election in South Carolina. Those were going to be representative of the country and all of those four had to occur before any other State could start its primary or caucus in the selection of the Presidential nominees and that the date they could start was February 5 of next year.

Over the objection of Democratic State legislators in the Florida legislature—indeed, with the Democratic leader of the Florida Senate offering an amendment to keep Florida's election from violating the Democratic National Committee rules and, therefore, to be on February 5, over his and others' objections—the Florida legislature changed the date of the Florida Presidential primary from March to January 29. The Florida legislature is basically two-thirds Republican, one-third Democrat, in both Houses of the legislature. Governor Crist, a Republican, signed the legislation, setting the Florida primary date as January 29, and signed it into law.

The Democratic National Committee took great umbrage at this and under its rules said it was going to strip Florida of half its delegates. That is what the Democratic National Committee rules provide. In the Democratic National Committee Rules Committee's deliberations, they went further. Unlike the Republican National Committee, which said they would take away half of Florida's delegates for the Presidential nominee, the DNC said: We are going to punish Florida completely by taking away all their delegates to the convention. What is more, we are going to enforce a part of the DNC rules that say, unless Florida backs up and ignores that election, makes it a ''beauty contest'' that has no meaning and selects their delegates sometime from February 5 or later, Florida was going to receive additional punishment, which was that no Presidential candidate could go and campaign in Florida, and campaigning was defined as speaking in Florida, interacting with voters in Florida, hiring campaign staff in Florida, opening an office in Florida, having a press conference in Florida, except—oh, by the way, you can go into Florida to raise money.

This is as violative of the constitutional right of freedom of speech as anything I have ever heard. It conjures up that you can't come to Florida so Florida Democratic voters can interact with Presidential candidates unless you pay a fee at the door in order to gain entrance because it is a fundraiser. Doesn't that remind you of something that was held unconstitutional called a poll tax?

It was because of this kind of punishment that was inflicted on the 4.25 million registered Florida Democrats that this Senator, with a heavy heart, joined with his colleague, Congressman ALCEE HASTINGS, also with a heavy heart, and filed suit in Federal District Court in Tallahassee, the seat of government of our State, against Howard Dean, the chairman of the DNC, and the Democratic National Committee.

A defendant was also named, Kurt Browning, the secretary of state of Florida, purely for functionary purposes since he is the one authorized under Florida law to conduct the election. As a result, that suit had been filed 2 weeks ago alleging the violations of the Constitution in the 1st, 5th, and 14th amendments, as well as violations of the Voting Rights Act of 1965.

A Federal court will ultimately determine that issue of whether the party has the right to prohibit people, in a duly called, State-run, State-sanctioned by State law election, whether that national party can take away those constitutional rights of people to see and hear and interact with the Presidential candidates, as well as taking away all of their ability to be heard at the national convention by stripping away all of the elements. That is the issue in front of the court.

It should not have come to this. For the last 6 months, I and others, like Congressman HASTINGS, have offered compromises on three different occasions, three different compromises on how we could get out of this box. It would be a win-win situation, but the DNC and its rules committee said ''nyet,'' they are going to sanction Florida.

Why am I making this speech this day, Mr. President, when the suit was filed 2 weeks ago? Because there is a news article in this morning's papers saying that the Iowa Republican Party has announced that it is bumping up its caucus, not where it was previously prescribed—somewhere in the middle of January of next year—but instead moving it up to January 3. And South Carolina Republicans, some time ago, had a joint press conference with the secretary of state of New Hampshire, who under New Hampshire law is the sole authority to determine what date New Hampshire's primary, both Democratic and Republican, will be held, and the South Carolina Republicans announced that they were moving their primary up some 10 days earlier—it might have been 8 or 9 days, but it was earlier than the prescribed time of January 29—to which the New Hampshire secretary of state said he would move New Hampshire's primary up early.

So the question that is begged today, Wednesday, the middle of October, is, if all of these parties are jumping early and the order that the Democratic National Committee wanted to preserve is being thwarted, does the DNC intend only to punish Florida Democrats or will, in fact, they punish the Democratic parties in New Hampshire and Iowa if they, in fact, jump forward from what the DNC rules had prescribed?

So I bring to the floor of the Senate something that involves only a few States. Yet it has enormous implications for the entire country because this is the process by which we select the Presidential candidates of the two major parties, one of which is likely to be the next President of the United States.

Because of all this fracas and I think just the news of today that indicates the Iowa parties are jumping much earlier, we will probably now see all of the others start to jump, and as a result there will be increased turmoil. It is certainly my hope that reason will prevail and the Democratic National Committee, which has taken out its frustration on Florida, will suddenly realize there is no reason to continue that frustration on Florida because, at the end of the day, if everybody else is doing it, why just try to punish Florida? And because of this fracas, this turmoil, will reason prevail that there is a better way to do this? It is regional primaries spaced out in a logical order over one in March, two in April, two in May, and one in June, that would give the candidates plenty of time to get around to these regional primaries, which order could be determined by lot, and in that primary one State from each region in the country could have an election, so no particular part of the country is favored. In the favored first status, all of this fracas should point to that goal.

