SENATE CONCURRENT RESOLUTION 15—EXPRESSING THE SENSE OF CONGRESS THAT THE CHAINED CONSUMER PRICE INDEX SHOULD NOT BE USED TO CALCULATE COST-OF-LIVING ADJUSTMENTS FOR SOCIAL SECURITY OR VETERANS BENEFITS, OR TO INCREASE THE TAX BURDEN ON LOW- AND MIDDLE-INCOME TAXPAYERS

Mr. HARKIN (for himself, Mr. WHITEHOUSE, Mr. SANDERS, Ms. WARREN, Ms. MIKULSKI, Mr. BROWN, Mr. LAUTENBERG, Mr. FRANKEN, Mrs. GILLIBRAND, Ms. HIRONO, Mrs. HAGAN, Mr. SCHATZ, Mr. MERKLEY, Mr. REED of Rhode Island, and Mr. BEGICH) submitted the following concurrent resolution; which was referred to the Committee on Finance:

S. CON. RES. 15

Whereas the Social Security program was established more than 77 years before the date of agreement to this resolution and has provided economic security to generations of Americans through benefits earned based on contributions made over the lifetime of the worker;

Whereas the Social Security program continues to provide modest benefits, averaging approximately $1,156 per month, to more than 57,000,000 individuals, including 37,000,000 retired workers in March 2013;

Whereas the Social Security program has no borrowing authority, has accumulated assets of $2,700,000,000,000, and, therefore, does not contribute to the Federal budget deficit;

Whereas the Board of Trustees of the Federal Old-Age and Survivors Insurance Trust Fund projects that the Trust Fund can pay full benefits through 2032;

Whereas the Social Security program is designed to ensure that benefits keep pace with inflation through cost-of-living adjustments (referred to in this preamble as ''COLAs'') that are based upon the measured changes in prices of goods and services purchased by consumers that is currently published by the Bureau of Labor Statistics as the Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI–W);

Whereas the Bureau of Labor Statistics publishes a supplemental measure of inflation, the Chained Consumer Price Index for all Urban Consumers (C–CPI–U), or ''Chained CPI'', which adjusts for projected changes in consumer behavior resulting from price fluctuations known as the ''substitution effect'';

Whereas the substitution effect occurs when consumers buy more goods and services with prices that are rising slower than average and fewer goods and services with prices that are rising faster than average;

Whereas studies indicate that typical Social Security beneficiaries spend a significantly higher percentage of their budget than other consumers on health care, health care prices have increased at higher than average rates, and consumers, including seniors, may not be able to substitute health care easily;

Whereas the current COLAs, based on the CPI-W, fail to reflect that Social Security beneficiaries spend more of their income proportionally on expenses such as health care as compared to a regular wage earner, and therefore underestimate increases in the cost of living of Social Security beneficiaries;

Whereas the Congressional Budget Office has estimated that using the Chained CPI to calculate Social Security COLAs would reduce Social Security benefits by 0.25 percent per year, resulting in a reduction in outlays of $127,000,000,000 over the first decade;

Whereas reductions in Social Security benefits from using the Chained CPI to calculate Social Security COLAs would continue to compound over time, and the AARP Public Policy Institute estimates that the reductions would grow to 3 percent after 10 years and 8.5 percent after 30 years;

Whereas Social Security Works estimates that using the Chained CPI to calculate Social Security COLAs would reduce annual Social Security benefits of the average earner by $658 at age 75, $1,147 at age 85, and $1,622 at age 95;

Whereas reductions in Social Security benefits would harm some of the most vulnerable populations in the United States;

Whereas adopting the Chained CPI would cause tax brackets and the standard deduction to rise more slowly, disproportionately raising the tax burden on low- and middle-income taxpayers;

Mr. HARKIN. Mr. President, I come to the floor today along with my colleague from Vermont to introduce a concurrent resolution expressing the sense of Congress that the so-called chained CPI should not be used for the purpose of calculating Social Security benefits or benefits for disabled veterans.

