

VETO OF H.R. 6863

MESSAGE

FROM

THE PRESIDENT OF THE UNITED STATES

VETOING

H.R. 6863, AN ACT MAKING SUPPLEMENTAL APPROPRIATIONS
FOR THE FISCAL YEAR ENDING SEPTEMBER 30, 1982, AND FOR
OTHER PURPOSES



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To the House of Representatives:

A week ago, the Congress passed important legislation to reduce deficits through tax reform. I worked hard to help win that passage—and at the same time stressed that if we are to keep deficits down we must also keep Federal spending down. We can only do this if the Congress resists the temptation to slide back into old spendthrift habits. I will use every means in my power, including the veto, to prevent that from happening.

Accordingly, today I am returning to the House of Representatives, without my signature, the bill H.R. 6863, making supplemental appropriations for Federal programs and agencies for fiscal year 1982.

I do not take this step lightly. Delay in the adoption of this legislation poses serious problems for the Department of Defense and other Federal agencies in meeting prior commitments, including payroll, that are funded by this bill. In addition, the bill contains funds for important new programs, such as the Caribbean Basin Initiative, for which funds are needed prior to the beginning of the next fiscal year.

But this bill would bust the budget by nearly a billion dollars. It provides an unacceptable total of \$918 million in unrequested and unwarranted increases in domestic spending programs. We have seen a positive reaction to last week's Congressional action in the Nation's securities markets and other areas. It is founded in large measure on a growing conviction that this Government has finally developed the will to set its fiscal house in order. This legislation flies in the face of that conviction. Unless amended to restrict its scope to only those funds that are urgently needed, it will undermine the confidence crucial to continued reductions in deficits and interest rates which we must achieve for sustained economic growth.

Increases in domestic spending include \$367 million in funding for items contained in the urgent supplemental I vetoed in June that were subsequently deleted from the urgent supplemental bill I signed in July. Also restored is \$892 million in funding that was cut by the Congress last fall. This simply is not tolerable in the face of triple-digit deficits, and I cannot endorse these unwarranted spending increases.

While the enrolled bill includes \$918 million in unrequested domestic increases, it provides only \$0.5 billion of the \$2.6 billion defense program supplementals I requested, a reduction of 82 percent. The enrolled bill fails to provide required funding in virtually every major defense program—military personnel reduced 52 percent), operation and maintenance reduced 93 percent), procurement (reduced 86 percent), and military construction (reduced 77 percent).

The bill also unnecessarily restricts the Executive Branch from exercising its authority to allocate funds appropriated by the Congress. Most notable among these are provisions that would:

- prevent the planned consolidation of the Office of the Inspector General into the Department of the Treasury and thereby block improvements in administrative effectiveness and efficiency;

- require the expenditure of \$1.75 billion in unexpended balances in 1982 for the Section 8 housing program. The Administration would achieve similar purposes by using budget authority available from program deobligations, rather than new appropriations;
- require the Department of Energy to maintain specified employment levels that are unnecessary for the effective management of the Department;
- require a minimum staffing level for the Railroad Retirement Board, blocking savings that could be achieved through improved management and administrative consolidation;
- direct 1982 Energy and Water funds be made available for a specific project (Tug Fork, West Virginia), that is expected to cost over \$1 billion before it is completed; and
- extend, through 1983, the restrictions on the President's ability to deal with the Polish debt problem.

For these reasons, I am returning H.R. 6863 without approval. I urge the Congress to enact immediately a 1982 supplemental appropriations bill that does not contain excessive and unwarranted spending increases for domestic programs and that provides an acceptable balance of supplemental funding for those programs requiring additional money in fiscal year 1982.

Certain important provisions of the bill must be preserved, notably funding for the Caribbean Basin Initiative. This funding is designed to resolve an unprecedented economic crisis that affects a strategic region located at our doorstep. I hope the Congress will review and modify country funding levels to bring them closer in line with the Administration's original request. The Congress has also provided \$50 million for special Lebanon emergency relief. This humanitarian assistance is essential for thousands of Lebanese civilians requiring aid. The funds provided for security assistance, while less than I requested, will help demonstrate that countries in pivotal regions of the world can count on American support when they need it. I strongly urge the Congress to continue to include these essential programs as they work on an acceptable alternative.

To bring the sustained recovery we all want we must not only rewrite this measure; we must also press forward in an all-out attack on wasteful and unnecessary spending. I look forward to prompt Congressional action on a revised bill that will assure continuity in the operations of Federal agencies and be consistent with continued progress toward economic recovery.

Ronald Reagan

THE WHITE HOUSE,
August 28, 1982.