Let's bring order out of this chaos in the way we select the next President of the United States in both of these great political parties that participate in American politics.

I yield the floor.

The ACTING PRESIDENT pro tempore. The Senator from Mississippi is recognized.

Mr. LOTT. Mr. President, it is none of my business, but I say to the Senator from Florida that I tend to agree with him. Maybe it is a regional thing. I wish him good luck in his effort to have Florida assume its rightful place.

CHILDREN'S HEALTH INSURANCE PROGRAM

Mr. LOTT. Mr. President, a lot of discussion has been going on today, this week, and over the last few weeks about a very important program; we call it SCHIP. That is Washingtonspeak for health care for children, which has a very important role for the States to administer this program. This week, the House will be voting on the President's veto of this issue. That is the way things work in Washington. It is not very pretty. I am not proud of the whole process we have gone through on this issue.

First of all, I have a message for everybody involved. Let's put low-income, poor kids first. Let's figure out how we deal with their needs. That is what caused this program to begin with.

I had the pleasure of being the majority leader in the Senate in the 1990s when this program was created. I remember the debate. It was pretty hot. Phil Gramm of Texas was saying: Wait a minute, we need to put protections in

here, and Senator KENNEDY and Senator HATCH were very much involved. But then a bipartisan agreement broke out, the way we used to have happen around here occasionally. We created a program, well-intentioned, that was targeted for low-income children, to make sure they had insurance coverage. It was not a massive number; I guess we were thinking in terms of 6 million, with the idea that might go up as time went by and more people or parents were made aware of the program and information was gotten to them and they could come onto the program. I think it has worked well. It has been successful. It covered a lot of low-income children who would not have been covered otherwise.

Now, of course, we come to a period where we have to extend the program, and it has been very difficult. I acknowledge right up front that Senator GRASSLEY tried to find a way to work through this issue and get a proper result. He and Senator BAUCUS, the chairman of the Finance Committee, wound up coming together and getting an agreement. I also acknowledge that a lot of the problems have been exacerbated by the previous administration and this one because they kept granting waivers to States to go above the 200 percent of poverty, up to as high as 350 percent of poverty, making not just low-income, poor children eligible but children of families making up to—I don't know the exact number—$62,000 or $63,000, and some States were applying to go to 400 percent of poverty, which would go as high as an $80,000 income for families. That was not our intent. Plus, adults have been added. Only in Washington can you get confused about a program that is for kids and then start putting adults on it. But States started doing that and waivers were requested, and the administration, unfortunately, for a while granted those waivers. I think we should put limits on those waivers. Thank goodness, finally the administration turned down the most recent application for going up to 400 percent of poverty.

So here we are. Some of us on the Finance Committee said: Look, we want this program extended. The President recommended that it be increased by $5 billion, which is about $1 billion a year. Some of us on the Finance Committee realized that probably was not enough to cover the children now on the program plus to get more low-income children who should be eligible and should be covered, covered. So we were looking at going above the $5 billion increase the President originally suggested. How much? That is what the legislative process is about. Is it perhaps $9 billion instead of $5 billion or maybe $12 billion? I wasn't wedded to a number; I was wedded to a concept and a program to make sure we cover those now on the program. Some should not now be on the program. But we wanted to make sure low-income children are covered first.

The administration, to its credit, did put in place a provision that would say you cannot start insuring middle-income children until you have insured 95 percent of low-income children. This bill which has been vetoed by the President would knock that out. What? If our goal is to insure low-income children, why would we not require that? But the compromise that was worked out went to $35 billion. It would allow for kids who are not in the low-income category to be covered.

The President vetoed it. I think he should. Now the House is going to sustain that veto. My question is, Now what? We have made our positions clear. We have had a grand old time playing politics with kids. Let's get over it. We need to get a result. That is the way it works. Somebody was saying in that very chair last night that the Congress has a role to play. Yes, and so does the President. Some people say: Look, there was a bipartisan compromise worked out. Yes, but some of us who would like to have been involved, who were there when the program was created, didn't get involved. We just thought we would do what we want and shove it over to the President and say: Take this. But he doesn't take it. So now we sit down and work it out.

What is the plan of the Democrats? To let the program just collapse? That is unacceptable. Nobody is going to stand for that. Then I hear: Well, the plan is to keep extending it in increments—maybe 30 days, maybe 90 days. We want to keep it alive until next fall. Look, we can play politics and partisan politics, but do we have to use kids in the process? I don't think we should do that. We need to make sure we have a program that works.