As we work to reduce the deficit in a balanced and responsible manner, many have discussed changing the measure of inflation used to calculate the cost-of-living allowances to a measure of inflation called the chained CPI.

Now, some claim that the chained CPI is a more accurate measure of inflation because it takes into account the fact that consumers may change their spending behavior and substitute items with lower priced increases for items with higher priced increases. As a result of this feature, the chained CPI results in a lower measure of inflation.

All of this may seem very technical, but the impact of requiring Social Security or veterans disability COLAS—cost-of-living adjustments—to be based on the chained CPI is anything but technical. It will have real and negative impacts on our seniors and those who become disabled as a result of service in the Armed Forces. In fact, the most adversely impacted would be the oldest and the poorest. I do not think anything could be more unfair or inappropriate or unnecessary.

As this first chart shows, the chained CPI is a real cut in Social Security benefits. According to Social Security Works, this policy would reduce annual Social Security benefits for the average worker at age 75 by $658 a year, by age 85 by $1,147 a year, and by age 95 by $1,622 a year. Over on this side of the chart we see the cumulative cut; in other words, what would happen over the years. From age 65 to 75 people would lose about $4,600, by age 85 they would lose $13,900, and by age 95 they would lose $28,000.

I think a couple things this chart shows is that people are penalized for living longer—the longer they live, the more they are penalized.

Now, one might say: Well, $658 a year by the time you are age 75, that does not sound like a lot. Yes, not to some of us, not to us with our incomes. Look at the kind of retirement programs we have. If you are in the upper quintile, of course, that does not seem like much. But, again, if we look at a second chart I have, we will see who really kind of gets hurt, and it is the poorer you are.

Let's put it this way: Let's say you are 65, and your total income is less than $12,554 a year. That puts you below the poverty line. The total amount of your income that comes from Social Security is 84.3 percent. Well, you might think, if you are making less than that, wouldn't all your money come from Social Security? Well, the answer is yes, but—and I question people about this—if you are making that little amount of money, and you are over 65, you are probably working at some part-time job. Maybe you are baby-sitting, maybe you are cleaning houses, maybe you are a greeter at a store. You are probably doing something to add to your income, but it would only amount to about 16 percent. Most of it comes from Social Security.

We can see from this chart, even after you get up to $20,000 a year, it is about the same. About 84 percent of your money comes from Social Security. So if you take a cut in Social Security, and you are lower income, that is where you get whacked the most.

Of course, when you get up here to the fifth quintile, you are making more than $57,957 a year. Only 17 percent of your income comes from Social Security. So you say, well, if you took $600-some a year from that, yes, you can probably afford it. But even if you look at up to $57,000 a year in the fourth quintile, almost half—43.5 percent—of your total income comes from Social Security. So even if you are making $30,000, $35,000 a year, after age 65 half of your income comes from Social Security.

So, again, when you start making these kinds of cuts in the chained CPI, you might say: Well, it is only $658 a year. For someone in the lower quintiles, that is like a month's worth of food, perhaps 6 weeks' worth of food. Tell me that does not have an effect. Of course it has an effect.

If you are in the upper income, you probably do not have that much to worry about. That is why the pernicious effect of chained CPI is that the longer you live, the more you are penalized; and the lower your income, the bigger whack you are taking out of your total income. So, again, as people get older, they are more likely to have depleted all their sources of retirement income, assuming they have any to begin with.

So a couple of facts I think are pertinent: First, today only one in five Americans has a defined benefit pension that will last until the day they die—one in five. When I first came to Congress it was one in two. One out of every two Americans had a defined benefit pension that would last them until the day they died. Now it is one in five, and it is getting less all the time.

Second—and this startles a lot of people—50 percent of the American populace have less than $10,000 in savings—less than $10,000. One out of every two Americans has less than $10,000 in savings. Well, you can see, if you have that when you retire, that is going to be gone pretty soon, so then you are going to rely, again, strictly on Social Security.

