countries to release more oil. They can release more oil, but will they reduce the price? That is crude oil that had to be refined. They will encourage refiners to make more heating fuels—they might be able to persuade them to do that but it will change the mix and might result in a gasoline shortage this summer.

The interesting thing about the administration's response is, nowhere is there a commitment that we increase our domestic petroleum production to make us less dependent on OPEC pricing policies. That would be contrary to the environmental community who objects to the production domestically of oil and gas. Let me go a step forward. The Vice President said: If I'm elected I will cancel all the OCS leases, oil and gas.

What does he propose we will do? We cannot address what we will do with our nuclear waste. As far as I'm concerned the administration can choke on that waste. That seems to be their only solution.

We have an administration that proposes more new taxes on our domestic oil and gas industry. Think about that. We have a heating oil crisis, we have high prices, there are barges in transit and ships coming over from Europe with heating oil. That may help. We cannot move the crude oil out of SPR fast enough. We cannot get it to refineries that have any unused capacity. And we don't have adequate storage to store the reserves.

If you want to debate that issue, as chairman of the Energy and Natural Resources Committee I will try to work with Members. But let's be realistic and try to understand what the problem is and not fool the public.

If anyone saw the Coast Guard cutter grinding through the ice on the Hudson River to try and clear the waterways for the heating supplies to be delivered, they would have a better understanding and appreciation of some of the real problems.

I want to work with my colleagues to try and address this but let's make sure we understand the realities associated with that. I have a problem with our continued dependence on jawboning the Middle East countries. Our friend Saddam Hussein is now producing nearly 2 million barrels a day. The consequences of that, in view of the fact we fought a war not so long ago, suggests that our energy policies are inconsistent, to say the least.

We talked about the administration's ''cure'' to encourage more production. The President has proposed $50 million in new and expanded user fees over 5 years on our domestic oil companies drilling in offshore waters. Is that going to continue to drive production in the United States? It will continue to drive it overseas and increase our reliance on imported oil from foreign shores—and we are 56 percent dependent now. The user fees are included in the administration's fiscal year 2001 budget. According to reports, the fees would raise $10 million in each of the next 5 years by increasing rental rates on oil leases, among other fees.

In addition, we understand the budget recommends reinstating the oil spill liability trust fund to add 5 cents a barrel excise on both domestic and imported oil. This equals $350 million per year from all sources.

Once again, instead of encouraging our domestic oil industry, this administration seeks to discourage it wherever possible. The result is that we are 56 percent dependent on foreign oil; and the Mideast, where that oil comes from, where there is a huge abundance of oil, is sitting back nodding their head and smiling as they continue to control the discipline within their cartel not to allow overproduction and a decline in price.

The national energy security of this Nation is at risk as we become more and more dependent on imported oil. We have tremendous domestic reserves in this country if we can only open them. My State of Alaska has produced 20 percent of the crude oil produced in the United States for the last 20 years. If allowed on land in Alaska to use the technology that we have, we can continue not only to produce 20 percent but probably increase that to 30 percent or maybe 40 percent. The alternative is to increase our dependence on imported oil.

Senator LANDRIEU and I have a bill, Senate bill 25, that will try and address a fair return to the coastal impact areas offshore and onshore relative to a reasonable revenue stream that ought to come back to these areas as a consequence of oil and gas development on the outer continental shelf. This is legislation that all coastal States would share in, whether they have any oil and gas activities. This legislation would benefit the environment but it would put control of how that money is spent—not with a central Federal Government dictate, but with the participation of the States and the local communities. That is the way it has to be.

DISTRIBUTING NEW MONEY FAIRLY

Mr. MURKOWSKI. Mr. President, as a former banker, I must draw attention to what I consider an extraordinary movement by this administration, the Department of Treasury's decision to distribute the U.S. $1 coin to America's largest retailer, Wal-Mart, in Arkansas.

Isn't that extraordinary? The banks have always been the agency for distributing new money and the agency for bringing in mutilated money. But for the first time the Department of Treasury has gone to a retailer, Wal-Mart, headquartered in President Clinton's home State, I might add, and I am told that as a promotion they have cut a deal with General Mills, where there are a few of them in boxes of Cheerios.

The banks are the backbone of our financial system. I cannot understand the logic or the fairness where if you are a banking customer, and your customers want coins, you have to run down to Wal-Mart. A private citizen who orders those new coins from the U.S. Mint I am told can expect a 6 to 8 week delivery time.