One of my big problems about the plan we have is that it would put 2 million kids who now have private insurance on the Government rolls. That is part of the plan. The plan is to get them off of the private plan, which the families can afford; they could not get on Medicaid, so we will get them on the SCHIP program. I think that is a mistake. Of course, I think there is phony budgeting in the bill the President vetoed. I think the funding is not reliable.

Now, at least the Senate came up with something that was a little more defensible than what the House was working on. They said: We want to take money from Medicare Advantage, elderly people in rural areas, and use that savings to pay for the children's health program. That was a total nonstarter with the Senate, thank goodness.

What did we come up with? Cigarette taxes. Who wants to stand up here and defend tobacco? I will. I smoke a pipe. I don't do it in public. My mother wouldn't approve of me doing that. By George, I make that choice. I don't apologize for it. But, oh, it is a part of the politically correct position now: Let's make everybody quit smoking cigarettes. There are no good tobacco products.

This is still America. We do still have choices. And by the way, let's assume it works. If we jack the price of a package of cigarettes a buck a package, which is what this would do, it is going to eventually, I guess, discourage people and low-income, poor working families: Gosh, we can't afford cigarettes; maybe we will quit. Good, that is great. I don't deny it is not good for your health. Maybe they will quit.

This is the problem: If they do quit, we would not get the money to pay for the SCHIP program. Think about that. We are do-gooders here, we are going to raise taxes on tobacco products to pay for the Children's Health Insurance Program. That way we will make them quit smoking. And, oh, you mean then we would not have the money? Yes. You can't have it both ways. It is the kind of stuff we do around here. It is ridiculous.

So the money would not be there. The program is not going to be funded. We all know better than that; it is going to be funded. At some point, if the tobacco money doesn't come in, which I assume it would not because we have gone crazy trying to tax it out of existence—by the way, this is an area States usually handle. But, no, we are going to put a 61-cent Federal tax on cigarettes and that will further block what the States might do to raise revenue for their programs. By the way, they do a better job of running the health programs than we do anyway. It is part of the inconsistency here.

There are many problems with this bill. I have always said, OK, let's have our political debates. Let's stake out our partisan positions and then let's sit down and work something out. Is that what the people expect us to do? That is what the legislative process is all about.

I don't have the Holy Grail in this area. I realize it would be a give and take. I believe Senator GRASSLEY and I and representatives from the administration and Democrats can work out this legislation. The President said: Let's negotiate. Yes, I think he ought to send his top people down here and humbly say to the leaders in the Congress, Republicans and Democrats in the House and Senate: What can we do to work through this bill now and get this program extended to where it covers genuinely poor kids and get it beyond the next election? I urge we do that.

I don't presume to try to say who would be in the room. Pick anybody. But I say this: That is what needs to be done. Let's go ahead and rack up the political points and politically let's say this one goes to the Democrats. Policywise, I have no qualms about the position I have taken. I am perfectly comfortable with it. But also I am prepared to say enough is enough, let's move on, let's get a compromise worked out, and let's protect this program which is well intentioned but which, for good reasons, we have gotten carried away.

There are some people who might say: Let's cover all children with a federally funded health insurance program. Maybe we can raise taxes to $5 a package, 10 bucks a cigar. It is ridiculous. There are other ways we can get revenue. I hope we will get started on that as soon as the House votes. They will sustain the veto, and then we can sit down and work this out.

I yield the floor.

The PRESIDING OFFICER (Mr. SALAZAR). The Senator from Iowa.

Mr. GRASSLEY. Mr. President, I came to the Chamber to speak on an oversight issue on which I have been working for well over a year. But before I speak on that subject, I wish to take advantage of the opportunity to respond to incorrect impressions about the compromise State Children's Health Insurance Program bill on which the House is going to be voting tomorrow. I am speaking as much to Republicans in the House of Representatives as I am responding to some of the points Senator LOTT has made. These reminded me that regardless of how many speeches one gives around here, regardless of how many explanations one gives of what our bill does and does not do, nobody listens. We get the same wrong statements being made time after time. I wonder, does anybody ever listen? Maybe they don't like to have CHUCK GRASSLEY say it.

I was a negotiator for the Republicans. I never had a single Republican tell me since January that they didn't want the SCHIP program reauthorized after a 10-year sunset. I never had one of them say it wasn't a program that was serving a good purpose. I had a lot of people express faults about what is wrong with the present program. Most of those issues have been corrected in the legislation the President vetoed.

I finally got people to realize the $5 billion the President put in his budget on top of baseline is not enough to do what we are already doing. Even the Republicans on this side offered $14.5 billion over baseline, which still is not enough to do what needs to be done to take care of the kids we are taking care of now and extend coverage to other eligible but uninsured low income children.