So when you put those two facts together—four out of five have no pension, and half have less than $10,000 in savings—then you see that soon after you retire, the only thing you have left is Social Security.

So it is already hard enough now for millions of people hoping to retire, but then you put chained CPI in there, and you really are hitting the oldest and the poorest.

So, again, I know people are saying: Well, we have to do something to save Social Security for those in the future. Well, I agree with that. That is why whenever I see an honest assessment of Social Security for the future, an honest assessment that says Social Security cannot continue to exist as it is, well, I agree with that—as it is. But then there are two approaches. Do you whack the benefits or do you increase the revenues that come into Social Security?

Two different approaches. You do not have to cut the benefits. In fact, I would say that by talking about chained CPI, the signal you are sending to the younger generation is: Well, maybe when you get there we will whack it some more.

A lot of young people are saying, I do not know if Social Security is going to be there for me when I get that age. When they hear people talking about chained CPI and cutting this, they are right to be worried whether we are going to keep our promise to this next generation that we will have a Social Security system they can rely on and count on.

So what is to be done? Well, last year I introduced legislation that would basically extend the life of the Social Security trust fund to 2050 and give a $65-a-month increase to every Social Security recipient, and yet extend the life of it for over 18 more years.

How do we do that? Very simply. We raise the wage cap for people who pay into Social Security from $113,000 a year, which it is now. Over 10 years we raise it and do away with it after 10 years.

There is another approach too. The National Academy of Social Insurance, NASI, did a poll earlier this year. They asked: Would you be willing to go from 6.2 percent paying into Social Security to 7.2 percent, a 1-percent increase over 20 years, if that would help secure Social Security? Seventy percent of Republicans and Democrats said yes. Over 20 years, a 1-percent increase, that is nothing.

But if you were to take that and raise the wage cap, you could increase Social Security payments by $65 a month and secure Social Security for up to 75 years. It seems to me if you want to send a message to the young people about the sanctity and stability of Social Security, you would say that rather than we are going to cut, we are going to have this so-called chained CPI.

As I said, I know it sounds technical. But it is not technical at all. I once likened chained CPI to an anchor chain. If you are standing on the boat and the anchor chain gets around your ankle and someone throws the anchor overboard, where are you going? You are going down. That is what chained CPI does. The older you get, the more you get hit on. The poorer you are, the more you get hit.

So, again, this idea that we have got to somehow cut benefits, have this chained CPI in order to save Social Security is wrong. It is wrong. There are other ways of doing it that would be widely, broadly supported by the American people. Go out and ask any group, ask any group of seniors, do you think we ought to raise the wage cap so someone who is making $500,000 a year pays in at the same rate as someone who is making $50,000 a year? Well, of course. That is not the case now. You make $50,000 a year, you pay into Social Security on every dime you make. If you make $500,000 a year, you are only paying in on the first about 20 cents of every dollar you make. After that you do not pay into Social Security.

I think the average American would say, that is not fair. What is good for someone making $100,000 a year ought to be the same for someone making $1 million a year. So there are other ways of securing Social Security. This chained CPI sends the wrong message to young people. It exacerbates the concern young people have, is Social Security going to be there when I retire?

I always tell them: Do you believe the U.S. Government will exist when you retire? They say: Well, yes. I say: If that is the case, Social Security will be there, because it is backed by the full faith and credit of the U.S. Government.

What are we supposed to do? Are we supposed to cut that full faith and credit, and tell the young people, it will be there but we may take cuts here and there may be cuts there? What is a young person to think? Am I going to have what I think I am going to be able to have and count on Social Security?

This is a trust. My friend from Vermont is always talking about this is a trust fund. It is a trust. It does not add to the deficit. Think about the word trust. Social Security trust fund. You have got to be able to trust it. Young people need to be able to trust it, that it will be there for them. The best way to undermine that is to go to this chained CPI.

With that, I yield to my good friend who knows this issue better than just about anybody I know and who has fought so hard on behalf of Social Security and keeping that trust fund and keeping the trust in Social Security.