I would like to ask the following questions. Who made the decision to give these companies, Wal-Mart particularly, the ability to distribute coins before the banks? I would like to know the name of the person who made that judgment; and what part of Arkansas he was from? Was it a procedure similar to awarding Federal contracts used in choosing Wal-Mart and General Mills? I have sent that letter to Lawrence Summers, and I hope we can get a response very soon.

I yield the floor and encourage everybody who has a box of Cheerios to be sure and shake it because there might be a new dollar in it. Don't go to your bank because they will not have it.

I ask unanimous consent that my letter, and an article that appeared in the Wall Street Journal, be printed in the RECORD.

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

Hon. LAWRENCE SUMMERS,
Secretary, Department of the Treasury, Washington, DC.

DEAR SECRETARY SUMMERS: I am surprised and very concerned about the method the Department of the Treasury has chosen to distribute the U.S. Mint's new one dollar coin. America's largest retailer, Wal-Mart, headquartered in President Clinton's home state, has been given priority over our nation's banks to distribute these coins. I find it hard to believe that any federal agency would deliberately give such a marketing advantage to a private retailer, let alone the largest retailer in America. Select boxes of General Mills' Cheerios contain the new dollar coins.

According to an article in today's Wall Street Journal, banks, which are the backbone of our financial system do not have this type of ready access to these new coins. Some bankers were quoted as saying they are referring people who want the new coins to Wal-Mart. Moreover, a private citizen who orders these new coins from the U.S. Mint can expect a 6-8 week delivery time.

I would like you to answer the following questions. Who made the decision to give these companies the ability to distribute the coins before banks? Was a procedure similar to the awarding of federal contracts used in choosing Wal-Mart and General Mills?

I look forward to your prompt response.

Sincerely,

FRANK H. MURKOWSKI,
U.S. Senate.

BANKERS ASSAIL MINT FOR DEAL WITH WAL-MART

(By Julia Angwin)

Bank tellers at First State Bank in Middlebury, Ind., have recently been going to unusual lengths to fill their coin drawers. While on lunch break, they would sprint to the local Wal-Mart store to buy the government's newly minted $1 coin.

''We thought if we could get 50 or 100 coins, then maybe we could give them to our customers,'' says Sara Baker, the bank officer that organized the tellers.

When a bank goes to Wal-Mart to get its money, something odd is going on. In this case, it's a new strategy the U.S. Mint adopted when it issued the new golden-colored dollar, featuring the image of Native American heroine Sacagawea, at the end of January. Prompted by the flop of the Susan B. Anthony coin 20 years ago, the Mint crafted an agreement with Wal-Mart, the nation's largest retailer, allowing it to essentially have first dibs over most banks on the new coin.

The U.S. Mint says it shipped the coins to 3,000 Wal-Mart and Sam's Club stores and the 12 regional Federal Reserve Banks on the same day, Jan. 27. But it mailed the coins to Wal-Mart, while it sent the coins to the Fed branches by truck. Many community banks are reporting a five-week wait for the coins that they have ordered from the Federal Reserve.

The delay has caused a furor among some bankers, who are embarrassed that they have to send coin-seeking customers to Wal-Mart, and among some business owners, who complain they can't get the coins from banks.

''Wal-Mart doesn't need any more advantages over a little business like mine,'' said Bill Taylor, owner of Boiling Springs Hardware & Rental in South Carolina, who tried unsuccessfully to get some dollar coins from his local banks.

* * * off an angry letter to the U.S. Mint on behalf of its members, protesting the agreement with Wal-Mart and asking the Mint to speed delivery to community banks of the golden coins. Dubbed the Golden Dollar by the Mint, the new coin is actually made of an alloy of manganese, brass and copper.

''The U.S. Mint has done an end run around the whole banking system,'' says Ann McKenna, vice president for finance at Tioga State Bank in Spencer, N.Y. ''It's very disappointing.''

In fact, the Mint planned the Wal-Mart agreement as a way of encouraging U.S. banks to order the new golden dollar coin in larger numbers than their orders for the Susan B. Anthony. And it has worked. The demand for the new coin has reached 200 million in the first month. It took the Susan B. Anthony four years to reach that level.

U.S. Mint Director Philip Diehl says he doesn't mind the controversy as long as the coin is a success. ''I'd rather have a noisy success than a quiet failure,'' he says.

Mr. Diehl says the U.S. Mint got a lukewarm response from most banks when it first approached them about potential demand for the coin last summer. In response, he says, the Mint decided to talk to some retailers about putting the coin into circulation. Only two retailers showed interest: Wal-Mart Stores Inc., of Bentonville, Ark., and 7-Eleven Inc., of Dallas. At the same time, the Mint also crafted an agreement with General Mills Inc. to distribute the coin in selected Cheerios boxes—11 million in all—beginning last month.

