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FRIED, FRANK, HARRIS, SHRIVER & KAMPELMAN

SUITE 1000, THE WATERGATE 600  
600 NEW HAMPSHIRE AVENUE, N. W.  
WASHINGTON, D. C. 20037

FRIED, FRANK, HARRIS,  
SHRIVER & JACOBSON

FELIX S. COHEN (1932-1953)

MAX M. KAMPELMAN  
RICHARD SCHIFTER  
MILTON EISENBERG  
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MICHAEL McGETTIGAN  
HENRY A. HUBSCHMAN  
KAREN HASTIE WILLIAMS  
ERIC J. ZAHLER  
BARBARA GOLD

FREDERICK SASS, JR.  
COUNSEL

(202) 965-9400

CABLE "STERIC WASHINGTON"

TELEX 892406

120 BROADWAY  
NEW YORK, N.Y. 10005  
(212) 964-6500  
TELEX: 620223

THROGMORTON AVENUE  
LONDON, EC2N 2JT, ENGLAND  
(01) 628-7814  
TELEX: 687606

September 2, 1976

OUR REFERENCE

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

Re: Public Law 94-369

Dear Brad:

The purpose of this letter is to confirm our tele-  
phone 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) pro-  
vides 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 Develop-  
ment 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



RS/rmc

cc: Mr. Edward Driving Hawk  
Mr. Wayne Ducheneaux  
Mr. Albert Trimble

Bob

Wahon 377-3207  
using CETA data -

not by county - record sub/employment  
fluctuate every month.  
"packet of unemployment" not defined

record sub/employment

OCTOBER 2, 1976

Office of the White House Press Secretary

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THE WHITE HOUSE

## STATEMENT BY THE PRESIDENT

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.