I yield the floor to Senator SANDERS.

The PRESIDING OFFICER. The Senator from Vermont.

Mr. SANDERS. I want to thank my colleague Senator HARKIN not only for his fight for seniors and disabled vets on this issue but for his long career in fighting for those people who often do not have a voice here in Washington. The time has come for the Senate to send a very loud and clear message to the American people. It is the message Senator HARKIN has just articulated, that is, we are not going to balance the budget on the backs of the elderly, on the backs of disabled veterans, on the backs of those people who are already, in the midst of this terrible recession, hurting so much.

As chairman of the Senate Veterans Affairs Committee, let me make it very clear that I will do everything I can to make sure we are not balancing the budget on the backs of disabled veterans, men and women who have lost their arms, their legs, and their eyesight defending this country. That is morally unacceptable.

The chained CPI—and this is an important point to make. Sometimes you hear the crescendo inside the beltway, and all of the lobbyists talking: This is the right way to go. But as Senator HARKIN mentioned, go across America, from Iowa to Vermont, California to Maine, the American people are saying in poll after poll: No, do not cut Social Security. Do not cut benefits for disabled vets.

The organizations that represent tens of millions of people are saying the same thing. The American Legion, the Veterans of Foreign Wars, the Disabled American Veterans, the Iraq and Afghanistan Veterans of America, the Gold Star Wives, the Disabled American Veterans, they are on record—and I have submitted their testimony into the CONGRESSIONAL RECORD—they are in opposition to this chained CPI.

But it is not just veterans organizations. The chained CPI is opposed by every major senior citizens group in this country—the AARP, the National Committee to Preserve Social Security and Medicare, the Alliance of Retired Americans, and other groups. The chained CPI is opposed by every major trade union in America, including the AFL–CIO. The chained CPI is opposed by every major disability group in the country. It is opposed by the National Organization for Women because they understand that cutting Social Security impacts women more than it does men.

Maybe once in a while the Senate might want to listen to ordinary Americans, people who do not have well-paid lobbyists, people who do not own the local newspapers, and do what is right for the American people. There are some who believe that lowering cost-of-living adjustments, COLAs, through the adoption of a so-called chained CPI would be a minor tweak in benefits, hardly worth discussing.

But let's be clear. For millions of disabled veterans and seniors living on fixed incomes, the chained CPI is not a minor tweak. It is a significant benefit cut that will make it harder for permanently disabled veterans and the elderly to feed their families, heat their homes, pay for their prescription drugs, and make ends meet. This misguided proposal must be vigorously opposed.

What I find truly disturbing is that folks such as Treasury Secretary Jack Lew and my Republican colleagues who refer to the chained CPI as ''a more accurate measure of inflation.'' That is their argument.

Senator HARKIN, when I speak to seniors in Vermont and I tell them there are some people in Washington who think the current COLAs are too generous, do you know what invariably happens? They start laughing. They should laugh. Two out of the last 4 years they got zero. I think the last COLA was 1.7 percent. There are some in Washington who think that is too generous.

I ask unanimous consent to have printed in the RECORD a statement from 250 Ph.D. economists and 50 social insurance experts who wrote:

No empirical basis for reducing the Social Security COLA.

No empirical basis.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

ECONOMIST AND SOCIAL INSURANCE EXPERT STATEMENT ON SOCIAL SECURITY COLA

NO EMPIRICAL BASIS FOR REDUCING THE SOCIAL SECURITY COLA

November 20, 2012—250 Ph.D. economists and more than 50 social insurance experts with doctorates in related fields oppose proposals to reduce the Social Security cost-of-living adjustment by tying it to an index (the chained CPI–U) that does not reflect the spending patterns of beneficiaries.

