deduct the expenses of drugs only insofar as they exceed 1 percent of his income.

Under present law, if a person is over the age of 65, he is permitted to deduct the entire amount of his medical expenses without any limitations. It is well recognized that aged people have a great deal more medical expenses and less income than do people below the age of 65. It is therefore provided in the bill before us that people over the age of 65 can continue to deduct the entire amount.

Starting this coming January, the law would cause the aged people to be taxed on the same basis as people below 65. Judging from the letters we are receiving at the present time, and particularly the letters being received in the Committee on Aging, if we follow through on this provision, it would be one of the most unpopular things that we have ever done.

The committee therefore moved to continue the status of the aged people as it presently exists in the law.

Mr. LAUSCHE. Under the existing law, a person under 65 years of age cannot deduct the first 3 percent of his gross income expended for medical expenses from his tax obligation.

Mr. LONG of Louisiana. If a person is below the age of 65, he cannot deduct medical expenses unless they exceed 3 percent of his adjusted gross income. If he is over the age of 65, he can presently deduct the entire amount.

Mr. LAUSCHE. With regard to drug expenses, they must exceed 1 percent in order to be deducted.

Mr. LONG of Louisiana. The Senator is correct.

Mr. LAUSCHE. What would the pending bill do in respect to changing that law?

Mr. LONG of Louisiana. When we passed the medicare bill, in order to help cover the cost of the program, the bill contained, as one of the many items, the denial to aged people of the favorable tax treatment that they presently receive. However, the denial of this privilege that they have been receiving will not go into effect until January 1 of next year.

Having thought about the matter and knowing the tremendous protest that we will experience, especially from people who are not in a position to take full advantage of medicare—people who have sickness at home and are paying their own expenses—we decided that it would be better to let these people continue to have the favorable tax treatment they have always received and not impose this more burdensome treatment on them.

Mr. LAUSCHE. When Congress passed the medicare bill, it decided that since medicare was to be financed by the program adopted by Congress, the special benefits which persons over the age of 65 then enjoyed should be repealed.

Mr. LONG of Louisiana. The Senator is correct.

Mr. LAUSCHE. And this provision recommended by the committee reinstates those benefits which the aged have?

Mr. LONG of Louisiana. Yes. And may I say that this committee is being thoroughly consistent with what we have done before. When it passed the medicare bill in 1965, the House put in its bill the provision that would cause this tax deduction to be reduced with respect to the aged. We, in the Senate committee, struck that out, and the Senate sustained the Committee on Finance. This is one of the points on which we were compelled to yield to the House when we went to conference. So we are now doing again what we did before.

Mr. LAUSCHE. What is the dollar amount involved in this proposal?

Mr. LONG of Louisiana. About $180 million annually.

Mr. LAUSCHE. How much is involved in all of the miscellaneous items that have been added to this bill, submitted by the Treasury Department?

Mr. LONG of Louisiana. The committee amendments increase expenses in one instance, such as providing drugs, and reduce revenues in the other instance by a total of about $410 million. Most of it is in these two amendments.

Mr. LAUSCHE. Which two?

Mr. LONG of Louisiana. The one that goes into effect on January 1, to simply continue existing law on medical and drug deductions for the aged people, and the one to provide for drugs for the people under medicare.

Mr. LAUSCHE. The total is $410 million. The total, according to the Senator from Louisiana, will entail a loss of revenues of about $410 million. Is there any disagreement on that figure?

Mr. LONG of Louisiana. No, I do not think so.

Mr. WILLIAMS of Delaware. Mr. President, will the Senator yield?

Mr. LONG of Louisiana. I yield.

Mr. WILLIAMS of Delaware. Including the cost of paying for the elections out of the Treasury when all these proposals, including the depletion allowance, and so forth, become fully operative, the Treasury estimated the revenue loss will be between $500 and $600 million. That is the Treasury estimate.

Mr. LONG of Louisiana. We estimate that, every presidential year, the provision on presidential campaign costs would cost us about $70 million. We elect a President every fourth year. But that is a lot less money than it would cost if we had adopted the proposals suggested by the Senator from Delaware, who wanted to give a $100 tax deduction to everyone.

Mr. LAUSCHE. Would the approval of this particular section or title, or whatever it is, mean an abandonment of