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MR. PRESIDENT, DON'T BLINK: VETO THE MONSTER CONTINUING RESOLUTION

(Updating <u>Backgrounder</u> No. 443, "Reagan's Trump Card: The Veto," July 8, 1985.)

Ronald Reagan will soon be getting from Congress a \$500 billion budget-busting bill, technically called a Continuing Resolution, that mocks the 1984 election and the desire of the American electorate for a balanced budget. In the past, Reagan has been reluctant to exercise the veto. Now is the time to stop being reluctant. In the showdown with Congress, Reagan must dare it to "make my day." To use the veto against the continuing resolution would honor its intended purpose as explained in Federalist 73: "It [the veto] establishes a salutary check upon the legislative body, calculated to guard the community against the effects of...any impulse unfriendly to the public good..."

The continuing spending resolution contemplated at present by Congress would drive the budget more than \$200 billion into the red. It would extend funding for many pork-barrel domestic programs that Reagan has repeatedly denounced. And it seeks to evade the tough budget balancing choices that voters enthusiastically endorse. A veto by Reagan of the \$500 billion continuing resolution would be applauded by the people. The likelihood of a congressional override is virtually nil.

Reagan's popularity is at an historic high at this time in his presidency. His recent veto of a protectionist textile bill was upheld by the Congress, although that legislation was far more popular than a continuing spending resolution. Historically, moreover, less than 10 percent of vetoes have been overridden between 1945 and 1986.

Congress needs a continuing resolution because it has failed to pass specific appropriations bills to fund the government after October 1, when the 1987 fiscal year begins. A continuing resolution generally keeps government expenditures at the past fiscal year's levels, which means continuing massive deficits. Moreover, because of its monster size and asserted necessity to prevent government

collapse, a continuing resolution typically contains a plethora of budget-busting favorite programs of Congressmen. They hope that fears of chaos if the government shuts down will force Reagan to sign a continuing resolution.

Reagan need not fear such chaos. His veto of the continuing resolution would not jeopardize essential government operations. The Antideficiency Act of 1906, for example, would permit federal expenditures to safeguard human life and property. Thus, military personnel, prison guards, and law enforcement officers and national security employees would continue to perform as usual, as would other persons discharging essential government functions.

Entitlement programs such as Social Security, Medicare, supplemental security income, or unemployment compensation would be unthreatened. These programs are based on legal contractual arrangements not dependent on specific appropriations bills. Thus, arguments that a veto of the continuing resolution would cause government chaos or hardship to government beneficiaries are specious.

Politics largely evolves around symbols. The continuing resolution symbolizes that Congress is not serious about a balanced budget and the Gramm-Rudman legislation. A veto by President Reagan sustained by Congress would symbolize a tough political resolve to end spendthrift government expenditures. And that symbol would be influential in future spending battles with Congress during the remainder of the Reagan presidency.

The continuing resolution is an effort by Congress to make President Reagan blink when budget cutting is at stake. Reagan should greet the resolution with the same unblinking attitude he has voiced in defense of Nicholas Daniloff and thus exercise the veto.

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