As economists and social insurance experts, we agree that the annual Social Security cost-of-living adjustment (COLA) should be based on the most accurate measure possible of the impact of inflation on beneficiaries. For this reason, we oppose proposals to reduce the Social Security COLA by tying it to a chained consumer price index that does not directly measure the actual expenditures of beneficiaries. Such a move would lower the COLA by an estimated 0.3 percentage points per year, translating into a 3 percent benefit cut after 10 years and a 6 percent cut after 20 years. The oldest beneficiaries, who are often the poorest beneficiaries, and persons receiving disability benefits for more than 20 years would see even larger cuts over time.

Arguments in favor of reducing the COLA are premised on the assumption that the current COLA overcorrects for inflation. However, it is just as likely that the current COLA fails to keep up with rising costs confronting elderly and disabled beneficiaries. For historical reasons, the current COLA is based on a consumer price index for workers, excluding retirees and other Social Security recipients who are not in the labor force. It and other indices based on the spending patterns of workers or the general population likely understate the impact of cost increases faced by Social Security beneficiaries because seniors and disabled people spend a greater share of their incomes on out-of-pocket medical expenses than do other consumers, and health costs have risen faster than overall inflation in recent decades.

A chained price index is supposed to more fully reflect the ability of consumers to substitute cheaper goods and services in response to price changes. Whether or not such substitution preserves consumers' standards of living, different consumers have varying ability to make such adjustments. Since elderly and disabled people spend a greater share of their incomes on necessities such as health care, rent, and utilities, and since this population is also less mobile, a chained COLA based on the spending patterns of workers or the general population may overestimate the ability of Social Security beneficiaries to take advantage of cheaper substitutes.

The actual spending patterns of Social Security beneficiaries have not been comprehensively studied. However, an experimental index computed by the Bureau of Labor Statistics suggests that the current COLA may not keep up with seniors' costs of living. Until direct evidence is gathered, there is no empirical basis for reducing the Social Security COLA, which could exacerbate, rather than correct, an existing problem.

MR. SANDERS. This is what these 250 economists write:

As economists and social insurance experts, we agree that the annual Social Security cost of living adjustment should be based on the most accurate measure possible of the impact of inflation on beneficiaries. For this reason, we oppose proposals to reduce the Social Security COLA by tying it to a chained consumer price index. Arguments in favor of reducing the COLA are premised on the assumption that current COLA overcorrects for inflation. However, it is just as likely that the current COLA fails to keep up with rising costs confronting elderly and disabled beneficiaries.

The reason for that is pretty clear. If you are a senior citizen or disabled vet, the likelihood is you are not buying iPads or flat-screen TVs or other types of things such as that. What are you buying? You are buying health care, you are buying prescription drugs, you are trying to heat your home. For seniors' purchasing habits, in many ways inflation has been higher, not lower, than general inflation. Senator HARKIN made reference to this.

Let's be very clear. There are millions and millions of seniors who are economically struggling, struggling to keep their heads above water to buy the prescription drugs they need, to pay for the health care costs they need, to keep their homes warm in States such as Vermont or Iowa in the winter.

Nearly one-quarter of seniors depend on Social Security benefits for 100 percent of their income. Two-thirds depend on Social Security for a majority of their income. We are talking, and I hear from the White House and elsewhere, they are going to protect the poorest of the poor. Well, to my mind, when someone in Vermont is trying to get by on $15,000 a year, that person needs protection. Anyone who thinks that is a lot of money clearly does not have any sense of what is going on in the real world.

According to the Social Security Administration, under the administration's chained CPI proposal, average 65-year-old retirees would lose $658 a year in Social Security benefits by their 75th birthday, a cumulative loss of over $4,500. Once again, I understand that people here go for lunch, take a few friends out, you can spend $600. But for senior citizens struggling on $14,000 or $15,000 a year, $658 dollars is a lot of money and means the loss, if you do not have that money, of a very basic need.

For veterans, if we go in the route of the chained CPI, disability benefits for veterans at age 30, they would have their benefits reduced by $1,425 a year; at age 45, $2,300 a year; at age 55, $3,200 a year; at age 65, benefits for surviving spouses, the wives who lost their husbands in Iraq and Afghanistan, and their kids would also be cut.

