renency (sec. 401 of the bill) ----------
Reports on Government contingent liabilities and assets (sec. 402 of the bill) ----------------------------

Mr. SYMINGTON. Mr. President, at the risk of being repetitious, let me ask again if the $385 million of the expenses lost by the old folks out of the $410 million, if this means that, a, Congress will provide 50 percent of the drugs needed by elderly people and, b, will continue to give them the same tax rights in the future that they have had in the past. Is that correct?

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Mr. LONG of Louisiana. We are actually only talking about $310 million because the aged people will pay for half of the drug costs themselves. That takes $100 million out. So what we are talking about is roughly $310 million. Out of that $310 million, all but about $25 to $30 million is to help the old people with drugs and medical expenses.

Mr. SYMINGTON. I thank the Senator for what, to me, anyway, is a lucid and intelligent and well thought out explanation.

Mr. LONG of Louisiana. I thank the Senator.

Mr. COTTON. Mr. President, will the Senator from Louisiana yield?

Mr. LONG of Louisiana. I yield.

Mr. COTTON. I was much interested in this explanation which the distinguished chairman of the committee has given, but as I understand his last statement, that portion of the loss of revenue in this bill which is for the benefit of elderly people in the matter of drugs, and in the matter of continuing tax consideration, is now only $300 million roughly. Is that correct?

Mr. LONG of Louisiana. $100 million will be collected for drug expenses from the aged people who are covered by part B of medicare, on the basis of 50 cents a month. So we will pick up $100 million in revenue to offset part of the $385 million gross loss for items for the aged.

Mr. COTTON. I have a great deal of sympathy with the statement of the Senator from Vermont [Mr. AIKEN]. He comes from the same part of the country that I do, and perhaps we were both equally dense in understanding when the Senator from Louisiana started to shed so much lucid light on this whole matter in order to inform the Senate as to just what is in the bill. He started out by saying vehemently, as he always does, and most forcefully, that of the $410 million lost in this bill, $385 million is for the old folks. So that they will pick up $85 million, which will leave $300 million. Therefore, the total figure is $410 million, is it not?

Mr. LONG of Louisiana. This bill will both raise revenue and cost revenue. The answer would have to depend on whether we are talking about net or gross figures.

Mr. COTTON. Give us the net figure. I think even I can understand that.

Mr. LONG of Louisiana. The net figure is $310 million, because, if this bill is passed, the old people who will be paying half the cost of providing drugs under medicare will pay in about $100 million.

In addition to that, we would lose $180 to $185 million in revenue starting on January 1, on a calendar basis, for the expense of allowing aged people to deduct all of their medical expenses instead of being able to deduct only that which exceeds 3 percent.

Mr. COTTON. The Senator is working much too hard. If he will simplify his statement so that a high school sophomore can understand it, I am sure the Senator from New Hampshire will understand it. The Senator from New Hampshire would like to make sure he understands. All the Senator from New Hampshire is interested in is the net loss or the net gain. The Senator from Louisiana need not go all over the road as he just did. How much will this bill give to the old folks and how much will it get back?

I would like to know, in approximate figures, one, how much this bill will cost—net, not gross—and how much of that amount will be for the old folks.

I think it ought to be possible to get a simple answer to that question.

Mr. LONG of Louisiana. In terms of net revenue loss to the Treasury, it is $310 million. That is the cost of the bill. So the net revenue loss is $310 million. Of that net loss in revenue to the Treasury the old folks, the people of over 65 in this country, will have a net gain in benefits of $280 million. Their gain is a loss of Federal revenue. Of the loss to the Treasury of $280 million for the old folks, one is for medical attention for those whom medicare does not cover, and the other is to provide drugs.

Mr. COTTON. When do they get that?

Mr. LONG of Louisiana. Now.

Mr. COTTON. They do not get that until 1968.

Mr. LONG of Louisiana. They would not get the drugs until 1968, but the provision continuing the tax deduction of all medical expenses will go into effect January 1, 1967.

Mr. COTTON. They get the tax consideration as of 1967. How much does the tax consideration cost?

Mr. LONG of Louisiana. $180 million.

Mr. COTTON. What is the cost of the drugs?

Mr. LONG of Louisiana. On a net basis, $200 million.

Mr. COTTON. But they do not get that until 1968?

Mr. LONG of Louisiana. Yes.

Mr. COTTON. We went through all this when medicare was passed. We were told that one title of it would cost $136 million. It now turns out that it is go-