANDUM FOR

GEORGE P. SHULTZ

This morning Jack Veneman and I met with Senator Fred Harris to discuss what if any accommodation can be worked out with respect to his "Minimum Demands." I attach the list.

The only point about which he seems to care a great deal, and which we are not now able to offer any change is that of the minimum wage. Harris would like a provision under which no mother with school age children could be penalized, i. e., lose her \$500 allowance, for refusing to take a job at lower than the minimum wage.

I quite understand the difficulty this raises for the Department of Labor, but it could be the key to breaking the deadlock on FAP.

Veneman mentioned that Mitchell Ginsburg has been talking of keying the provision to jobs paying less than 75% of the minimum wage. My impression is that Harris might buy this.

Jack and I feel this is something we should pass by you first before taking it up elsewhere.

Daniel P. Moynihan

Attachment - xerox copy of paper, 1 Dec 70 "Minimum Demands for Alternative Package--Harris"

DPM/crm

1 December 1970.

Minimum Demands for Alternative Package--Harris

- 1) Adequate income goal, a level defined by the Bureau of Labor Statistics Lower Living Standard, and an intent to move toward it.
- 2) A federal floor or \$2464, cashing out food stamps and adding the bonus value of stamps on to present benefits.
- 3) No forced work requirement for mothers with school children and a guarantee that no one will be forced to take a job paying below the minimum wage.
- 4) Retain the states' standard of need and mandate AFDC-UP.
- 5) Maintain all benefits recipients now receive.
- 6) Provide an annual cost-of-living increase on the
- 7) Ensure the rights of recipients and applicants:
  - a) the right to a full due process fair hearing
  - b) abolish third party payments
  - c) maintain present law on step-parent liability
- 8) Full federal administration of basic federal floor and state supplementation.