I think as a Senate, as a Congress, we should take a deep, deep breath, if we think we should be balancing the budget on those people who have already given so much to this country.

Let me conclude by again making the point Senator HARKIN so ably made. Many of us want to make sure Social Security is strong not just for the next 20 years in which it can pay out all benefits but for the next 75 years. The way to do that is not to cut benefits; the way to do that is exactly as Senator HARKIN and I and many other people have suggested—that is, understanding that there is something absurd when somebody who makes $5 million a year contributes the same exact amount of money into the Social Security trust fund as somebody who makes $113,000 a year.

There are different ways to approach that issue, but by lifting the cap—and do it one way or the other—we can make Social Security solvent for the next 75 years for our kids and for our grandchildren.

The last point—and Senator HARKIN has been a leader on this issue—pointing out about how many Americans have lost their pensions. We are probably in worse shape than at any time in modern history for the average person to go into retirement. Social Security is and has been the pillar for those people. They have lost their pensions, and their 401(k)s have also been troubled. Social Security has been there for the last 75-plus years in good times and bad times. It paid out every nickel owed to every eligible American.

People are nervous about their retirements. Let's stand united and say we are not going to cut Social Security benefits for seniors or disabled vets. There are other ways to go forward and make sure Social Security is strong for the next 75 years.

I yield to the Senator from Iowa.

Mr. HARKIN. Would the Senator yield for a question?

First of all, I thank my colleague from Vermont for being a strong voice on this issue and on so many issues that affect the elderly and especially our veterans. The Senator is the chair of that committee.

I am always curious as to why it is that so many of the dark suits here in Washington are always after Social Security. I don't say there is some ill spirit there, although I will say I think the Senator might agree that there are some who would like to privatize Social Security. We know that. They have said that in the past—or partially privatize it.

It seems to me that so many people who get involved in this think it is just a little nick.

I saw a cartoon of a barber cutting somebody's hair. They had this huge ball of hair, and they were snipping just a couple of little hairs off and saying: That is all we are doing with chained CPI.

They think it is such a small thing. It always occurred to me that those people making the decisions, the dark suits, those are all people who probably have good pensions, good retirement systems. They are never going to want for anything. Yet somehow they just think, well, $658 bucks—that is not a big deal, up to 75. But, as the Senator pointed out, $658 in 1 year to someone whose income is $15,000—that could be a month's worth of food, 6 weeks' worth of food.

Mr. SANDERS. That is right.

Mr. HARKIN. That is a big whack. I would ask the Senator, again, if he has any thoughts——

Mr. SANDERS. I do.

Mr. HARKIN. On why is it that we can't listen to people and come up with another approach on this rather than this chained CPI?

Mr. SANDERS. That is a very important question, and let me answer it in several ways. First thought: let's be clear, we have some colleagues in the House and Senate who believe not just that you should privatize Social Security, not just that you should cut Social Security, they believe the concept of government assistance in terms of retirement or government programs in terms of health care, they believe they are unconstitutional. They don't believe the government should be there. If you are elderly and you have no health care, sorry, you are on your own. That is No. 1.

There is a philosophical belief on the part of some that what government does should be very limited and that we should not be there to make sure that when the elderly people reach retirement age, they have security.

The second point is about the consistently—and this has gone on for years—the long-term opposition to Social Security. Does the Senator know what it is about? It is because Social Security has worked so well. If you hold the belief that the government is terrible, the government is awful, and the government can't do anything, and if there is a program that for 77 years has paid every nickel owed to every eligible American, has very modest administrative costs, and is very popular among the American people, and you don't believe in government, that is a bad thing. They have to start cutting it and doing away with it.

The third point I would make—again, no secret here—is that we have a significant deficit, and we have choices to make as to how we deal with the deficit.

When we lose $100 billion every single year because corporations stash their money in the Cayman Islands and in other tax havens, maybe we might want to ask them to start paying their fair share of taxes rather than cutting Social Security. But we have colleagues who are much more interested in the well-being and the profits of large corporations than they are in the needs of seniors.