Some people are saying this bill should have been vetoed because there are adults in the program. But it was this Administration that approved the waivers to cover adults. The bill that the President vetoed did away with waivers. What has been in the program for 10 years this bill does away with. Childless adults are not going to be on the program. New waivers for parents under SCHIP is prohibited. For states that currently cover parents, the federal match is reduced. But yet people are still saying to me, from the other body, as I talk with Republicans over there to vote to override the President's veto: Why are we letting all these adults on? The waivers did that, and we do away with the waivers.

Also, in my conversations with people in the other body, as I try to convince them they ought to vote to override the veto, this $83,000 number keeps coming up. There was an inference made to it in the previous speech. That is not in our bill, and yet the President in his veto message referred to our bill allowing people up to $83,000 to get on SCHIP. That is in the law. It has been in the law for 10 years, and that can only happen if the President of the United States says a State can do that upon that State's request. Only the President can allow that to happen. That has been that way for 10 years. So don't tell me our bill allows States to go up to $83,000. That has been the law.

What about the statement of having genuine poor children on this program? I agree. Do you know that 92 percent of the kids on the program are in families under 200 percent of poverty? Somebody can say: What about the other 8 percent? OK, so what do we do about that? Because there has been an inference to a State Health Official letter to states released on August 17, 2007 that we did away with what would have prevented that. But the policies in that letter were flawed and unworkable. What we did is we made those policies workable in our legislation. So the emphasis on kids under 200 percent of poverty works out this way: First, we reduce the Federal match to the Medicaid match for any state that wants to go over 300 percent of poverty, beginning upon enactment of the bill. Then, by 2010, any State that wants to go or to continue to go above 300 percent of poverty for children has to demonstrate that they have reached the targets determined by the 10 best States covering kids under 200 percent of poverty. If they do not meet the target, they get no Federal match for kids over 300 percent.

So don't tell me the bill before us does not have emphasis on low-income kids. It has emphasis on low-income kids.

It was not brought up in the previous speech, but in my conversations with the House of Representatives, I have had this other smokescreen thrown at me: Our bill allows illegal immigrants to get on the program. For the first time, we are doing in SCHIP what has never been done before, what we have done for Medicaid in the Deficit Reduction Act. We are making it so that illegal immigrants cannot get on the SCHIP program.

People are paid to read legislation, and I don't know how the President of the United States, who gets paid a heck of a lot more than I do and has a lot of advisers who get paid a heck of a lot more than I do—I don't know how they can have him put in a speech that this bill allows people over $83,000 to get into the program, or there can be speeches in the Chamber of the other body saying we are opening the door for illegal immigrants to be covered by this program when we are doing more than existing law does in that area and where existing law already allows, if the President approves it.

And then this business of adults being in the program—absolutely right, three States have more adults on the program than other States. How did that happen? This administration gave waivers for that to happen. We do away with those waivers. I have heard all the complaints from this side of the Senate, the Republican side of the Senate, that there is no ''A'' in SCHIP—and I agree, it shouldn't be for adults—and I even heard Democrats strongly speak to this point. This program should never have gone in that direction. We do away with waivers.

I ask everybody to read the legislation, and particularly Republicans in the other body, before they vote tomorrow to override or not override because all these inaccurate representations of the compromise bill are creating a very bad mistake. It's so bad politically that the White House is looking for some way to get out of this situation. Probably that some way to get out of it is negotiating another bill with us. But it would be smart if the White House would send a signal to the House of Representatives: Override our veto; we made a mistake.

GENERAL SERVICES ADMINISTRATION INVESTIGATIONS

Mr. GRASSLEY. Mr. President, I now wish to address this body about some investigations I have been doing over a long period of time.

This is a report to my colleagues that senior executives at the General Services Administration may have failed to meet their responsibilities to the American taxpayers. These issues were carefully examined in two oversight investigations conducted by my staff. These investigations have uncovered a disturbing change of circumstances at the General Services Administration.

In a nutshell, it is this way: These studies indicate that top-level General Services Administration management interfered in contract negotiations with Sun Microsystems. They put pressure on contract officers to sign a potentially bad contract. When that person refused, they had that contract officer removed under duress.

All the evidence from this investigation suggests that this particular contractor had been overcharging the Federal Government for years. The contract officer believed the proposed terms were still not fair to the Government. Even worse, these reports also indicate that allegations of intimidation against the General Services Administration Office of Inspector General and its auditors may have been fabricated. This may have been done to cover high-level pressure on contract officers or maybe because the new contract was signed on terms dictated by the contractor. When I asked for audits of the new contract, this contractor resisted tooth and nail, and in the end they canceled the contract before audits could be completed. I want to repeat that, because this is the bottom