The original documents are located in Box 5, folder “Public Works Act” of the Bradley H. Patterson Files at the Gerald R. Ford Presidential Library.

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Mr. Bradley Patterson
The White House
Washington, D.C.

Re: Public Law 94-369

September 2, 1976

Dear Brad:

The purpose of this letter is to confirm our telephone conversation concerning the problem that appears to confront Indian tribes in the administration of Public Law 94-369.

As I told you, I find that Section 108(a) provides that no state shall receive an allocation of less than 1/2% nor more than 12-1/2% of the total appropriation under the law. This allows for a great deal of flexibility.

But the guidelines issued by the Economic Development Administration on August 23, 1976, specifically Section H.2.a.1 thereof, appear to have the effect of limiting the allocation to South Dakota to 1/2% of the total or $10 million. As I indicated to you, it is the hope of the Sioux Tribes that the guidelines would be modified so as to allow greater flexibility in allocating funds to Indian reservations, even if they are located in a state which has otherwise a low level of unemployment.

It would seem to me that a holdback at the national level of a certain amount, which would be available to make special adjustments in worthy cases, would be a way of handling the problem.

Sincerely,

Richard Schifter

cc: Mr. Edward Driving Hawk
    Mr. Wayne Ducheneaux
    Mr. Albert Trimble
I have signed H.R. 15194, the Public Works Employment Appropriations Act of 1976.

In July I vetoed the authorizing legislation which made this $3.95 billion appropriation necessary. I said then, and I still believe, that these funds will not create lasting jobs but will create new inflationary pressures.

I said then, and I still believe, that the best and most effective way to create new jobs is to pursue balanced economic policies that encourage the growth of the private sector without risking a new round of inflation.

Congress rejected my veto. This Congress has not recognized the fallacy of having the American taxpayer finance pork-barrel projects and make-work jobs. Congress refuses to recognize the inflationary risk in this Public Works Appropriation.

However, another confrontation with Congress on this bill is pointless.

We must nevertheless continue to challenge the Congress on the underlying principle of this pork-barrel, make-work legislation.

I am therefore signing H.R. 15194 and directing the appropriate departments of this Administration to make, over the next year, a careful month-by-month audit of expenditures under this Appropriation to determine just how many jobs are created, how much it costs the taxpayer to create each job, and just what impact there is on inflation.

In accepting this Appropriation, I call upon the Congress to request the General Accounting Office to conduct a parallel audit of the results of this legislation. This is an expensive test but Congress will not see the fallacy of its approach until we can show through an audit what we know to be the facts.