Those are some of my answers.

Mr. HARKIN. I have a couple of thoughts. I would say to my friend from Vermont, to those who say it is unconstitutional to do those things, I wonder if they ever read the preamble to the Constitution, which is, by the way, part of the Constitution of the United States?

> We the People of the United States, in Order to form a more perfect Union, establish Justice, insure domestic Tranquility, provide for the common defence, promote the general Welfare.

That is part of the Constitution of the United States.

Mr. SANDERS. Of course.

Mr. HARKIN. How we do that obviously can vary from time to time, generation to generation, but the idea that we are here to promote the general welfare as a Federal Government is clearly in the Constitution of the United States.

Secondly, the Senator pointed out the idea that Social Security—that this is really a trust fund. People pay into it, and they take out. Now, it has had its problems.

But I ask the Senator, if unemployment today were down to less than 5 percent—say, 4 percent—what would the Social Security trust fund look like?

Mr. SANDERS. It would be much larger than it is right now because more people would be paying into it.

Mr. HARKIN. So the 2033 date—if we make no changes, they say Social Security will pay 100 percent out up until 2033. But if, in fact, we reduce unemployment to less than 5 percent, the Trust Fund will be able to pay full benefits for a longer period of time.

Mr. SANDERS. That is right. I think the point has to be made—and I see Senator DURBIN on the floor as well, and he has made this point—that we can argue about how we go forward on Social Security, but we should be clear: Social Security hasn't contributed a nickel to the deficit because it is funded by the independent payroll tax.

So it is a reasonable question as to how we make Social Security solvent for 75 years rather than just the next 20 years. That is a good debate. The Senator and I have similar ideas on how we should tackle that issue. But it should not be considered as part of the deficit reduction effort. And it disturbs me very much because the administration has acknowledged that reality and we have heard them over the years say: Yes, we want to deal with Social Security but not part of deficit reduction. It bothers me that they have now injected Social Security into the deficit reduction debate.

Mr. HARKIN. There is one last thing I would say. The Senator mentioned that we have a deficit. We do. We have to address it. We all agree with that. The Senator pointed out that the offshore haven businesses are not paying their fair share of taxes.

I would like to ask Senator SANDERS one other question. Isn't it a fact—well, the estimates vary; $1 trillion is not stretching the truth—to say that the war in Iraq cost us somewhere close to $1 trillion?

Mr. SANDERS. I would say that most estimates suggest that. If you look at both Iraq and Afghanistan, it may be three times that number.

Mr. HARKIN. I don't know, but I have seen estimates up to $1 trillion for Iraq only. That was all borrowed money, so that has to be paid back.

Mr. SANDERS. Yes.

Mr. HARKIN. So are we going to make the elderly, the poor, the students, and the veterans pay for that?

Mr. SANDERS. I would say the Senator makes a very good point. And I often point out to my Republican friends that I think you are looking at yourself and me as some of the major deficit hawks.

Our friends today who want to cut Social Security in the name of deficit reduction apparently didn't have a problem with the deficit when they went to war in Iraq and Afghanistan without paying for those wars and when they gave huge tax breaks to the wealthiest people in this country without offsetting those tax breaks.

The Senator's point is very well taken.

Mr. HARKIN. I thank the Senator.

Mr. SANDERS. I yield the floor.

AMENDMENTS SUBMITTED AND PROPOSED

SA 741. Mr. REID (for Mr. ENZI (for himself, Mr. DURBIN, Mr. ALEXANDER, and Ms. HEITKAMP)) proposed an amendment to the bill S. 743, to restore States' sovereign rights to enforce State and local sales and use tax laws, and for other purposes.

SA 742. Mrs. SHAHEEN (for herself and Ms. AYOTTE) submitted an amendment intended to be proposed by her to the bill S. 743, supra; which was ordered to lie on the table.

SA 743. Mr. THUNE submitted an amendment intended to be proposed by him to the bill S. 743, supra; which was ordered to lie on the table.