Because of the logistical difficulties of distributing coins to its stores, 7-Eleven dropped out of the agreement, says Dana Manley, marketing communications manager for the convenience-store chain. However, Wal-Mart was willing to buy 100 million coins and promote them nationally in its stores.

Wal-Mart spokeswoman Laura Pope says the company was excited to work with the Mint. ''Our goal is to offer customers something unique that they can only find at Wal-Mart and Sam's Club stores,'' she says. Wal-Mart promoted the new coin in a mailing distributed to 90 million customers at the end of January.

The Mint's Wal-Mart strategy seems to have worked, helped by the coin's golden color, to make the new dollar more popular than its Anthony predecessor. Most banks in search of the coin have started referring their customers to Wal-Mart. Even Ms. Baker eventually gave up on her quest to buy coins from the local Wal-Mart for her bank branch.

After two days of buying a few coins at a time (each Wal-Mart has its own policy of how many coins it will give out at one time), her tellers rebelled. ''Some employees went out and said, 'I could only get three coins and I'm keeping them,' '' she says. ''Frankly, now we're telling customers to go to Wal-Mart.''

CHANGING OUR TAX CODE

Mr. MURKOWSKI. Mr. President, we talk a lot here about tax cuts. We talk about tax increases. But we do not often talk about changing our Tax Code. The President's proposal makes 192 separate changes to the Tax Code. The IRS book is about 5 pounds. The code itself is already 3,400 pages of text. That is 1,600 pages longer than the King James version of the Bible, and at least the Bible is large type, but you need a magnifying glass to read the IRS code. There are more than 2000 separate sections of the Code, tens of thousands of subsections, tens of thousands of pages of regulations and interpretive rulings. Now the President wants to add another 192 sections to the code which will surely make up several hundred additional pages of mindless complexity.

As I indicated, the President is proposing more than $95 billion of new taxes on a wide variety of industries. There are new taxes that are being proposed at a time when the Government is already taking in more than it spends. I wonder if there is any end to Washington's appetite for more money from the American people.

Regarding especially the President's proposal to impose $1 billion in new taxes on our mining industry, I guess he is trying to drive it offshore. The President has submitted this proposal every year for at least the past 4 years and I say this proposal is going to meet the same fate it has met every time it has been sent to the hill. It will be killed, and I can promise you that. I can assure you, the same tired, worn-out proposals to add $13 billion of new taxes to the insurance industry will never again see the light of day. I notice there are other proposals the President has proposed, but I am sure most of my colleagues share my sentiment that we do not need to raise taxes by $95 billion at this time, when most of what is contained in the tax code should be summarily rejected.

I conclude by saying what we need is tax reform. As a consequence, the President's proposal to add 192 separate sections to the Tax Code hardly is reform.

ORDER OF PROCEDURE

The PRESIDING OFFICER. The Senator from Wisconsin.

Mr. FEINGOLD. Mr. President, I ask unanimous consent my friend, the distinguished Senator from South Carolina, be recognized after I complete my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

NOMINATION OF BRADLEY SMITH TO THE FEC

Mr. FEINGOLD. Mr. President, the President sent a nomination to the Senate that anyone who cares about the campaign finance laws in this country will find very troubling. I speak of the nomination of Bradley Smith to a 6-year term on the Federal Election Commission. Mr. Smith's views on the federal election laws, as expressed in law review articles, interviews, op-eds, speeches over the past half decade are disturbing, to say the least. He should not be on the regulatory body charged with enforcing and interpreting those very laws.

Today I am placing a very public hold on this nomination. I will object to its consideration on the floor and I ask all of my colleagues who support campaign finance reform to oppose this nomination.

In a 1997 opinion piece in the Wall Street Journal, Mr. Smith wrote the following:

> When a law is in need of continual revision to close a series of ever-changing ''loopholes,'' it is probably the law, and not the people, that is in error. The most sensible reform is a simple one: repeal of the Federal Election Campaign Act.

That's right, the man who the President has just nominated to serve on the Federal Election Commission believes the Federal campaign laws should be repealed. Thomas Jefferson said we should have a revolution in this country every 20 years. He believed that laws should constantly be revised and revisited to make sure they were responsive to the needs of society at any given time. Yet, Mr. Smith sees the need for loophole closing in the federal election laws as evidence that the whole system should be scrapped.

In a policy paper published by the Cato Institute, for whom Mr. Smith has written extensively in recent years, he says the following:

> FECA [the Federal Election Campaign Act] and its various state counterparts are profoundly undemocratic and profoundly at odds with the First Amendment.