

**REDUCING THE DEFICIT:  
SPENDING AND REVENUE OPTIONS**

**The Congress of the United States  
Congressional Budget Office**

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## NOTES

Unless otherwise noted, all years referred to in this report are fiscal years. Likewise, unless otherwise noted, all dollar amounts are expressed in current dollars.

Details in the text, tables, and figures of this report may not add to the totals because of rounding.

The Omnibus Budget Reconciliation Act of 1981 (Public Law 97-35) is referred to in the text as the Reconciliation Act of 1981 and the Omnibus Budget Reconciliation Act of 1982 (Public Law 97-253) as the Reconciliation Act of 1982. Similarly, the Economic Recovery Tax Act of 1981 (Public Law 97-34) is referred to as ERTA and the Tax Equity and Fiscal Responsibility Act of 1982 (Public Law 97-248) as TEFRA.

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## PREFACE

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The Congressional Budget Office (CBO) is required by section 202(f) of the Congressional Budget Act of 1974 to submit an annual report on budgetary options to the Senate and House Committees on the Budget. This year, the report is in three parts, with this report constituting Part III. Part I is entitled The Outlook for Economic Recovery; Part II is Baseline Budget Projections for Fiscal Years 1984-1988. To provide background information for the Congressional debate on the fiscal year 1984 budget, this report examines alternative broad strategies for reducing the federal deficit and analyzes various specific options for cutting budget outlays and raising revenues over the 1984-1988 period. The inclusion of an option in this report, or the omission of one, does not imply a recommendation by CBO. In accordance with CBO's mandate to provide objective and impartial analysis, this report contains no recommendations.

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Alice M. Rivlin  
Director

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